

EQUITY RATE							9.50%	
CAPITAL ASSET PRICING MODEL								PAGE
CAPM Ex Ante				9.03%				4
DIVIDEND GROWTH MODELS Single Stage								
Value Line, based on Dividends Growth				9.75%				5
Value Line, based on Earnings Growth				10.85%				6
Value Line, based on Return on Equity				10.50%				7
FCFE GROWTH MODEL Multi Stage				11.75%				8
				RANGE	9.03% to 11.75%			
DEBT YIELD RATE							6.00%	9
Cost of Secured Debt (Operating Lease) Rate							5.25%	9
MARKET CAPITAL STRUCTURE								
Equity	60%	x	9.50%	=		5.70%		3
Debt	40%	x	6.00%	=	2.40%			3
Marginal Tax Rate	24%	=	(1-.24)	x	2.40%	<u>1.82%</u>		
WEIGHTED AVERAGE COST OF CAPITAL							7.52%	

SUPPORT FOR GUIDELINE COMPANIES

Washington State Department of Revenue

2025 Assessment Year

Power Industry

Capital Structure at Book Value

Company	Ticker	Beta	Fin'l Strength	P/E Ratio	Div'd Yield	Common Stock	%	Preferred Stock	%	Long Term Debt	%	Total Debt & Equity
AES Corp	aes	1.10	B++	4.7	5.4%	3,640,678,400	12.5%			25,431,000,000	87.5%	29,071,678,400
Exelon Corp	exc	NMF	A	16.5	4.0%	26,481,750,000	37.7%			43,701,000,000	62.3%	70,182,750,000
NextEra Energy Inc	nee	1.05	A+	21.5	2.9%	50,112,300,000	40.9%			72,385,000,000	59.1%	122,497,300,000
NRG Energy Inc	nrg	1.05	B+	20.1	1.8%	nmf		230,000,000		9,954,000,000		nmf
Southern Co	so	0.95	A	20.6	3.5%	32,740,500,000	34.6%	291,000,000	0.3%	61,496,000,000	65.1%	94,527,500,000
Vistra Corp	vst	1.00	B+	23.1	nmf	5,568,502,500	26.5%			15,418,000,000	73.5%	20,986,502,500
Mean		1.03		17.8	3.5%	23,708,746,180	30.5%		0.3%	38,064,166,667	69.5%	
Harmonic Mean		1.03							0.3%		68.1%	
Weighted Mean						118,543,730,900	35.1%	521,000,000	0.2%	228,385,000,000	67.7%	337,265,730,900
Median		1.05			3.5%		34.6%		0.3%		65.1%	

SUPPORT FOR CAPITAL STRUCTURE Market Value

Washington State Department of Revenue

2025 Assessment Year

Power Industry

Company	Ticker	Stock Price	Common Shares	Common Stock	%	Preferred Stock	%	Long Term Debt	%	Total Debt & Equity
AES Corp	aes	12.67	711,070,000	9,009,256,900	24.6%	-		27,604,000,000	75.4%	36,613,256,900
Exelon Corp	exc	37.64	1,005,000,000	37,828,200,000	49.2%	-		39,057,000,000	50.8%	76,885,200,000
NextEra Energy Inc	nee	71.69	2,058,000,000	147,538,020,000	65.9%	-		76,428,000,000	34.1%	223,966,020,000
NRG Energy Inc	nrg	89.83	198,000,000	17,786,340,000	61.8%	230,000,000	0.8%	10,761,000,000	37.4%	28,777,340,000
Southern Co	so	81.63	1,095,000,000	89,384,850,000	60.7%	291,000,000	0.2%	57,700,000,000	39.2%	147,375,850,000
Vistra Corp	vst	137.87	339,750,000	46,841,332,500	72.5%	-		17,789,000,000	27.5%	64,630,332,500
Mean					55.8%		0.5%		44.1%	
Harmonic Mean					48.9%		0.3%		39.8%	
Weighted Mean			348,387,999,400	60.2%	521,000,000	0.1%	229,339,000,000	39.7%	578,247,999,400	
Median					61.2%		0.5%		38.3%	
Std Dev					17.1%		0.4%		17.1%	
Coefficient of Variation					30.6%		85.4%		38.9%	
Target					60%				40%	100%

SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT
CAPITAL ASSET PRICING MODEL

2025 Assessment Year

Ex Ante
 $K_e = R_f + B (R_p)$

K_e = Cost of Equity **9.03%**

to page 1

R_m =	rate of return	8.91%
R_f =	risk free rate	4.78%
R_p =	risk premium	4.13%
B =	Beta	1.03

page 7

R_p = Risk Premium **4.13%**

to above

Shannon Pratt and Roger Grabowski	3.50% - 6.00%	
Cost of Capital, App & Exam, 5th Ed, 2014		
Dr. Aswath Damodaran	4.33%	chart page 15
http://pages.stern.nyu.edu/~adamodar/	4.13%	adjusted for R_f
2024 Implied Premium		

R_f = Risk Free Rate **4.78%**

to above

Value Line Investment Survey, Selected Yields January 10, 2025, page 206
as of 12-30-24

US Treasury Securities year end data		
5 year	4.37%	
10 year	4.55%	
30 year	4.77%	

Federal Reserve Statistical Release (<http://www.federalreserve.gov/Releases/H15/Current/>)
As of 12-31-24

Treasury Constant Maturities		
5 year	4.38%	
10 year	4.58%	
20 year	4.86%	
30 year	4.78%	
20 year TIPS	2.41%	2.45%
30 year TIPS	2.48%	2.30%
TIPS inflation indication		

Inflation **2.30%**

to appraisal template

The Livingston Survey December 20, 2024, page 2, 8	
Inflation median (measured by the Consumer Price Index) over next 10 years	2.28%

Gross Domestic Product (GDP) Nominal **4.10%**

real GDP + inflation est

Federal Reserve Projected Long Run Real GDP Growth	
Median Projection Value From Dec 18, 2024 Report, Table 1	1.80%
https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20241218.pdf	

