MINNESOTA DEPARTMENT OF COMMERCE

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March 17, 2017 **PUBLIC DOCUMENT**

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: **PUBLIC Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E015/S-17-142

Dear Mr. Wolf:

Attached are the **PUBLIC** comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

A petition by Minnesota Power for approval of its 2017 capital structure and authorization to issue securities.

The petition was filed on February 15, 2017. The petitioner is:

Christopher D. Anderson
Associate General Counsel
Minnesota Power
30 West Superior Street
Duluth, Minnesota 55802

The Department recommends **approval** and is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ EILON AMIT
Statistical Analyst

EA/lt
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

PUBLIC COMMENTS OF THE MINNESOTA DEPARTMENT OF COMMERCE

DOCKET NO. E015/S-17-142

I. SUMMARY OF MINNESOTA POWER'S PROPOSAL

On February 15, 2017, Minnesota Power (MP or the Company) petitioned the Minnesota Public Utilities Commission (Commission) for approval of ALLETE Consolidated's (ALLETE) 2017 proposed capital structure (Petition). More specifically, MP is seeking approval of:

(1) a common equity ratio of 56.72 percent with a contingency of plus or minus 10 percent (i.e., 51.05 percent to 62.39 percent);

(2) its proposed 2017 capital structure and a total consolidated capitalization of $4,138 million with a contingency cap of $417 million ($4,555 million total);

(3) issuance of securities with the provision that no issuance would result in the Company exceeding the contingencies described in its filing for more than 60 days, without prior Commission approval;

(4) the ability to issue short-term debt up to 15 percent of total capitalization; and

(5) a variance of Minn. Rules 7825.1000, subp. 6 to allow the Company to treat borrowing under multi-year credit agreements as short-term debt.

MP requests approval of ALLETE's estimated consolidated capital structure and its proposed issuance of securities from the date of issuance of a Commission Order approving the instant petition through the latter of (i) May 1, 2018 or (ii) the date at which a subsequent capital structure Order is issued.

II. DETAILS OF MINNESOTA POWER'S REQUEST

ALLETE's actual consolidated capital structures (in millions of dollars) for December 31, 2014, December 31, 2015, December 31, 2016 and projected June 30, 2018 are presented below:

Table 1: Actual and Projected Consolidated Capital Structures ($ Millions)

Capital Structures	12/31/2014		12/31/2015		12/31/2016		Projected June 30, 20188	
Long-Term Debt	$1,373	45.96%	$1,605	46.80%	$1,558	45.15%	$1,791	43,28%
Short-Term Debt	$4	0.12%	$2	0.05%	$0	0.0%	$0	0.00%
Common Equity	$1611	53.92%	$1,822	53.15%	$1,893	54.85%	$2,347	56.72%
Total Capitalization	$2,988	100.00%	$3,429	100.00%	$3,451	100.00%	$4,138	100.00%

ALLETE's proposed consolidated capital structure (in millions of dollars) for 2017 is presented below:

2017
Proposed Capital Structure
(Million dollars)

	Amount	Percentage
Long-Term Debt	$1,791	43.28%
Short-Term Debt	$0	0.00%
Common Equity	$2,347	56.72%
Total Capitalization	$4,138	100.00%
Contingency	$417	
Total	$4,555	

MP estimates the following issuances of securities for ALLETE (in millions of dollars):

	2017 Estimated Amounts To be Issued
Long-Term Debt	$233
Short-Term Debt	As needed[1]
Common Equity	$454

ALLETE may issue short-term debt during the authorization period as needed primarily to fund maturing long-term debt or for short-term bridge financing. Combined corporate and subsidiary short-term obligations are not expected to exceed 15 percent of total capitalization at any one time during the authorization period. MP does not request any short-term debt contingency amount for ALLETE.

The Company requests approval of the following contingencies and securities issuances during the authorization period:

[1] ALLETE may issue short-term debt at any time during the authorization period, not to exceed 15 percent of total capitalization.

