

CAPITALIZATION RATE STUDY

For

CENTRALLY ASSESSED PROPERTIES

As of January 1, 2008

**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION**

CAPITALIZATION RATE STUDY

SUMMARIES

**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION**

Utah State Tax Commission
2008 Capitalization Rate Study

Industry	Equity Yield Rate	Percent Debt & Pref.	Percent Common Equity	Income Tax Rate
Airlines - Major	19.70%	75%	25%	38.50%
Airlines - Secondary	13.85%	55%	45%	39.46%
Airlines - Secondary (with Southwest)	13.61%	50.0%	50%	39.00%
Airlines - Freight	11.28%	5%	95%	36.35%
Electric Utilities	11.11%	40%	60%	33.83%
Natural Gas Utilities	11.08%	30%	70%	35.05%
Natural Gas Pipelines	10.99%	25%	75%	32.58%
Liquid Pipelines	10.32%	30%	70%	38.50%
Railroads	13.10%	20%	80%	35.72%
Telecommunications	11.78%	25%	75%	33.29%

BONDS AND PREFERRED STOCKS

Yield Rates

January 1, 2008

Public Utility Bonds

	<u>Rates</u>
Aaa	N/A
Aa	6.03%
A	6.16%
Baa	6.51%

Corporate Bonds

Aaa	5.49%
Aa	5.91%
A	6.19%
Baa	6.65%
Ba1	7.22%
Ba2	7.39%
Ba3	8.19%
B1	8.22%
B2	9.46%
B3	9.95%
Caa1	11.45%
Caa2	14.36%
Caa3	15.40%
Ca	19.98%
C	42.85%

Preferred Stocks

Aa	N/A
A	6.20%
Baa	6.51%

INFLATION FACTORS FOR 2008 ASSESSMENT YEAR

Year	4th Quarter GDP Implicit Price Deflator (2000 = 100)	Annual Percentage Change	Conversion Index
1997	95.846	---	1.258
1998	96.934	1.14%	1.244
1999	98.432	1.55%	1.225
2000	100.668	2.27%	1.198
2001	103.191	2.51%	1.169
2002	104.907	1.66%	1.149
2003	107.190	2.18%	1.125
2004	110.671	3.25%	1.090
2005	114.389	3.36%	1.054
2006	117.522	2.74%	1.026
2007	120.582	2.60%	1.000

1997 - 2007 Average Change 2.32%

Source:

St. Louis Federal Reserve as of February 2008

<http://alfred.stlouisfed.org/series?seid=GDPDEF&cid=21>

www.economagic.com

<http://www.economagic.com/em-cgi/data.exe/nipa/T1t1t911q>

Miscellaneous Appraisal Facts, Factors, and Rates

2008 Assessment

Airline "TEFRA" relief factor	6.17%
Income Tax Rate If you need one, use this. It approximates an average marginal rate.	38.50%
4-R Act Relief for Railroads for Burlington Northern only the deduction is 6.18 percent.	13.70%
Rural Telephone adjusted Equity Rates: Based upon Commission Decision issued Oct. 10, 2000 Adjustment to equity yield rate	4.00%
Value Line Gross Domestic Product Price Deflator Forecast	1.60%

Deferred Income Taxes will be subtracted in the Cost Approach for rate base regulated companies only.

This is to comply with Commission rule R884-24P-62 (utility appraisal rule).
If the company is not a rate base regulated company, then there is no adjustment.

Depreciation Rate for the Income Indicator on Leased Aircraft:

(Based upon an approximate 18 year economic life and no salvage value)

CAPITALIZATION RATE STUDY

YIELD RATES

**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION**

MAJOR AIRLINES

Discount or "Cost of Capital" Rates
For Discounting and "Yield Capitalization" Only

FOR: January 1, 2008

Company Name	Relative Financial Strength		Beta	Price	Proj. Earnings Growth	Proj. Dividend Growth	Current Div	D.G.M. Rate
AMR Corp.	C+	1.33	2.55	13.58			0	
Cont'l Airlines	C++	1.22	2.25	21.00			0	
Mean		1.28	2.40		N/A	N/A		N/A
Industry Growth Rate (used for DGM Rate)				N/A				

CAPITAL ASSET PRICING MODEL (Realized Returns)

Market Risk Premium	7.10%
Industry Beta (Risk Factor)	2.40
Industry Risk Premium	17.04%
Add: Risk-Free Rate	4.66%
Cost of Equity Rate - CAPM	21.70%

RISK PREMIUM MODEL using ValueLine's Relative Financial Strength Rating

Market Risk Premium	7.10%
Industry Relative Financial Strength (Risk Factor)	1.28
Industry Risk Premium	9.05%
Add: Risk-Free Rate	4.66%
Cost of Equity Rate - Risk Premium	13.71%