Congressional Budget Office Real GDP Economic Projections	
The Budget and Economic Outlook 2025-2035	Table C-3, pg 29
Average Percentage Change Year To Year	2025-2029 2.20%
https://www.cbo.gov/system/files/2025-01/60870-Outlo	2030-2035 1.90%

Federal Reserve Bank of Philadelphia

The Livingston Survey, December 20, 2024, page 8

SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT
DIVIDEND GROWTH MODEL

Washington State Department of Revenue
2025 Assessment Year
Power Industry

Based on Dividend Growth

$$K_e = (D_1 / P_o) + G$$

- K_e = Cost of Equity
- D_1 = Expected Dividends
- P_o = Current Price
- G = Sustainable Growth

Company	Ticker	Stock Price (Po)	Expected Dividend (D1)	Dividend Yield (D1/Po)	Dividend Growth (G)	Ke with Short Term Growth
AES Corp	aes	12.670	0.70	5.52%	3.00%	8.52%
Exelon Corp	exc	37.640	1.62	4.30%	NMF	NMF
NextEra Energy Inc	nee	71.690	2.26	3.15%	9.50%	12.65%
NRG Energy Inc	nrg	89.830	1.76	1.96%	7.00%	8.96%
Southern Co	so	81.630	2.96	3.63%	3.50%	7.13%
Vistra Corp	vst	137.870	0.98	0.71%	11.50%	12.21%
Mean						9.89%
Harmonic Mean						9.43%
Median						8.96%
Max						12.65%
Min						7.13%
Std Dev						2.42%
Coefficient of Variation						24.44%
Say						9.75%

**SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT
DIVIDEND GROWTH MODEL**

Washington State Department of Revenue

2025 Assessment Year

Power Industry

Based on Earnings Growth

Ke = (D1 / Po) + G

- Ke = Cost of Equity
- D1 = Expected Dividends
- Po = Current Price
- G = Sustainable Growth

Company	Ticker	Stock Price (Po)	Expected Dividend (D1)	Dividend Yield (D1/Po)	Earnings Growth (G)	Ke with Short Term Growth
AES Corp	aes	12.670	0.70	5.52%	NMF	NMF
Exelon Corp	exc	37.640	1.62	4.30%	NMF	NMF
NextEra Energy Inc	nee	71.690	2.26	3.15%	8.50%	11.65%
NRG Energy Inc	nrg	89.830	1.76	1.96%	18.50%	NMF
Southern Co	so	81.630	2.96	3.63%	6.50%	10.13%
Vistra Corp	vst	137.870	0.98	0.71%	NMF	NMF
Mean						10.89%
Harmonic Mean						10.84%
Median						10.89%
Max						11.65%
Min						10.13%
Std Dev						1.08%
Coefficient of Variation						9.91%
Say						10.85%

SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT

DIVIDEND GROWTH MODEL

Washington State Department of Revenue

2025 Assessment Year

Power Industry

Based on Return on Equity $K_e = (D1 / P_o) + G$

K_e = Cost of Equity

$D1$ = Expected Dividends

$E1$ = Expected Earnings

P_o = Current Price

G = Sustainable Growth

b = Retained Earnings % = (1-Payout Ratio)

ROE = Return on Equity = ($E1/P_o$)

Company	Ticker	Stock Price (P_o)	Expected Dividend ($D1$)	Expected Earnings ($E1$)	Dividend Yield ($D1/P_o$)	Retained Earnings (b)	ROE ($E1/P_o$)	Growth ($b \times ROE$)	K_e Dividends	K_e Earnings
AES Corp	aes	12.670	0.70	2.05	5.52%	71.0%	16.18%	11.49%	17.01%	27.67%
Exelon Corp	exc	37.640	1.62	2.65	4.30%	40.0%	7.04%	2.82%	7.12%	9.86%
NextEra Energy Inc	nee	71.690	2.26	3.70	3.15%	40.0%	5.16%	2.06%	5.22%	7.23%
NRG Energy Inc	nrg	89.830	1.76	5.00	1.96%	52.0%	5.57%	2.89%	4.85%	8.46%
Southern Co	so	81.630	2.96	4.30	3.63%	23.0%	5.27%	1.21%	4.84%	6.48%
Vistra Corp	vst	137.870	0.98	8.30	0.71%	88.0%	6.02%	5.30%	6.01%	11.32%
Mean									7.51%	11.83%
Harmonic Mean									6.19%	9.42%
Median									5.61%	9.16%
Std Dev									4.74%	7.95%
Coefficient of Variation									63.08%	67.19%

Say **10.50%**

**SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT
FREE CASH FLOW TO EQUITY MODEL MULTI STAGE**

Washington State Department of Revenue

2025 Assessment Year

Power Industry

Company	Ticker	Stock Price	Expected Earnings	P/E	Payout Ratio	ROE	Ke
AES Corp	aes	12.67	2.05	6.18	34.00%	35.00%	24.03%
Exelon Corp	exc	37.64	2.65	14.20	60.00%	10.00%	10.55%
NextEra Energy Inc	nee	71.69	3.70	19.38	61.00%	14.00%	7.62%
NRG Energy Inc	nrg	89.83	5.00	17.97	35.00%	NMF	NMF
Southern Co	so	81.63	4.30	18.98	77.00%	13.00%	7.07%
Vistra Corp	vst	137.87	8.30	16.61	11.00%	NMF	10.16%
Mean				15.55	46.33%	18.00%	11.88%
Harmonic Mean				13.26	30.78%	14.44%	9.85%
Median				17.29	47.50%	13.50%	10.16%
Industry Summary				15.00	47.00%	18.00%	
						Say	11.75%

SUPPORT FOR DEBT RATING AND DEBT YIELD RATE

Washington State Department of Revenue

2025 Assessment Year

Power Industry

Company	Ticker	Moody's Ratings	S&P Ratings
AES Corp	aes	Baa3	BBB-
Exelon Corp	exc	Baa2	BBB
NextEra Energy Inc	nee	Baa1	A-
NRG Energy Inc	nrg	Ba1	BB
Southern Co	so	Baa1	A-
Vistra Corp	vst	Ba1	BB+
Overall Average Debt Rating		Baa3	BBB