- a range of 10 percent below and 10 percent above the 2017 common equity ratio of 56.72 percent (*i.e.*, a range of 51.05 percent to 62.39 percent);

- any securities issuance that results in an equity ratio within that range, or that would not result in an equity ratio outside this range for more than 60 days;

- a cap of $417 million over ALLETE's total capitalization of $4,138 million (*i.e.*, a total capitalization of $4,555 million); and

- any securities issuance that results in total capitalization below the cap (*i.e.*, below $4,555 million), or that would not result in total capitalization above the cap for more than 60 days.

In addition, MP proposes to seek approval from the Commission for any securities issuance as soon as the Company has reason to believe that any such issuance would cause the common equity ratio or total consolidated capitalization to fall outside the approved contingency ranges for more than 60 days.

III. DEPARTMENT ANALYSIS

The Department's review indicates that MP has provided all the information required by Minn. Rules 7825.1000 - 7825.1500.

In its analysis below, the Department discusses the reasonableness of both ALLETE's consolidated capital structure and MP's request for securities issuance.

A. CAPITAL STRUCTURE

To check the reasonableness of ALLETE's 2017 consolidated capital structure, the Department compared the equity ratio in ALLETE's capital structure with the average equity ratio of electric utilities that are risk-comparable to MP. The 2015 average equity ratio for publicly traded electric utilities with bond ratings from BBB to A- (ALLETE's bond rating is BBB+) was 47.65 percent. The group's 2015 average long-term debt ratio was 46.97 percent (Attachment 1). The Department notes that ALLETE's proposed equity ratio of 56.72 percent is significantly higher than the group's average equity ratio, and that ALLETE's debt ratio is lower than the group's average debt ratio. Therefore, ALLETE's consolidated capital structure does not raise concerns about an equity ratio that is too low, which could have negative effects on the Company between rate cases.

In addition, the Department notes that a higher equity ratio is generally associated with a lower financial risk. However, for ratemaking purposes, the Department would be concerned about an equity ratio that is too high since it may increase the Company's cost of capital. The Department will address this issue in the Company's most recently filed rate case (Docket No. E015/GR-16-664).

B. CONTINGENCIES

1. General Discussion

Since the early 1980s, Minnesota Power has been continually noting in its filings that broader revenue base diversification efforts have been needed to offset the Company's reliance on 10 – 12 major mining and paper customers. Diversified assets provided about 33 percent of ALLETE's total revenues in 2015, and contributed about 18 percent of ALLETE's net income in 2015. According to the Company its diversification includes regulated electric water and gas services, coal mining, independent transmission company, a portfolio of real estate holdings, and energy solution services. The Department recommends that ALLETE continued its diversification efforts in a reasonable manner and report them in its next capital structure filing.

In Minnesota Power's most recent capital structure petition (Docket No. E015/S-16-165), the Commission approved a 10 percent contingency range around its approved equity ratio. The Department concludes that a 10 percent contingency range is reasonable because it would allow the Company the needed financial flexibility, but also provides sufficient regulatory oversight.

2. Total Capitalization and Issuance of Securities

MP's best estimate of ALLETE's issuance of securities (in millions of dollars) in 2017 is provided below:

	Estimated Amounts **<u>To be Issued</u>**
Long-Term Debt	$233
Short-Term Debt	as needed[2]
Common Equity	$454

As indicated above, the Company requests approval for total capitalization not to exceed $4,138 million. This total capitalization does not include the contingency amount of $417 million.

Pages 9 through 10 of the Company's Petition discuss in detail the need for the various securities issuances, such as the issuance of long-term debt by ALLETE or on behalf of one or more subsidiaries, to provide for funding for existing operations and the acquisition of related businesses. In particular, ALLETE anticipates capital expenditures of about **[TRADE SECRET DATA HAS BEEN EXCISED].** Based on its expected capital expenditures and its plan to continue to diversify via acquisition of related businesses, the Department recommends that the Commission approve MP's request for the $417 million contingency cap on ALLETE's total capitalization (about 10 percent of total capitalization). The Department also concludes that the issuance of the aforementioned securities is appropriate and

[2] See footnote 1.

recommends that the Commission approve any issuance of securities during the authorization period that would not result in an equity ratio outside the proposed range or total capitalization exceeding the proposed cap for more than 60 days.