SECONDARY AIRLINES

**Discount or "Cost of Capital" Rates
For Discounting and "Yield Capitalization" Only**

FOR: January 1, 2008

Company Name	Relative Financial Strength	Beta	Price	Proj. Earnings Growth	Proj. Dividend Growth	Current Div	D.G.M. Rate
AirTran Hldgs. Inc.	B 1.11	1.45	6.85	58.00			
Alaska Air Group	C++ 1.22	1.35	23.55	24.50			
ExpressJet Holdings Inc.	C++ 1.22	1.50	2.34	23.00			
Frontier Airs New	C+ 1.33	1.55	5.14				
JetBlue Airways	C++ 1.22	0.95	5.50	55.00			
Mesa Air Group	C+ 1.33	1.20	2.81	17.00			
Midwest Air Group	C 1.44	1.70	14.47				
Republic Airways Holdings Inc.	C++ 1.22	0.80	19.79	14.00			
Skywest	B 1.11	1.30	26.70	12.50			
Mean	1.24	1.31		29.14	N/A		N/A
Industry Growth Rate (used for DGM Rate)			N/A				

CAPITAL ASSET PRICING MODEL (Realized Returns)

Market Risk Premium	7.10%
Industry Beta (Risk Factor)	1.31
Industry Risk Premium	9.31%
Add: Risk-Free Rate	4.66%
Cost of Equity Rate - CAPM	13.97%

RISK PREMIUM MODEL using ValueLine's Relative Financial Strength Rating

Market Risk Premium	7.10%
Industry Relative Financial Strength (Risk Factor)	1.24
Industry Risk Premium	8.84%
Add: Risk-Free Rate	4.66%
Cost of Equity Rate - Risk Premium	13.50%

SECONDARY AIRLINES
With Southwest Airlines
Discount or "Cost of Capital" Rates
For Discounting and "Yield Capitalization" Only

FOR: January 1, 2008

Company Name	Relative Financial Strength	Beta	Price	Proj. Earnings Growth	Proj. Dividend Growth	Current Div	D.G.M. Rate
AirTran Hldgs. Inc.	B 1.11	1.45	6.85	58.00			
Alaska Air Group	C++ 1.22	1.35	23.55	24.50			
ExpressJet Holdings Inc.	C++ 1.22	1.50	2.34	23.00			
Frontier Airls New	C+ 1.33	1.55	5.14				
JetBlue Airways	C++ 1.22	0.95	5.50	55.00			
Mesa Air Group	C+ 1.33	1.20	2.81	17.00			
Midwest Air Group	C 1.44	1.70	14.47				
Republic Airways Holdings Inc.	C++ 1.22	0.80	19.79	14.00			
Skywest	B 1.11	1.30	26.70	12.50			
Southwest Airlines	B+ 1.00	0.95	11.59	15.00	1.50	0.02	14.87%
Mean	1.22	1.28		27.38	1.50		NMF
Industry Growth Rate (used for DGM Rate)			14.44%				

CAPITAL ASSET PRICING MODEL (Realized Returns)

Market Risk Premium	7.10%
Industry Beta (Risk Factor)	<u>1.28</u>
Industry Risk Premium	9.05%
Add: Risk-Free Rate	<u>4.66%</u>
Cost of Equity Rate - CAPM	<u><u>13.71%</u></u>

RISK PREMIUM MODEL using ValueLine's Relative Financial Strength Rating

Market Risk Premium	7.10%
Industry Relative Financial Strength (Risk Factor)	<u>1.22</u>
Industry Risk Premium	8.66%
Add: Risk-Free Rate	<u>4.66%</u>
Cost of Equity Rate - Risk Premium	<u><u>13.32%</u></u>

AIR FREIGHT

Discount or "Cost of Capital" Rates
For Discounting and "Yield Capitalization" Only

FOR: January 1, 2008

Company Name	Relative Financial Strength	Beta	Price	Proj. Earnings Growth	Proj. Dividend Growth	Current Div	D.G.M. Rate
ABX	B 1.11	0.90	4.10				
AirNet Systems Inc.	B 1.11	0.80	1.92				
Atlas Air Worldwide	B 1.11	1.00	52.52				
FedEx Corp.	B++ 0.89	1.05	87.30	10.00	10.00	0.40	9.50%
United Parcel Srv.	A 0.78	0.80	69.51	8.00	8.00	1.68	11.63%
Mean	1.00	0.91		9.00	9.00		10.57%
Industry Growth Rate (used for DGM Rate)			9.00%				

CAPITAL ASSET PRICING MODEL (Realized Returns)

Market Risk Premium	7.10%
Industry Beta (Risk Factor)	<u>0.91</u>
Industry Risk Premium	6.46%
Add: Risk-Free Rate	<u>4.66%</u>
Cost of Equity Rate - CAPM	<u><u>11.12%</u></u>

RISK PREMIUM MODEL using ValueLine's Relative Financial Strength Rating

Market Risk Premium	7.10%
Industry Relative Financial Strength (Risk Factor)	<u>1.00</u>
Industry Risk Premium	7.10%
Add: Risk-Free Rate	<u>4.66%</u>
Cost of Equity Rate - Risk Premium	<u><u>11.76%</u></u>