Mergent's Bond Record February 2025				
Corporate	Aaa	Aa	A	Baa
October	4.95%	5.17%	5.33%	5.63%
November	5.14%	5.33%	5.49%	5.78%
December	5.20%	5.37%	5.53%	5.80%
4th Qtr Average	5.10%	5.29%	5.45%	5.74%
Public Utilities	Aaa	Aa	A	Baa
October		5.29%	5.41%	5.61%
November		5.43%	5.55%	5.75%
December		5.45%	5.58%	5.77%
4th Qtr Average		5.39%	5.51%	5.71%
Industrials	Aaa	Aa	A	Baa
October	4.95%	5.05%	5.24%	5.65%
November	5.14%	5.23%	5.43%	5.80%
December	5.20%	5.28%	5.47%	5.83%
4th Qtr Average	5.10%	5.19%	5.38%	5.76%

	20Y	25Y	30Y
Bloomberg S&P Bond Yields			
December 2024: BBB	6.05%	5.97%	6.00%

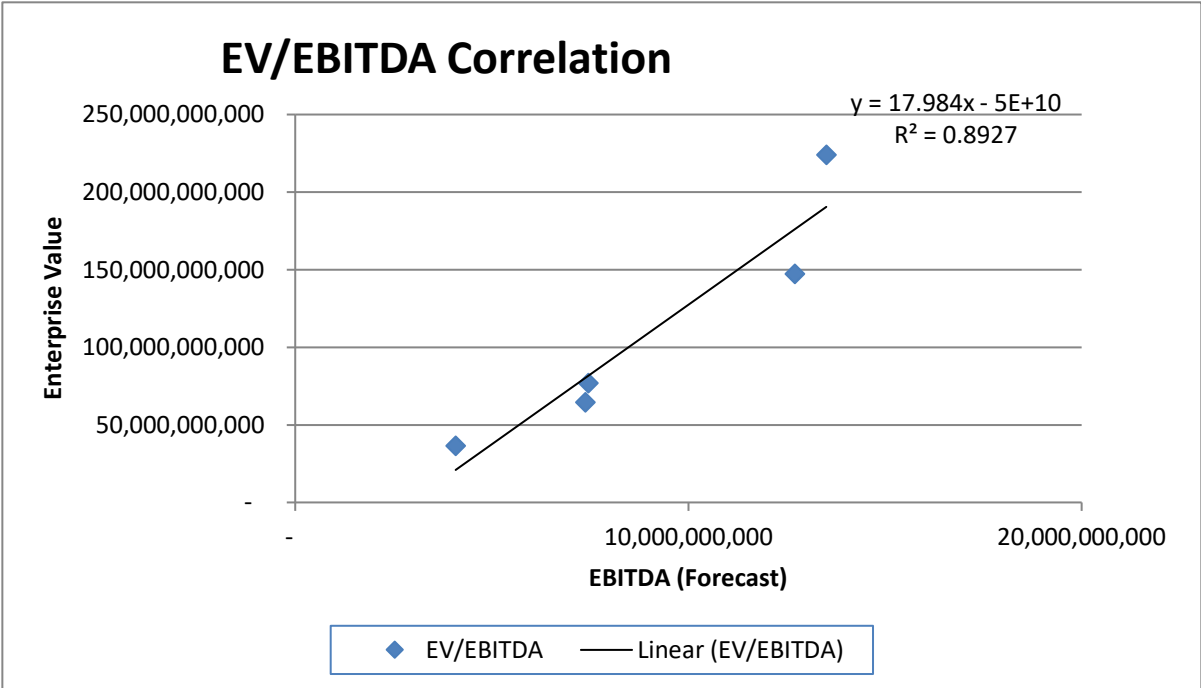
Debt Yield Rate	6.00%
Cost of Secured Debt (Operating Lease) Rate	5.25%

SUPPORT FOR DIRECT CAPITALIZATION EQUITY COMPONENT

2025 Assessment Year

Company	Ticker	Stock Price	Enterprise Value	EBITDA Historical	Annual Change VL	EBITDA Forecast	EV / EBITDA Forecast	Revenue Forecast	EV / Sales Forecast	Cashflow Forecast	Debt Service	EV / CF Forecast
AES Corp	aes	12.67	36,613,256,900	3,290,000,000	24.00%	4,079,600,000	8.97	13,190,348,500	2.78	2,595,405,500	1,656,240,000	8.61
Exelon Corp	exc	37.64	76,885,200,000	7,225,000,000	3.20%	7,456,200,000	10.31	23,818,500,000	3.23	6,482,250,000	2,343,420,000	8.71
NextEra Energy Inc	nee	71.69	223,966,020,000	12,888,000,000	4.80%	13,506,624,000	16.58	29,943,900,000	7.48	13,479,900,000	4,585,680,000	12.40
NRG Energy Inc	nrg	89.83	28,626,340,000	3,353,000,000	NMF			31,779,000,000	0.90	1,970,100,000	645,660,000	10.94
Southern Co	so	81.63	147,375,850,000	12,334,000,000		12,707,757,576	11.60	27,210,750,000	5.42	9,307,500,000	3,462,000,000	11.54
Vistra Corp	vst	137.87	64,630,332,500	6,712,000,000	9.93%	7,378,281,146	8.76	19,892,362,500	3.25	5,605,875,000	1,067,340,000	9.69
6							11.25			3.84	10.32	
Mean							10.66			2.49	10.12	
Harmonic Mean							10.31			3.24	10.31	
Median							3.19			2.29	1.56	
Std Dev												
Say							10.00			3.25	9.00	