The Department notes that any property acquisitions by MP must follow the requirements of Minnesota Statutes and Rules; the Commission's approval of the Company's capital structure petition does not, in any way, suggest that the Commission would approve any petition regarding property acquisitions or affiliated interests. Further, it should be clear that no utility assets may be pledged to finance non-regulated activities.

3. Equity Ratio

The Company requests a contingency range of plus or minus 10 percent around ALLETE's proposed 56.72 percent equity ratio (*i.e.*, 51.05 percent to 62.39 percent). The Department recognizes ALLETE's need for financial flexibility to respond to unexpected changes in its financial and economic environment. However, this need for flexibility must be balanced against appropriate regulatory oversight. In its most recent Order regarding ALLETE's capital structure (Docket No. E015/S-16-165), the Commission allowed ALLETE a contingency range of plus/minus 10 percent around its approved equity ratio. This contingency range is the same as the one requested by the Company in the instant Petition. The Department concludes that a 10 percent range, as proposed by MP, would provide ALLETE with sufficient financial flexibility, while at the same time allowing the Commission sufficient regulatory oversight of the Company's capital structure. Therefore, based on its analysis and the Commission's Order in Docket No. E015/S-16-165 the Department concludes that MP's proposed common equity contingency is reasonable.

4. Short-Term Debt

The Company requests flexibility to issue short-term debt not to exceed 15 percent of total capitalization at any time during the authorization period. This 15 percent cap includes any short-term debt that may be issued under ALLETE's Credit Facility provisions. The Department concludes that the 15 percent cap is reasonable because it would allow the Company the needed flexibility to meet the Company's short-term fluctuations in its revenues and expenditures. The Department also notes that the Commission allowed the Company a similar 15 percent cap on short-term debt in its previous Capital Structure Order (Docket No. E015/S-16-165). The Department discusses the Company's request for a variance regarding its credit facility later in Section IV below.

C. ADDITIONAL REPORTING REQUIREMENTS

On May 12, 2009, the Commission issued an Order "Augmenting Information Required in Connection with Securities Issuances and Annual Capital Structure Filings" (Docket No. E,G999/CI-08-1416). Points 1 and 3 of the Order state respectively:

> 1. In addition to the information currently provided, the utilities' annual capital structure filings shall include an exhibit providing a general projection of capital needs, projected expenditures, anticipated sources, and anticipated timing, with the understanding that such exhibit is not intended to require dollar-for-dollar on the uses identified in the exhibit or to limit issuances to project-specific financing. The exhibit need not list short-term, recurring security issuances.
>
> 3. Starting with the utilities' next annual capital structure filings, the utilities shall include a report of actual issuances and uses of the funds from the prior year. The report will be for information purposes only and need not cover short-term, recurring securities issuances.

Also, on March 29, 2010, the Commission issued an Order in Docket No. E015/S-09-1233. Point 10 of the Commission Order states:

> MP shall, in its next securities issuance petition, provide a schedule comparing its actual capital investment in 2010 with the capital investments contained in Exhibit 1 of its February 12, 2010 Filing.

Finally, Point 3 of the Commission's September 1, 2010 Order in Docket No. E015/S-09-1233 requires that:

> MP shall submit in its next securities issuance petition the Company's investment plans not only for the next year, but for at least the next five years.

The Department interprets the Commission Ordered in Docket No. E015/S-09-1233, Points 10 and 3 as applicable to all future capital structure filings.

For the sake of clarity, the Department summarizes the requirements of the above-cited Commission Orders below.