ELECTRIC UTILITIES

Discount or "Cost of Capital" Rates For Discounting and "Yield Capitalization" Only

FOR: January 1, 2008

Company Name	Relative Financial Strength	Beta	Price	Proj. Earnings Growth	Proj. Dividend Growth	Current Div	D.G.M. Rate
Black Hills	B+ 1.00	0.90	43.34	5.50	3.00	1.40	7.89%
DPL Inc.	B 1.11	0.85	29.76	10.50	4.50	1.04	8.17%
Empire Dist. Elec.	B+ 1.00	0.85	23.08	8.50	1.00	1.28	10.31%
OGE Energy	A 0.78	0.85	36.40	5.50	2.00	1.39	8.51%
Puget Energy Inc.	B+ 1.00	0.90	27.78	6.00	3.00	1.00	8.28%
IdaCorp	B+ 1.00	0.95	35.15	2.00		1.20	8.08%
Mean	0.98	0.88		6.33	2.70		8.54%
Industry Growth Rate (used for DGM Rate)			4.52%				

CAPITAL ASSET PRICING MODEL (Realized Returns)

Market Risk Premium	7.10%
Industry Beta (Risk Factor)	<u>0.88</u>
Industry Risk Premium	6.27%
Add: Risk-Free Rate	<u>4.66%</u>
Cost of Equity Rate - CAPM	<u><u>10.93%</u></u>

RISK PREMIUM MODEL using ValueLine's Relative Financial Strength Rating

Market Risk Premium	7.10%
Industry Relative Financial Strength (Risk Factor)	<u>0.98</u>
Industry Risk Premium	6.97%
Add: Risk-Free Rate	<u>4.66%</u>
Cost of Equity Rate - Risk Premium	<u><u>11.63%</u></u>

GAS UTILITIES

**Discount or "Cost of Capital" Rates
For Discounting and "Yield Capitalization" Only**

FOR: January 1, 2008

Company Name	Relative Financial Strength	Beta	Price	Proj. Earnings Growth	Proj. Dividend Growth	Current Div	D.G.M. Rate
AGL Resources	B++ 0.89	0.85	37.24	3.50	5.50	1.64	9.07%
Atmos Energy	B+ 1.00	0.85	27.83	5.00	1.50	1.30	9.35%
Laclede Group	B+ 1.00	0.95	34.29	4.00	2.50	1.50	9.04%
Nicor Inc.	A 0.78	1.00	41.66	3.00	NMF	1.86	9.14%
Northwest Nat. Gas	A 0.78	0.90	48.82	8.00	6.00	1.52	7.73%
Piedmont Natural Gas	B++ 0.89	0.85	25.65	3.50	4.50	1.00	8.55%
Questar Corp	B++ 0.89	0.90	55.38	8.00	3.50	0.50	5.42%
Southwest Gas	B 1.11	0.90	29.48	8.00	1.50	0.86	7.52%
Mean	0.92	0.90		5.38	3.57		8.23%
Industry Growth Rate (used for DGM Rate)			4.47%				

CAPITAL ASSET PRICING MODEL (Realized Returns)

Market Risk Premium	7.10%
Industry Beta (Risk Factor)	<u>0.90</u>
Industry Risk Premium	6.39%
Add: Risk-Free Rate	<u>4.66%</u>
Cost of Equity Rate - CAPM	<u>11.05%</u>

RISK PREMIUM MODEL using ValueLine's Relative Financial Strength Rating

Market Risk Premium	7.10%
Industry Relative Financial Strength (Risk Factor)	<u>0.92</u>
Industry Risk Premium	6.51%
Add: Risk-Free Rate	<u>4.66%</u>
Cost of Equity Rate - Risk Premium	<u>11.17%</u>

GAS PIPELINES

**Discount or "Cost of Capital" Rates
For Discounting and "Yield Capitalization" Only**

FOR: January 1, 2008

Company Name	Relative Financial Strength	Beta	Price	Proj. Earnings Growth	Proj. Dividend Growth	Current Div	D.G.M. Rate
Enterprise Products	B 1.11	0.55	32.44	11.00	9.50	2.06	15.06%
Equitable Resources	B++ 0.89	0.85	54.49	11.50	6.00	0.95	10.07%
TransCanada Corp.	B++ 0.89	0.70	41.12	13.00	3.00	1.36	11.77%
Questar Corp.	B++ 0.89	0.90	55.38	8.00	3.50	0.50	9.16%
Williams Cos.	B+ 1.00	1.35	36.52	NMF	NMF	0.45	9.52%
Mean	0.96	0.87		10.88	5.50		11.12%
Industry Growth Rate (used for DGM Rate)			8.19%				

CAPITAL ASSET PRICING MODEL (Realized Returns)

Market Risk Premium	7.10%
Industry Beta (Risk Factor)	<u>0.87</u>
Industry Risk Premium	6.18%
Add: Risk-Free Rate	<u>4.66%</u>
Cost of Equity Rate - CAPM	<u>10.84%</u>