Source: Value Line & Morning Star



Forecast EV/EBITDA By Rank

Guideline Companies		EV/EBITDA forecast		
Vistra Corp		8.76	9.30	Low Harmonic Mean
AES Corp		8.97	9.35	Low Average
Exelon Corp		10.31	8.97	Low Median
Southern Co		11.60	9.00	Say
NextEra Energy Inc		16.58	12.32	High Harmonic Mean
			12.83	High Average
			11.60	High Median
			12.50	Say

SUPPORT FOR DIRECT CAPITALIZATION EQUITY COMPONENT

2025 Assessment Year
Power Industry

Company	Ticker	Stock Price	2024		2025		2024		2025	
			Actual Earnings Ratio (EPS/P)		Projected Earnings Ratio (PEPS/P)		Cash Flow Ratio (CF/P)		Projected Cash Flow Ratio	
AES Corp	aes	12.67	2.38	18.8%	2.05	16.2%	4.10	32.4%	3.65	28.8%
Exelon Corp	exc	37.64	2.45	6.5%	2.65	7.0%	6.25	16.6%	6.45	17.1%
NextEra Energy Inc	nee	71.69	3.43	4.8%	3.70	5.2%	6.25	8.7%	6.55	9.1%
NRG Energy Inc	nrg	89.83	4.99	5.6%	5.00	5.6%	7.75	8.6%	9.95	11.1%
Southern Co	so	81.63	4.05	5.0%	4.30	5.3%	8.25	10.1%	8.50	10.4%
Vistra Corp	vst	137.87	7.00	5.1%	8.30	6.0%	15.01	10.9%	16.50	12.0%
Mean			7.6%		7.5%		14.6%		14.8%	
Harmonic Mean			6.0%		6.4%		11.7%		12.7%	
Median			5.3%		5.8%		10.5%		11.5%	
Max			18.8%		16.2%		32.4%		28.8%	
Min			4.8%		5.2%		8.6%		9.1%	
Std Dev			5.5%		4.3%		9.2%		7.4%	
Coefficient of Variation			72.4%		56.9%		63.3%		50.2%	
Say			7.0%		7.0%		13.0%		13.0%	

Source: Value Line / yr end stock price

SUPPORT FOR DIRECT CAPITALIZATION EQUITY COMPONENT

2025 Assessment Year
Power Industry

Company	Ticker	Stock Price	Revenues	Multiple	Cash Flow	Multiple	Earnings	Multiple	Book Value	Multiple
AES Corp	aes	12.67	17.27	0.73	4.10	3.09	2.38	5.32	5.12	2.47
Exelon Corp	exc	37.64	22.75	1.65	6.25	6.02	2.45	15.36	26.35	1.43
NextEra Energy Inc	nee	71.69	12.05	5.95	6.25	11.47	3.43	20.90	24.35	2.94
NRG Energy Inc	nrg	89.83	141.45	0.64	7.75	11.59	4.99	18.00	12.70	7.07
Southern Co	so	81.63	24.15	3.38	8.25	9.89	4.05	20.16	29.90	2.73
Vistra Corp	vst	137.87	50.70	2.72	15.01	9.19	7.00	19.70	16.39	8.41
Mean				2.51	8.54		16.57		4.18	
Harmonic Mean				1.37	6.87		13.14		2.90	
Median				2.19	9.54		18.85		2.84	
Max				5.95	11.59		20.90		8.41	
Min				0.64	3.09		5.32		1.43	
Say				2.50	8.50		17.00		3.00	

DATA INPUT

Washington State Department of Revenue

2025 Assessment Year

Power Industry

			Historic Figures (2024)												
Guideline Companies		Stock Price 12/31/24	Beta Levered	Fin'I Strength	Revenues Per Share	Cash Flow Per Share	Earnings Per Share	Dividends Per Share	Bk Value Per Share	Common Shares	LTD (BV)	Trailing P/E Ratio	Div Yield	Operating Margin	Calculated Debt
Name	Ticker	Yahoo	VL	VL	VL	VL	VL	VL	VL	VL	V L	V L	V L	V L	Formula
AES Corp	aes	12.67	1.10	B++	17.27	4.10	2.38	0.69	5.12	711,070,000	25,431,000,000	4.7	6.3%	28.0%	97.04%
Exelon Corp	exc	37.64	NMF	A	22.75	6.25	2.45	1.52	26.35	1,005,000,000	43,701,000,000	16.5	3.8%	-	87.97%
NextEra Energy Inc	nee	71.69	1.05	A+	12.05	6.25	3.43	2.06	24.35	2,058,000,000	72,385,000,000	21.5	3.1%	-	95.01%
NRG Energy Inc	nrg	89.83	1.05	B+	141.45	7.75	4.99	1.63	12.70	198,000,000	9,954,000,000	20.1	1.8%	9.0%	98.91%
Southern Co	so	81.63	0.95	A	24.15	8.25	4.05	2.86	29.90	1,095,000,000	61,496,000,000	20.6	3.4%	-	91.30%
Vistra Corp	vst	137.87	1.00	B+	50.70	15.01	7.00	0.87	16.39	339,750,000	15,418,000,000	23.10	0.7%	34.3%	100.88%

Average

Harmonic Mean

Median

17.8

13.0

20.4

average

harmonic mean

median

ha

Value Line 250314 & 250207

			Projected (Next Year) 2025							
Payout Ratio	All Div'ds to Net Profits	Rtn on Shrhldrs Equity	Revenues Per Share	Cash Flow Per Share	Earnings Per Share	Dividends Per Share	Bk Value Per Share	All Div'ds to Net Profits	Rtn on Shrhldrs Equity	CF Projection 28-30
Formula	V L	V L	V L	V L	V L	V L	V L	V L	V L	V L
29%	29%	45.0%	18.55	3.65	2.05	0.70	5.80	34%	35.0%	4.60
62%	60%	10.0%	23.70	6.45	2.65	1.62	27.25	60%	10.0%	7.30
60%	60%	14.0%	14.55	6.55	3.70	2.26	26.05	61%	14.0%	8.00
33%	48%	27.0%	160.50	9.95	5.00	1.76	14.60	35%	34.0%	12.10
71%	77%	13.0%	24.85	8.50	4.30	2.96	31.75	77%	13.0%	9.70
12%	12%	44.30%	58.55	16.50	8.30	0.98	18.95	11%	NMF	21.95
average	48%	26%								10.61
rmonic mean	32%	18%								8.44
median	54%	20.5%								8.85