1. MP must provide, in its capital structure filing, an exhibit showing a general projection of capital needs, projected expenditures, anticipated sources, and anticipated timing, with the understanding that such exhibit is not intended to require dollar-for-dollar on the uses identified in the exhibit or to limit issuances to project-specific financing. The exhibit need not list short-term, recurring security issuances.

2. MP must provide, in its next annual capital structure filings, a report of actual issuances and uses of the funds from the prior year. The report will be for

information purposes only and need not cover short-term recurring security issuances.

3. MP must provide in its annual capital structure filing a schedule comparing its actual capital investments in the past year with the capital investments projected by MP in its previous capital structure filing.

4. MP must provide in its annual capital structure filing the Company's investment plans not only for the next year, but for at least the next five years.

The Department discusses these reporting requirements below.

a. Projected Capital Needs and Anticipated Resources (Point 1 above)

Exhibit J of MP's Petition provides the projected sources and uses of funds for the period 2017 and for the period January 1, 2018 June 30, 2018. Based on its review of the Company's Exhibit J, the Department concludes that MP's petition complies with the Commission's requirement no. 1 above.

b. Actual Uses and Actual Issuances (Point 2 above)

Exhibit k of MP's filing provides information regarding issuances of securities during 2016. It shows that ALLETE did not issue any long-term securities in 2016. The Company's Exhibit L at page 1 provides the appropriate information regarding the projected and actual 2016 uses of funds. Therefore, the Department concludes that MP's Petition complies with the Commission's requirement no. 2 above.

c. Comparison of Actual and Projected Capital Investment (Point 3 above)

MP's Exhibit L, page 1, provides the required information. MP's actual capital expenditure in 2016 was **[TRADE SECRET DATA HAS BEEN EXCISED]** million. Thus, actual expenditures in 2016 were about 48 percent of the projected capital expenditure. This difference is largely the result of lower-than-projected non-regulated capital expenditures. Regarding capital expenditures for ALLETE's regulated operations, the differences between actual and projected capital expenditures were also fairly significant for generation and transmission (actual expenditures were significantly lower than projected expenditures). The Department expects MP to provide, in its reply comments, an explanation for these significant differences as well as the differences between the expected and actual nonregulated expenditures.

Based on the above analysis, the Department concludes the MP's Petition complies with the Commission's requirement No. 3 above. However, the Department requests that MP explain, in its reply comments, the reasons for these significant differences between projected and actual expenditures for regulated and nonregulated operations.

d. Five-Year Investment Plan (Point 4 above)

MP is required to submit its investment plan for, at least, the next five years. Exhibit L of the Company's Petition provides its investment plan for the period 2016 through 2021. Based on its review of the Company's Exhibit L, the Department concludes that MP's Petition complies with the Commission's requirement no. 4 above.

IV. MP'S REQUEST FOR VARIANCE OF MINNESOTA RULES 7825.1000, SUBP. 6

A. INTRODUCTION

MP requests that the Commission grant continuation of a variance to Minnesota Rules 7825.1000, subp. 6 to allow the Company to include direct borrowing under a multi-year credit agreement as short-term debt.

Minnesota Rules 7825.1000, subp. 6 states:

> "Short-term security" means any unsecured security with a date of maturity of no more than one year from the date of issuance; and containing no provisions for automatic renewal or "roll over" at the option of either the oblige or obligor.

On November 4, 2013, the Company entered into a new $400 million Credit Agreement (CA)[3]. The CA's term is five years. In November 2016, ALLETE extended the credit facility agreement until November 2019. JP Morgan Chase Bank, N.A. is the Administrative Agent; J.P. Morgan Securities LLC is the Sole Lead Arranger and Sole Book Runner. Several other lenders are also party to the Credit Agreement (CA).

The CA is unsecured and has a maturity date of November 1, 2019. ALLETE may request a 1-year extension of the CA. It may also request an increase or a decrease in the size of the CA. Advances may be used by ALLETE for general corporate purposes, to provide liquidity in support of ALLETE's commercial paper program and to issue up to $60 million in letters of credit.