RISK PREMIUM MODEL using ValueLine's Relative Financial Strength Rating

Market Risk Premium	7.10%
Industry Relative Financial Strength (Risk Factor)	<u>0.96</u>
Industry Risk Premium	6.79%
Add: Risk-Free Rate	<u>4.66%</u>
Cost of Equity Rate - Risk Premium	<u>11.45%</u>

LIQUID PIPELINES

Discount or "Cost of Capital" Rates
For Discounting and "Yield Capitalization" Only

FOR: January 1, 2008

Company Name	Relative Financial Strength		Beta	Price	Proj. Earnings Growth	Proj. Dividend Growth	Current Div	D.G.M. Rate
Buckeye Partners L.P.	B+	1.00	0.75	50.40	7.00	5.50	3.43	13.21%
Kinder Morgan Energy	B+	1.00	0.65	55.07	5.00	6.50	3.52	12.78%
Magellan Midstream	B+	1.00	0.60	43.40	7.50	7.50	2.58	12.30%
Plains All Amer. Pipe.	B+	1.00	0.70	51.91	5.00	NMF	3.64	13.43%
TEPPCO Partners L.P.	B	1.11	0.65	39.86	8.00	2.50	2.80	13.45%
Mean		1.02	0.67		6.50	5.50		13.03%
Industry Growth Rate (used for DGM Rate)				6.00%				

CAPITAL ASSET PRICING MODEL (Realized Returns)

Market Risk Premium	7.10%
Industry Beta (Risk Factor)	<u>0.67</u>
Industry Risk Premium	4.76%
Add: Risk-Free Rate	<u>4.66%</u>
Cost of Equity Rate - CAPM	<u><u>9.42%</u></u>

RISK PREMIUM MODEL using ValueLine's Relative Financial Strength Rating

Market Risk Premium	7.10%
Industry Relative Financial Strength (Risk Factor)	<u>1.02</u>
Industry Risk Premium	7.26%
Add: Risk-Free Rate	<u>4.66%</u>
Cost of Equity Rate - Risk Premium	<u><u>11.92%</u></u>

RAILROADS

Discount or "Cost of Capital" Rates
For Discounting and "Yield Capitalization" Only

FOR: January 1, 2008

Company Name	Relative Financial Strength	Beta	Price	Proj. Earnings Growth	Proj. Dividend Growth	Current Div	D.G.M. Rate
Burlington Northern	A 0.78	1.05	81.71	13.00	16.00	1.31	15.54%
Can. National Railway	B++ 0.89	1.05	46.81	14.50	NMF	0.84	15.76%
CSX Corp.	B++ 0.89	1.15	42.82	18.00	NMF	0.60	15.31%
Norfolk Southern	B+ 1.00	1.10	48.36	13.00	12.00	1.04	16.16%
Union Pacific	A 0.78	1.00	123.83	17.00	9.00	1.76	15.33%
Mean	0.87	1.07		15.10	12.33		15.62%
Industry Growth Rate (used for DGM Rate)			13.72%				

CAPITAL ASSET PRICING MODEL (Realized Returns)

Market Risk Premium	7.10%
Industry Beta (Risk Factor)	<u>1.07</u>
Industry Risk Premium	7.60%
Add: Risk-Free Rate	<u>4.66%</u>

Cost of Equity Rate - CAPM 12.26%

RISK PREMIUM MODEL using ValueLine's Relative Financial Strength Rating

Market Risk Premium	7.10%
Industry Relative Financial Strength (Risk Factor)	<u>0.87</u>
Industry Risk Premium	6.16%
Add: Risk-Free Rate	<u>4.66%</u>

Cost of Equity Rate - Risk Premium 10.82%

TELECOMMUNICATIONS

Discount or "Cost of Capital" Rates
For Discounting and "Yield Capitalization" Only

FOR: January 1, 2008

Company Name	Relative Financial Strength		Beta	Price	Proj. Earnings Growth	Proj. Dividend Growth	Current Div	D.G.M. Rate
AT&T Inc.	A+	0.67	1.00	40.48	14.50	7.50	1.60	11.71%
Century Tel Inc.	B++	0.89	0.85	42.28	1.00	6.50	0.26	8.12%
Citizens Communications	B	1.11	0.90	12.89	7.50	NMF	1.00	7.76%
Level 3 Communications	B	1.11	1.10	3.15	8.00	NMF	0.00	NMF
Qwest Communications	C+	1.33	1.30	6.91	NMF	NMF	0.00	NMF
Sprint Nextel	B+	1.00	1.10	14.59	NMF	NMF	0.10	0.69%
US Cellular	B+	1.00	0.90	85.08	23.50	NMF	0.00	NMF
Verizon	A+	0.67	0.95	43.93	4.00	1.50	1.72	11.67%
Mean		0.97	1.01		9.75	5.17		7.99%
Industry Growth Rate (used for DGM Rate)				7.46%				