STOCK PRICE

Washington State Department of Revenue

2025 Assessment Year

Power Industry

58.69
2024 Year En

AES	aes								
Date	Open	High	Low	Close	Adj Close	Volume			
31-Dec-24	12.7	13.1	12.66	12.87	12.67	9,508,000			12.67
Exelon	exc								
Date	Open	High	Low	Close	Adj Close	Volume			
31-Dec-24	37.73	37.79	37.39	37.64	37.64	5,347,900			37.64
NextEra	nee								
Date	Open	High	Low	Close	Adj Close	Volume			
31-Dec-24	71.86	72.41	71.4	71.69	71.69	6,216,500			71.69
NRG Energy	nrg								
Date	Open	High	Low	Close	Adj Close	Volume			
31-Dec-24	92.12	92.38	89.7	90.22	89.83	3,460,000			89.83
Southern Co	so								
Date	Open	High	Low	Close	Adj Close	Volume			
31-Dec-24	82.44	82.79	81.65	82.32	81.63	2,987,200			81.63
Vistra Energy	vst								
Date	Open	High	Low	Close	Adj Close	Volume			
31-Dec-24	139.91	140.44	137.02	137.87	137.87	2,761,600			137.87

Source:
finance.yahoo.com
Historical Stock Quotes

IMPLIED PREMIUMS FOR US MARKET

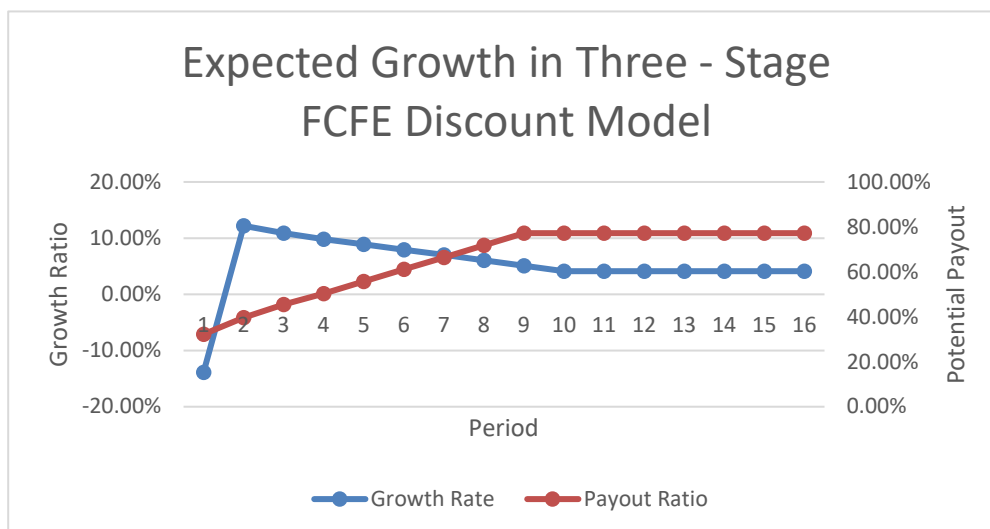
These implied premiums are calculated using the S&P 500.