The costs associated with this Credit Agreement are as follows:

- A one-time issuance cost of approximately **[TRADE SECRET DATA HAS BEEN EXCISED].**
- An interest rate equal to the Eurodollar rate plus a margin of 90 to 147.5 basis points; and
- An annual fee of 10 to 27.5 basis points based on ALLETE's senior unsecured credit rating.

[3] See Docket No. E015/S-14-145.

Table 2 below shows the exact relationship between credit rating levels and the various credit facility fees.

Table 1: Summary of Pricing for 2013 Credit Facility Agreement Given Different Credit Ratings

Status	Pricing Level I	Pricing Level II	Pricing Level III	Pricing Level IV	Pricing Level V
Senior Debt Rating	≥A/A2	A-/A3	BBB+/Baa1	BBB/Baa2	<BBB/Baa2
Applicable Margin for Eurodollar Rate loans and Letter of Credit participation fees	0.900%	1.000%	1.075%	1.275%	1.475%
Applicable for facility fees	0.100%	0.125%	0.175%	0.225%	0.275%
Applicable margin for Alternate Base Rate (ABR) loans	0%	0%	0.075%	0.275%	0.475%

At present, the applicable fees for MP are the fees under Pricing Level III (ALLETE's rating is BBB+). The Eurodollar rates are the London Interbank Offered Rate (LIBOR) at which banks borrow money from each other for a short-term period. As shown in the Company's Attachment B, its 2016 credit facility cost was 0.210 percent (21 basis points). This cost includes direct borrowings during 2016.

B. ANALYSIS

The Company asserts in its Petition that the requested variance meets the three-part test for variance as provided for by Minn. Rules 7829.3200. The three parts of the test are:

1. Enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule;
2. Granting the variance would not adversely affect the public interest; and
3. Granting the variance would not conflict with standards imposed by law.

The Company supports its assertion as follows:

a. Enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule

In its supplemental filing (Docket No. E015/S-15-168), the Company stated that the revolving credit facility is important to ALLETE to maintain its liquidity profile which itself is required to support ALLETE's credit ratings. In a prior capital structure petition (Docket No. E015/S-11-174), MP stated:

> Minnesota Power's customer concentration requires the Company to maintain liquidity to ensure capital availability during unexpected and prolonged downturns in its large

industrial customer base. As noted by MP's witness, Mr. Stellmaker in his Rebuttal Testimony (page 34) for Minnesota Power's last general rate case [Docket No. E015/GR-09-1151], "*...the industrial customer demand nomination levels are subject to periods of rapid and pronounced variability. Customer load reductions often occur coincident with challenging financial market conditions. To mitigate the effects of the demand variations, the Company must preserve liquidity. In other words, to compensate for the cash flow fluctuations resulting from reduced demand the Company needs access to "on demand" liquid financing such as the short-term financing available from its commercial paper program or its revolving credit facility."* In fact, Standard & Poor's has cited that due to its high concentration of customers in cyclical industries, the Company is required to maintain ample liquidity to manage through cyclical swings. A revolving credit facility provides immediate access to capital and supports the Company's liquidity profile. Without such a credit facility, ALLETE would be forced to manage its capitalization with higher cash balances to maintain liquidity as access to the capital markets can, depending on market conditions and the types of securities offered, take weeks to receive the cash. Without the facility, the Company's cost of obtaining capital from the markets will increase, reflecting its reliance solely on the capital markets to obtain external funds.

Such reliance will lead to an increase in the costs of external funds and a corresponding increase in costs for Minnesota Power's ratepayers. In its instant petition the company states:

> Credit rating agencies view such facilities as short term in nature, thus the ability to use credit facilities enhances the company's liquidity. Treating this facility as long-term debt could impact rating agencies's [sic] opinions of the company's liquidity position, which could lead to increased financing costs and fees.