CAPITAL ASSET PRICING MODEL (Realized Returns)

Market Risk Premium	7.10%
Industry Beta (Risk Factor)	1.01
Industry Risk Premium	7.19%
Add: Risk-Free Rate	4.66%
Cost of Equity Rate - CAPM	11.85%

RISK PREMIUM MODEL using ValueLine's Relative Financial Strength Rating

Market Risk Premium	7.10%
Industry Relative Financial Strength (Risk Factor)	0.97
Industry Risk Premium	6.90%
Add: Risk-Free Rate	4.66%
Cost of Equity Rate - Risk Premium	11.56%

CAPITALIZATION RATE STUDY

CAPITAL STRUCTURES

**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION**

MAJOR AIRLINES

Capital Structure at Market Value

FOR: January 1, 2008

Company Name	Total Debt (000,000)	Debt Due in 5 yrs (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Preferred Stock (000,000)
AMR Corp.	11,991.0	5,480.0	10,528.0	1,000.0	0.0
Cont'l Airlines	5,115.0	3,421.0	4,651.0	340.0	0.0
Mean	8,553.0	4,450.5	7,589.5	670.0	0.0
Weighted or Total	17,106.0	8,901.0	15,179.0	1,340.0	0.0

Company Name	Preferred Dividends (000,000)	Common Shares Outstgng	Recent Price	Tax Rate	Market Value of Debt in (000,000) Rate Used = 6.65%
AMR Corp.	0.0	249,121,904	13.58	N/A	13,617.2
Cont'l Airlines	0.0	97,956,627	21.00	N/A	5,246.4
Mean	0.0	173,539,266		38.50%	9,431.8
Weighted or Total	0.0				18,863.6

Company Name	Market Value of Pfd Equity in (000,000) Rate Used = 6.51%	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
AMR Corp.	0.0	3,383.1	80.10%	0.00%	19.90%
Cont'l Airlines	0.0	2,057.1	71.83%	0.00%	28.17%
Mean	0.0	2,720.1	75.97%	0.00%	24.04%
Weighted or Total	0.0	5,440.2	77.62%	0.00%	22.37%

SECONDARY AIRLINES

Capital Structure at Market Value

FOR: January 1, 2008

Company Name	Total Debt (000,000)	Debt Due in 5 yrs (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Preferred Stock (000,000)
AirTran Hldgs. Inc.	1062.8	145.0	956.8	35.0	0.0
Alaska Air Group	1,249.0	639.9	1,151.8	72.0	0.0
ExpressJet Holdings Inc.	151.5		10.4		0.0
Frontier Airs New	566.0		503.3		0.0
JetBlue Airways	2,622.0	860.0	2,589.0	200.0	0.0
Mesa Air Group	683.0		647.5		0.0
Midwest Air Group	20.6	20.6	19.9	2.0	0.0
Republic Airways Holdings Inc.	1,786.1		1,682.9		0.0
Skywest	1,885.4		1,768.7		0.0
Mean	1,114.0	416.4	1,036.7	77.3	0.0
Weighted or Total	10,026.4	1,665.5	9,330.3	309.0	0.0

Company Name	Preferred Dividends (000,000)	Common Shares Outstndg	Recent Price	Tax Rate	Market Value of Debt in (000,000) Rate Used = 6.65%
AirTran Hldgs. Inc.	0.0	91,703,204	6.85	40.17	863.7
Alaska Air Group	0.0	40,311,850	23.55		1,225.9
ExpressJet Holdings Inc.	0.0	54,730,575	2.34	36.80	104.4
Frontier Airs New	0.0	36,641,744	5.14		308.3
JetBlue Airways	0.0	180,267,471	5.50		2,780.7
Mesa Air Group	0.0	28,710,480	2.81	41.48	365.0
Midwest Air Group	0.0	25,176,900	14.47		22.4
Republic Airways Holdings Inc.	0.0	38,174,187	19.79	39.49	956.3
Skywest	0.0	61,177,688	26.70	39.34	1,010.9
Mean	0.0	61,877,122		39.46%	848.6
Weighted or Total	0.0				7,637.6

Company Name	Market Value of Pfd Equity in (000,000) Rate Used = 6.51%	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
AirTran Hldgs. Inc.	0.0	628.2	57.89%	0.00%	42.11%
Alaska Air Group	0.0	949.3	56.36%	0.00%	43.64%
ExpressJet Holdings Inc.	0.0	128.1	44.90%	0.00%	55.10%
Frontier Airs New	0.0	188.3	62.08%	0.00%	37.92%
JetBlue Airways	0.0	991.5	73.72%	0.00%	26.28%
Mesa Air Group	0.0	80.7	81.89%	0.00%	18.11%
Midwest Air Group	0.0	364.3	5.79%	0.00%	94.21%
Republic Airways Holdings Inc.	0.0	755.5	55.87%	0.00%	44.13%
Skywest	0.0	1,633.4	38.23%	0.00%	61.77%
Mean	0.0	635.5	52.97%	0.00%	47.03%
Weighted or Total	0.0	5,719.3	57.18%	0.00%	42.81%