Year	Earnings Yield	Dividend Yield	S&P 500	Earnings*	Dividends*	Ends + Buy	Change in Earnings	Change in Dividend	T.Bill Rate	T.Bond Rate	Bond-Bill	Boothed Growth	Premium (t)	Growth Expected	Premium (t)	Implied Premium	ERP/Riskfree Rate
2000	3.94%	1.23%	1320.28	56.13	16.27		8.61%	-2.65%	5.73%	5.11%	-0.62%	3.71%	1.65%	12.00%	2.87%		0.56
2001	3.85%	1.37%	1148.09	38.85	15.74	30.08	-30.79%	-3.24%	1.80%	5.05%	3.25%	3.56%	1.73%	10.30%	3.62%	2.91%	0.72
2002	5.23%	1.83%	879.82	46.04	16.08	29.83	18.51%	2.15%	1.20%	3.81%	2.61%	3.57%	2.29%	8.00%	4.10%	4.73%	1.08
2003	4.87%	1.61%	1111.91	54.69	17.88	31.58	18.79%	11.19%	1.00%	4.25%	3.25%	5.35%	2.12%	11.00%	3.69%	4.74%	0.87
2004	5.58%	1.60%	1211.92	67.68	19.407	40.60	23.75%	8.54%	2.18%	4.22%	2.04%	4.90%	2.02%	8.50%	3.65%	4.86%	0.86
2005	5.47%	1.79%	1248.29	76.45	22.38	61.17	12.96%	15.32%	4.31%	4.39%	0.08%	6.16%	2.20%	8.00%	4.08%	5.22%	0.93
2006	6.18%	1.77%	1418.3	87.72	25.05	73.16	14.74%	11.93%	4.88%	4.70%	-0.18%	5.93%	1.97%	12.50%	4.16%	6.12%	0.89
2007	5.62%	1.89%	1468.36	82.54	27.73	95.36	-5.91%	10.70%	3.31%	4.02%	0.71%	5.03%	2.06%	5.00%	4.37%	4.59%	1.09
2008	7.24%	3.11%	903.25	65.39	28.05	67.52	-20.78%	1.15%	1.59%	2.21%	0.62%	2.11%	4.05%	4.00%	6.43%	6.92%	2.91
2009	5.35%	2.00%	1115.10	59.65	22.31	37.43	-8.78%	-20.46%	0.14%	3.84%	3.70%	0.28%	2.60%	7.20%	4.36%	4.64%	1.14
2010	6.65%	1.84%	1257.64	83.66	23.12	55.53	40.25%	3.63%	0.13%	3.29%	3.16%	3.33%	2.24%	6.95%	5.20%	6.09%	1.58
2011	7.72%	2.07%	1257.60	97.05	26.02	71.28	16.01%	12.54%	0.03%	1.88%	1.85%	2.75%	2.71%	7.18%	6.01%	8.34%	3.20
2012	7.18%	2.13%	1426.19	102.47	30.44	75.90	5.58%	16.99%	0.05%	1.76%	1.71%	2.93%	2.47%	5.27%	5.78%	7.30%	3.28
2013	5.81%	1.96%	1848.36	107.45	36.28	88.13	4.86%	19.19%	0.07%	3.04%	2.97%	5.01%	2.03%	4.28%	4.96%	4.99%	1.63
2014	5.49%	1.92%	2058.90	113.01	39.44	101.98	5.17%	8.71%	0.05%	2.17%	2.12%	2.77%	2.24%	5.58%	5.78%	5.48%	2.66
2015	5.20%	2.11%	2043.94	106.32	43.16	106.10	-5.92%	9.43%	0.21%	2.27%	2.06%	2.96%	2.46%	5.51%	6.12%	5.16%	2.70
2016	4.86%	2.01%	2238.83	108.86	45.03	108.67	2.39%	4.33%	0.51%	2.45%	1.94%	2.64%	2.41%	5.54%	5.69%	4.50%	2.32
2017	4.67%	1.86%	2673.61	124.94	49.73	108.28	14.77%	10.44%	1.39%	2.41%	1.02%	3.22%	2.36%	7.05%	5.08%	4.75%	2.11
2018	5.92%	2.14%	2506.85	148.34	53.61	136.65	18.73%	7.80%	2.37%	2.68%	0.31%	3.24%	2.50%	4.12%	5.96%	5.55%	2.22
2019	5.03%	1.82%	3230.78	162.35	58.80	150.50	9.44%	9.68%	1.55%	1.92%	0.37%	2.57%	2.03%	3.96%	5.20%	5.06%	2.71
2020	3.72%	1.51%	3756.07	139.76	56.70	127.78	-13.91%	-3.57%	0.09%	0.93%	0.84%	0.74%	1.65%	5.42%	4.72%	4.94%	5.08
2021	4.33%	1.24%	4766.18	206.38	59.20	147.24	47.67%	4.41%	0.06%	1.51%	1.45%	1.71%	1.72%	6.47%	4.24%	4.90%	2.81
2022	5.72%	1.78%	3839.50	219.49	68.34	181.99	6.35%	15.44%	4.42%	3.88%	-0.54%	5.59%	2.16%	6.41%	5.94%	5.11%	1.53
2023	4.64%	1.47%	4769.83	221.36	70.07	164.79	0.85%	2.53%	5.20%	3.88%	-1.32%	3.68%	1.97%	8.74%	4.60%	4.57%	1.19
2024	4.14%	1.25%	5881.63	243.32	73.40	182.80	9.92%	4.75%	5.07%	4.58%	-0.49%	4.61%	1.76%	9.57%	4.33%	4.00%	0.95

Three Stage Free Cash Flow to Equity Discount Model

Company	AES Corp	4.10%	GDP
Ticker	aes	15.0	Industry P/E
		47.0%	Target Dividend Payout Ratio
		18.0%	Target ROE

	Year	Growth Rate	Reinvestment Rate	Payout Ratio	Earnings	FCFE	Terminal Value	Cash Flow
Historic	0		-77.03%	177.03%	2.38			(12.67)
Stage 1	1	-13.87%	67.75%	32.25%	2.05	0.66		0.66
	2	12.20%	60.39%	39.61%	2.30	0.91		0.91
	3	10.87%	54.47%	45.53%	2.55	1.16		1.16
	4	9.80%	49.60%	50.40%	2.80	1.41		1.41
	5	8.93%	44.24%	55.76%	3.05	1.70		1.70
Stage 2	6	7.96%	38.87%	61.13%	3.29	2.01		2.01
	7	7.00%	33.51%	66.49%	3.52	2.34		2.34
	8	6.03%	28.14%	71.86%	3.74	2.68		2.68
	9	5.07%	22.78%	77.22%	3.93	3.03		3.03
	10	4.10%	22.78%	77.22%	4.09	3.16	63.80	66.96
Stage 3	11+	4.10%	22.78%	77.22%	4.25	3.28		
								$K_e = 24.03\%$

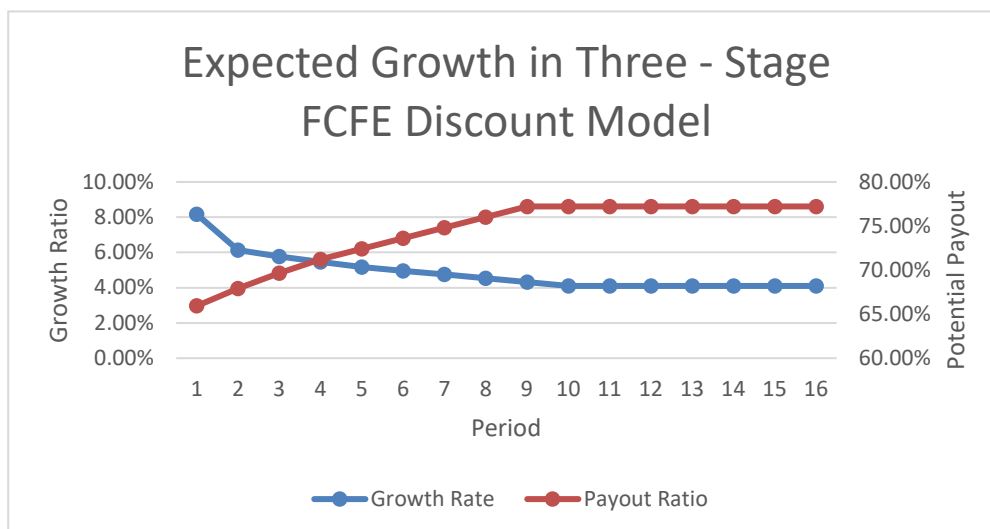


Three Stage Free Cash Flow to Equity Discount Model

Company	Exelon Corp	4.10%	GDP
Ticker	exc	15.0	Industry P/E
		47.0%	Target Dividend Payout Ratio
		18.0%	Target ROE