The Department observes that the reasons stated above to support the need for MP's credit facility remain valid for its new capital structure Petition. The Department also notes that for 2017, ALLETE's capital expenditure is budgeted to be about **[TRADE SECRET DATA HAS BEEN EXCISED]** million dollars compared to its cash from operations of only about **[TRADE SECRET DATA HAS BEEN EXCISED]** million dollars. Therefore, ALLETE will have to secure a significant amount of debt in 2017. Such a large cash requirement for ALLETE in 2017 and beyond requires ALLETE to backstop its liquidity position with large credit facilities.

Finally, the Department also observes that the Commission will retain oversight as to the types of securities that ALLETE contemplates issuing under a multi-year agreement through the annual capital structure filings, the 15 percent short-term contingency limit, the equity ratio, and the equity ratio ranges. This oversight ensures that ALLETE will continue to have a capital structure that meets the public interest. Absent the flexibility to use the credit facility, the Company would have to request a higher long-term debt contingency and may also face higher long-term and short-term interest rates. Therefore, disallowing the variance may impose an excessive burden upon the Company and eventually its ratepayers.

Based on the above analysis, the Department concludes that enforcement of the rule may impose an excessive burden upon the applicant or others (ratepayers and shareholders) affected by the rule.

b. Granting the variance would not adversely affect the public interest

The Commission retains oversight over these types of issuances through annual capital structure filings, the 15 percent limit, the equity ratio, and the equity ratio ranges. These parameters ensure that the Company will continue to have a capital structure that meets the public interest. In addition, the Credit Agreement allows the Company to lock in liquidity and fee structures for at least one year, which is also in the public interest.

c. Granting the variance would not conflict with standards imposed by law

According to the Company, granting the requested variance would not conflict with any standard imposed by law.

The Department agrees with the Company that granting the requested variance would not adversely affect the public interest and would not conflict with the standards imposed by law.

To summarize, based on its review and analysis of the Company's petition, the Department concludes that the Company's requested variance meets the three-part test. Therefore, the Department recommends that the Commission approve MP's request for a variance of Minn. Rules 7825.1000, subp.6.

V. DEPARTMENT RECOMMENDATIONS

The Department's recommendations are as follows:

A. RECOMMENDATIONS REGARDING SECURITIES ISSUANCES AND CAPITAL STRUCTURE

1. Approve ALLETE's 2017 proposed capital structure. This approval will remain effective until the latter of May 1, 2018 or the date at which the Commission issues a new capital structure Order;

2. Approve ALLETE's equity ratio contingency of plus/minus 10 percent around its 2017 proposed equity ratio. Equity ratios outside this range may not exceed a period of 60 days without Commission approval;

3. Approve ALLETE's total capitalization contingency of $417 million above its 2017 total capitalization. ALLETE may not exceed its total capitalization including the requested contingency of $417 million for a period longer than 60 days without prior Commission approval;

4. Allow MP to issue any securities in 2017 that would not result in an equity ratio outside the proposed range or a total capitalization exceeding its proposed cap for more than 60 days;

5. Require MP to obtain prior approval for the issuance of any securities in 2017 that would result in an equity ratio outside the approved range or a total capitalization exceeding its approved cap for more than 60 days.

6. Require MP to provide, within 20 days after each non-recurring issuance of securities, the following information:

   a. The specific purposes for the individual issuances;
   b. The type of issuances;
   c. The timing of issuances;
   d. The amounts of issuances;
   e. Issuance costs (for common equity issuances, include price per share), and
   f. Interest rates.

7. Require MP to provide, in its next capital structure filing, an exhibit showing a general projection of capital needs, projected expenditures, anticipated sources, and anticipated timing, with the understanding that such exhibit is not intended to require dollar-for-dollar on the uses identified in the exhibit or to limit the issuances to project-specific financing. The exhibit need not list short-term security issuances.

8. Require MP to provide, in its next annual capital structure filing, a report of actual issuances and uses of the funds from the prior year. The report will be for information purposes only and need not cover short-term security issuances.