SECONDARY AIRLINES

With Southwest Airlines

Capital Structure at Market Value

FOR: January 1, 2008

Company Name	Total Debt (000,000)	Debt Due in 5 yrs (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Preferred Stock (000,000)
AirTran Hldgs. Inc.	1062.8	145.0	956.8	35.0	0.0
Alaska Air Group	1,249.0	639.9	1,151.8	72.0	0.0
ExpressJet Holdings Inc.	151.5		10.4		0.0
Frontier Airs New	566.0		503.3		0.0
JetBlue Airways	2,622.0	860.0	2,589.0	200.0	0.0
Mesa Air Group	683.0		647.5		0.0
Midwest Air Group	20.6	20.6	19.9	2.0	0.0
Republic Airways Holdings Inc.	1,786.1		1,682.9		0.0
Skywest	1,885.4		1,768.7		0.0
Southwest Airlines	1,579.0	123.0	1,555.0	60.0	0.0
Mean	1,160.5	357.7	1,088.5	73.8	0.0
Weighted or Total	11,605.4	1,788.5	10,885.3	369.0	0.0

Company Name	Preferred Dividends (000,000)	Common Shares Outstdng	Recent Price	Tax Rate	Market Value of Debt in (000,000) Rate Used = 6.65%
AirTran Hldgs. Inc.	0.0	91,703,204	6.85	40.17	863.7
Alaska Air Group	0.0	40,311,850	23.55		1,225.9
ExpressJet Holdings Inc.	0.0	54,730,575	2.34	36.80	104.4
Frontier Airs New	0.0	36,641,744	5.14		308.3
JetBlue Airways	0.0	180,267,471	5.50		2,780.7
Mesa Air Group	0.0	28,710,480	2.81	41.48	365.0
Midwest Air Group	0.0	25,176,900	14.47		22.4
Republic Airways Holdings Inc.	0.0	38,174,187	19.79	39.49	956.3
Skywest	0.0	61,177,688	26.70	39.34	1,010.9
Southwest Airlines	0.0	734,037,983	11.59	36.72	1,281.6
Mean	0.0	129,093,208		39.00%	891.9
Weighted or Total	0.0				8,919.2

Company Name	Market Value of Pfd Equity in (000,000) Rate Used = 6.51%	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
AirTran Hldgs. Inc.	0.0	628.2	57.89%	0.00%	42.11%
Alaska Air Group	0.0	949.3	56.36%	0.00%	43.64%
ExpressJet Holdings Inc.	0.0	128.1	44.90%	0.00%	55.10%
Frontier Airs New	0.0	188.3	62.08%	0.00%	37.92%
JetBlue Airways	0.0	991.5	73.72%	0.00%	26.28%
Mesa Air Group	0.0	80.7	81.89%	0.00%	18.11%
Midwest Air Group	0.0	364.3	5.79%	0.00%	94.21%
Republic Airways Holdings Inc.	0.0	755.5	55.87%	0.00%	44.13%
Skywest	0.0	1,633.4	38.23%	0.00%	61.77%
Southwest Airlines	0.0	8,507.5	13.09%	0.00%	86.91%
Mean	0.0	1,422.7	48.98%	0.00%	51.02%
Weighted or Total	0.0	14,226.8	38.53%	0.00%	61.46%

AIR FREIGHT

Capital Structure at Market Value

FOR: January 1, 2008

Company Name	Total Debt (000,000)	Debt Due in 5 yrs (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Preferred Stock (000,000)
ABX	243.7		228.9		0.0
AirNet Systems Inc.					0.0
Atlas Air Worldwide	398.7	139.5	371.6	25.5	0.0
FedEx Corp.	2,141.0	2,045.0	2,007.0	125.0	0.0
United Parcel Srv.	4,661.0	1,350.0	3,287.0	195.0	0.0
Mean	1,861.1	1,178.2	1,473.6	115.2	0.0
Weighted or Total	7,444.4	3,534.5	5,894.5	345.5	0.0

Company Name	Preferred Dividends (000,000)	Common Shares Outstgng	Recent Price	Tax Rate	Market Value of Debt in (000,000) Rate Used = 6.65%
ABX	0.0	58,684,437	4.10		130.6
AirNet Systems Inc.	0.0	10,173,000	1.92		
Atlas Air Worldwide	0.0	21,348,514	52.52	36.27	403.3
FedEx Corp.	0.0	309,265,298	87.30	37.33	2,116.8
United Parcel Srv.	0.0	1,050,841,981	69.51	35.45	4,491.9
Mean	0.0	290,062,646		36.35%	1,785.7
Weighted or Total	0.0				7,142.6