	Year	Growth Rate	Reinvestment Rate	Payout Ratio	Earnings	FCFE	Terminal Value	Cash Flow
Historic	0		45.35%	54.65%	2.45			(37.64)
Stage 1	1	8.16%	34.07%	65.93%	2.65	1.75		1.75
	2	6.13%	32.10%	67.90%	2.81	1.91		1.91
	3	5.78%	30.35%	69.65%	2.98	2.07		2.07
	4	5.46%	28.77%	71.23%	3.14	2.23		2.23
	5	5.18%	27.57%	72.43%	3.30	2.39		2.39
Stage 2	6	4.96%	26.38%	73.62%	3.46	2.55		2.55
	7	4.75%	25.18%	74.82%	3.63	2.71		2.71
	8	4.53%	23.98%	76.02%	3.79	2.88		2.88
	9	4.32%	22.78%	77.22%	3.96	3.06		3.06
	10	4.10%	22.78%	77.22%	4.12	3.18	64.31	67.49
Stage 3	11+	4.10%	22.78%	77.22%	4.29	3.31		

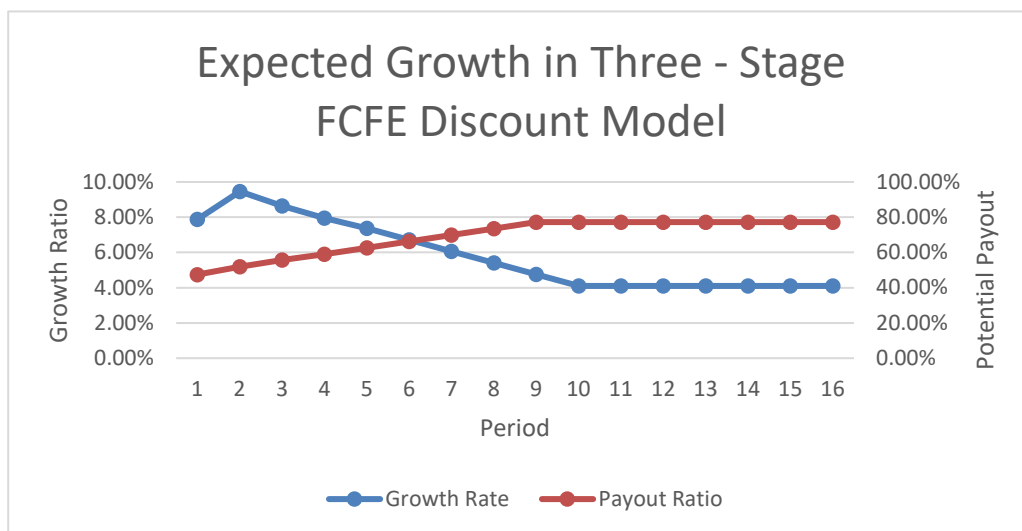
$K_e = 10.55\%$



Three Stage Free Cash Flow to Equity Discount Model

Company	NextEra Energy	4.10%	GDP
Ticker	nee	15.0	Industry P/E
		47.0%	Target Dividend Payout Ratio
		18.0%	Target ROE

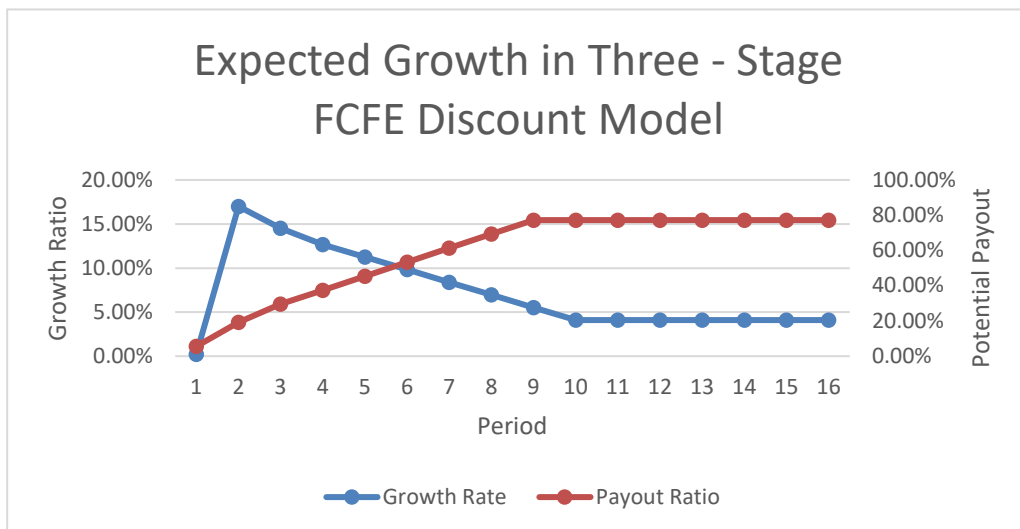
	Year	Growth Rate	Reinvestment Rate	Payout Ratio	Earnings	FCFE	Terminal Value	Cash Flow
Historic	0		43.73%	56.27%	3.43			(71.69)
Stage 1	1	7.87%	52.55%	47.45%	3.70	1.76		1.76
	2	9.46%	48.01%	51.99%	4.05	2.11		2.11
	3	8.64%	44.19%	55.81%	4.40	2.46		2.46
	4	7.95%	40.94%	59.06%	4.75	2.81		2.81
	5	7.37%	37.30%	62.70%	5.10	3.20		3.20
Stage 2	6	6.71%	33.67%	66.33%	5.44	3.61		3.61
	7	6.06%	30.04%	69.96%	5.77	4.04		4.04
	8	5.41%	26.41%	73.59%	6.08	4.48		4.48
	9	4.75%	22.78%	77.22%	6.37	4.92		4.92
	10	4.10%	22.78%	77.22%	6.64	5.12	103.61	108.73
Stage 3	11+	4.10%	22.78%	77.22%	6.91	5.33		
							$K_e =$	7.62%