9. Require MP to provide in its next annual capital structure filing a schedule comparing its actual capital investments in the past year with the capital investments projected by MP in its previous capital structure filing.

10. Require MP to provide in its next annual capital structure filing the Company's investment plan not only for the next year, but for at least the next five years.

11. Approve MP's request for a variance to allow it to treat any loan under its multi-year credit facility as a short-term debt and require MP to report on its use of such facilities including:

    - How often they are used;
    - The amount involved;
    - Rates and financing costs; and
    - The intended uses of the financing.

12. Require MP to file its request for approval for its 2018 securities issuances no later than March 1, 2016.

13. Clarify that approval of securities issuance and the resulting capital structure, within this proceeding, is not a determination of the appropriate capital structure for ratemaking purposes.

B. RECOMMENDATIONS REGARDING POTENTIAL CORPORATE RESTRUCTURING EFFECT ON CREDIT RATINGS

1. Require MP to keep the Commission informed in a timely manner of any corporate restructuring.
2. Require MP to keep the Commission informed in a timely manner of any rating agency action.

/lt

THE COMPARISON GROUP

Docket No. E015/S-17-142

RISK REPORT

	SIC Code	Stock Ticker Symbol	Most Recent BETA	Standard Deviation	S&P Debt Rating	Value Line Beta	LTD Ratio(%)	Equity Ratio(%)	STD Ratio(%)
AMEREN CORP	4931	AEE	0.317	0.043	BBB+	0.700	47.37	47.83	4.80
AMERICAN ELECTRIC POWER CO	4911	AEP	0.213	0.044	BBB	0.650	46.25	46.65	7.10
ALLETE INC	4931	ALE	0.582	0.053	BBB+	0.750	45.78	53.11	1.11
AVISTA CORP	4931	AVA	0.454	0.049	BBB	0.750	46.15	47.67	6.18
DTE ENERGY CO	4931	DTE	0.276	0.041	BBB+	0.700	47.40	47.00	5.60
EL PASO ELECTRIC CO	4911	EE	0.336	0.047	BBB	0.700	49.48	44.34	6.18
EDISON INTERNATIONAL	4911	EIX	0.222	0.051	BBB+	0.700	46.58	48.29	5.13
IDACORP INC	4911	IDA	0.504	0.050	BBB	0.750	45.35	54.09	0.56
ALLIANT ENERGY CORP	4931	LNT	0.391	0.045	A-	0.750	44.47	49.54	5.99
NORTHWESTERN CORP	4931	NWE	0.403	0.050	BBB	0.700	49.59	44.03	6.38
PG&E CORP	4931	PCG	0.202	0.047	BBB	0.650	47.44	49.06	3.50
PNM RESOURCES INC	4911	PNM	0.287	0.052	BBB+	0.800	49.18	41.38	9.44
PINNACLE WEST CAPITAL CORP	4911	PNW	0.312	0.046	A-	0.700	40.82	54.04	5.14
PORTLAND GENERAL ELECTRIC CO	4911	POR	0.349	0.043	BBB	0.750	45.04	49.10	5.86
SCANA CORP	4931	SCG	0.217	0.043	BBB+	0.700	48.93	45.27	5.80
WEC ENERGY GROUP INC	4931	WEC	0.095	0.049	A-	0.650	47.86	45.56	6.58
XCEL ENERGY INC	4931	XEL	0.122	0.043	A-	0.650	50.72	43.05	6.23
No.of Companies	17								
MEAN			0.311	0.047		0.709	46.97	47.65	5.39
STD			0.116	0.004		0.043	2.35	3.86	2.36
RANGE (-/+ one SD)			(0.184,0.516)	(0.043,0.053)		(.653,.793)	(44.62, 49.32)	(43.79, 51.51)	
Median					BBB+				
Max						0.80	50.72	54.09	9.44
Min						0.65	40.82	41.38	0.56

LTD, Equity Ratio and STD are as of 12/31/2015 and are from Yahoo Finance