Company Name	Market Value of Pfd Equity in (000,000) Rate Used = 6.51%	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
ABX	0.0	240.6	35.18%	0.00%	64.82%
AirNet Systems Inc.	0.0	19.5	0.00%	0.00%	100.00%
Atlas Air Worldwide	0.0	1,121.2	26.45%	0.00%	73.55%
FedEx Corp.	0.0	26,998.9	7.27%	0.00%	92.73%
United Parcel Srv.	0.0	73,044.0	5.79%	0.00%	94.21%
Mean	0.0	20,284.8	14.94%	0.00%	85.06%
Weighted or Total	0.0	101,424.2	6.58%	0.00%	93.41%

ELECTRIC UTILITIES

Capital Structure at Market Value

FOR: January 1, 2008

Company Name	Total Debt (000,000)	Debt Due in 5 yrs (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Preferred Stock (000,000)
Black Hills	725.3	353.5	469.4	31.2	
DPL Inc.	1,552.5	675.2	1,451.7	83.4	22.9
Empire Dist. Elec.	609.8	101.1	541.9	36.5	
OGE Energy	1,504.6	596.7	1,344.7	88.4	
Puget Energy Inc.	3,173.2	1,294.4	2,708.4	180.6	1.9
IdaCorp	1,241.8	401.7	1,064.6	55.5	
Mean	1,467.9	570.4	1,263.5	79.3	12.4
Weighted or Total	8,807.2	3,422.6	7,580.7	475.6	24.8

Company Name	Preferred Dividends (000,000)	Common Shares Outstgng	Recent Price	Tax Rate	Market Value of Debt in (000,000) Rate Used = 6.65%
Black Hills		37,750,250	43.34	35.00	725.2
DPL Inc.	0.9	113,553,444	29.76	36.00	1,482.1
Empire Dist. Elec.		30,546,570	23.08	35.50	613.0
OGE Energy		91,793,197	36.40	34.50	1,498.8
Puget Energy Inc.	0.1	117,024,977	27.78	30.00	3,176.0
IdaCorp		44,303,372	35.15	32.00	1,147.1
Mean	0.5	72,495,302		33.83%	1,440.4
Weighted or Total	1.0				8,642.2

Company Name	Market Value of Pfd Equity in (000,000) Rate Used = 6.51%	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
Black Hills	0.0	1,636.1	30.71%	0.00%	69.29%
DPL Inc.	13.8	3,379.4	30.40%	0.28%	69.32%
Empire Dist. Elec.	0.0	705.0	46.51%	0.00%	53.49%
OGE Energy	0.0	3,341.3	30.97%	0.00%	69.03%
Puget Energy Inc.	1.5	3,251.0	49.40%	0.02%	50.57%
IdaCorp	0.0	1,557.3	42.42%	0.00%	57.58%
Mean	2.6	2,311.7	38.40%	0.05%	61.55%
Weighted or Total	15.3	13,870.1	38.36%	0.07%	61.56%

GAS UTILITIES

Capital Structure at Market Value

FOR: January 1, 2008

Company Name	Total Debt (000,000)	Debt Due in 5 yrs (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Preferred Stock (000,000)
AGL Resources	2,124.0	576.0	1,548.0	94.0	0.0
Atmos Energy	2,430.5	1,450.0	2,126.5	120.0	0.0
Laclede Group	497.8	275.0	355.5	20.0	0.6
Nicor Inc.	660.3	422.7	423.3	38.0	0.6
Northwest Nat. Gas	629.1	179.7	512.0	31.0	0.0
Piedmont Natural Gas	972.5	150.0	825.0	50.0	0.0
Questar Corp	1,223.0	667.5	979.5	58.0	0.0
Southwest Gas	1,364.5	461.9	1,327.6	92.0	0.0
Mean	1,237.7	522.9	1,012.2	62.9	0.2
Weighted or Total	9,901.7	4,182.8	8,097.4	503.0	1.2

Company Name	Preferred Dividends (000,000)	Common Shares Outstndg	Recent Price	Tax Rate	Market Value of Debt in (000,000) Rate Used = 6.65%
AGL Resources	0.00	76,576,917	37.24	37.83	2060.20
Atmos Energy	0.00	89,160,099	27.83	37.63	2329.50
Laclede Group	0.05	21,633,811	34.29	32.49	477.90
Nicor Inc.	0.00	45,124,624	41.66	26.31	711.20
Northwest Nat. Gas	0.00	26,452,275	48.82	36.34	609.00
Piedmont Natural Gas	0.00	74,068,474	25.65	34.21	937.90
Questar Corp	0.00	172,745,262	55.38	38.29	1185.90
Southwest Gas	0.00	42,633,508	29.48	37.32	1385.70
Mean	0.01	68,549,371		35.05%	1,212.2
Weighted or Total	0.05				9,697.3