Three Stage Free Cash Flow to Equity Discount Model

Company	NRG Energy Inc	4.10%	GDP
Ticker	nrg	15.0	Industry P/E
		47.0%	Target Dividend Payout Ratio
		18.0%	Target ROE

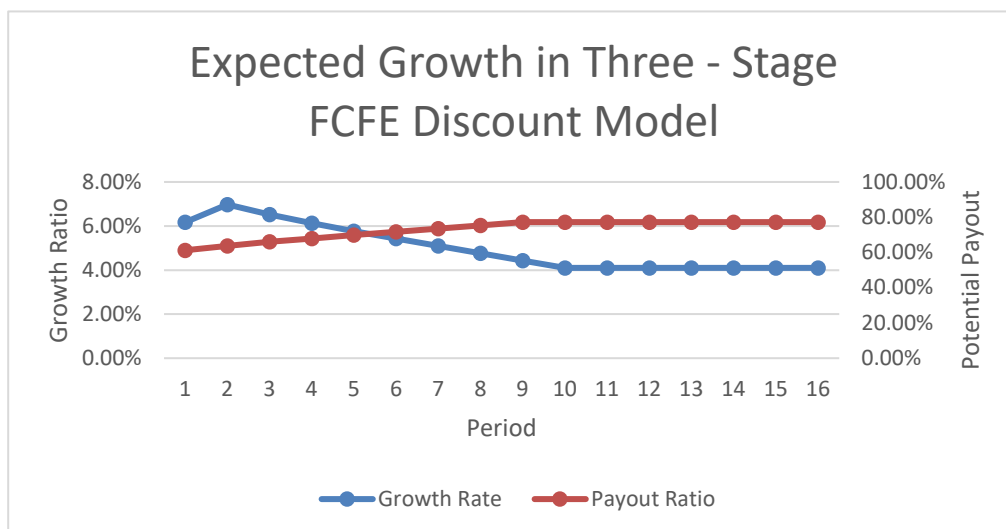
	Year	Growth Rate	Reinvestment Rate	Payout Ratio	Earnings	FCFE	Terminal Value	Cash Flow
Historic	0		1.11%	98.89%	4.99			(89.83)
Stage 1	1	0.20%	94.44%	5.56%	5.00	0.28		0.28
	2	17.00%	80.72%	19.28%	5.85	1.13		1.13
	3	14.53%	70.48%	29.52%	6.70	1.98		1.98
	4	12.69%	62.55%	37.45%	7.55	2.83		2.83
	5	11.26%	54.59%	45.41%	8.40	3.81		3.81
Stage 2	6	9.83%	46.64%	53.36%	9.23	4.92		4.92
	7	8.39%	38.69%	61.31%	10.00	6.13		6.13
	8	6.96%	30.73%	69.27%	10.70	7.41		7.41
	9	5.53%	22.78%	77.22%	11.29	8.72		8.72
	10	4.10%	22.78%	77.22%	11.75	9.07	183.49	192.56
Stage 3	11+	4.10%	22.78%	77.22%	12.23	9.45		
							$K_e =$	10.58%



Three Stage Free Cash Flow to Equity Discount Model

Company	Southern Co	4.10%	GDP
Ticker	so	15.0	Industry P/E use median
		47.0%	Target Dividend Payout Ratio
		18.0%	Target ROE

	Year	Growth Rate	Reinvestment Rate	Payout Ratio	Earnings	FCFE	Terminal Value	Cash Flow
Historic	0		34.29%	65.71%	4.05			(81.63)
Stage 1	1	6.17%	38.76%	61.24%	4.30	2.63		2.63
	2	6.98%	36.23%	63.77%	4.60	2.93		2.93
	3	6.52%	34.01%	65.99%	4.90	3.23		3.23
	4	6.12%	32.05%	67.95%	5.20	3.53		3.53
	5	5.77%	30.20%	69.80%	5.50	3.84		3.84
Stage 2	6	5.44%	28.34%	71.66%	5.80	4.16		4.16
	7	5.10%	26.49%	73.51%	6.09	4.48		4.48
	8	4.77%	24.63%	75.37%	6.39	4.81		4.81
	9	4.43%	22.78%	77.22%	6.67	5.15		5.15
	10	4.10%	22.78%	77.22%	6.94	5.36	108.40	113.76
Stage 3	11+	4.10%	22.78%	77.22%	7.23	5.58		
							$K_e =$	7.07%



Three Stage Free Cash Flow to Equity Discount Model

Company **Vistra Corp**
 Ticker **vst**

4.10% GDP
15.0 Industry P/E
47.0% Target Dividend Payout Ratio
18.0% Target ROE

	Year	Growth Rate	Reinvestment Rate	Payout Ratio	Earnings	FCFE	Terminal Value	Cash Flow
Historic	0		103.17%	-3.17%	7.00			(137.87)
Stage 1	1	18.57%	64.42%	35.58%	8.30	2.95		2.95
	2	11.60%	57.73%	42.27%	9.26	3.92		3.92
	3	10.39%	52.30%	47.70%	10.23	4.88		4.88
	4	9.41%	47.80%	52.20%	11.19	5.84		5.84
	5	8.60%	42.79%	57.21%	12.15	6.95		6.95
Stage 2	6	7.70%	37.79%	62.21%	13.09	8.14		8.14
	7	6.80%	32.79%	67.21%	13.98	9.39		9.39
	8	5.90%	27.78%	72.22%	14.80	10.69		10.69
	9	5.00%	22.78%	77.22%	15.54	12.00		12.00
	10	4.10%	22.78%	77.22%	16.18	12.49	252.62	265.11
Stage 3	11+	4.10%	22.78%	77.22%	16.84	####		
								<u><u>K_e = 10.16%</u></u>