Company Name	Market Value of Pfd Equity in (000,000) Rate Used = 6.51%	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
AGL Resources	0.0	2,851.7	41.94%	0.00%	58.06%
Atmos Energy	0.0	2,481.3	48.42%	0.00%	51.58%
Laclede Group	0.8	741.8	39.16%	0.07%	60.78%
Nicor Inc.	0.0	1,879.9	27.45%	0.00%	72.55%
Northwest Nat. Gas	0.0	1,291.4	32.05%	0.00%	67.95%
Piedmont Natural Gas	0.0	1,899.9	33.05%	0.00%	66.95%
Questar Corp	0.0	9,566.6	11.03%	0.00%	88.97%
Southwest Gas	0.0	1,256.8	52.44%	0.00%	47.56%
Mean	0.1	2,746.2	35.69%	0.01%	64.30%
Weighted or Total	0.8	21,969.4	30.62%	0.00%	69.38%

GAS PIPELINES

Capital Structure at Market Value

FOR: January 1, 2008

Company Name	Total Debt (000,000)	Debt Due in 5 yrs (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Preferred Stock (000,000)
Enterprise Products	6,772.0	2,429.1	6,772.0	400.0	0.0
Equitable Resources	1,093.5	20.3	753.5	50.0	0.0
TransCanada Corp.	12,987.0	1,870.0	12,254.0	725.0	461.0
Questar Corp.	1,223.0	667.5	979.5	58.0	0.0
Williams Cos.	7,890.2	2,070.0	7,424.6	440.0	0.0
Mean	5,993.1	1,411.4	5,636.7	334.6	N/A
Weighted or Total	29,965.7	7,056.9	28,183.6	1,673.0	461.0

Company Name	Preferred Dividends (000,000)	Common Shares Outstgng	Recent Price	Tax Rate	Market Value of Debt in (000,000) Rate Used = 6.65%
Enterprise Products	0.0	434,736,708	32.44	NMF	6,493.9
Equitable Resources	0.0	121,663,368	54.49	31.44	1,092.5
TransCanada Corp.	38.0	537,761,544	41.12	22.33	12,382.8
Questar Corp.	0.0	172,745,262	55.38	38.29	1,185.9
Williams Cos.	0.0	593,526,517	36.52	38.27	7,558.8
Mean	N/A	372,086,680		32.58%	5,742.8
Weighted or Total	38.0				28,713.9

Company Name	Market Value of Pfd Equity in (000,000) Rate Used = 6.51%	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
Enterprise Products	0.0	14,103.8	31.53%	0.00%	68.47%
Equitable Resources	0.0	6,629.4	14.15%	0.00%	85.85%
TransCanada Corp.	583.7	22,112.8	35.30%	1.66%	63.04%
Questar Corp.	0.0	9,566.6	11.03%	0.00%	88.97%
Williams Cos.	0.0	21,675.6	25.86%	0.00%	74.14%
Mean	116.7	14,817.6	23.57%	0.33%	76.09%
Weighted or Total	583.7	74,088.2	27.77%	0.56%	71.66%

LIQUID PIPELINES

Capital Structure at Market Value

FOR: January 1, 2008

Company Name	Total Debt (000,000)	Debt Due in 5 yrs (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Preferred Stock (000,000)
Buckeye Partners L.P.	879.2	0.0	879.2	45.0	0.0
Kinder Morgan Energy	7,099.0	2,585.0	6,502.0	185.0	0.0
Magellan Midstream	887.0	140.0	887.0	55.0	0.0
Plains All Amer. Pipe.	3,105.3	787.0	2,624.2	157.5	0.0
TEPPCO Partners L.P.	1,788.0	1,100.0	1,788.0	105.0	0.0
Mean	2,751.7	922.4	2,536.1	109.5	0.0
Weighted or Total	13,758.5	4,612.0	12,680.4	547.5	0.0

Company Name	Preferred Dividends (000,000)	Common Shares Outstgng	Recent Price	Tax Rate	Market Value of Debt in (000,000) Rate Used = 6.65%
Buckeye Partners L.P.	0.0	43,954,660	50.40	NMF	783.1
Kinder Morgan Energy	0.0	231,759,554	55.07	NMF	5,673.2
Magellan Midstream	0.0	66,546,297	43.40	NMF	861.4
Plains All Amer. Pipe.	0.0	115,981,676	51.91	NMF	2,992.8
TEPPCO Partners L.P.	0.0	89,868,586	39.86	NMF	1,727.2
Mean	0.0	109,622,155		38.50%	2,407.5
Weighted or Total	0.0				12,037.7

Company Name	Market Value of Pfd Equity in (000,000) Rate Used = 6.51%	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
Buckeye Partners L.P.	0.0	2,215.3	26.12%	0.00%	73.88%
Kinder Morgan Energy	0.0	12,763.0	30.77%	0.00%	69.23%
Magellan Midstream	0.0	2,888.1	22.97%	0.00%	77.03%
Plains All Amer. Pipe.	0.0	6,020.6	33.20%	0.00%	66.80%
TEPPCO Partners L.P.	0.0	3,582.2	32.53%	0.00%	67.47%
Mean	0.0	5,493.8	29.12%	0.00%	70.88%
Weighted or Total	0.0	27,469.2	30.47%	0.00%	69.53%

RAILROADS

Capital Structure at Market Value

FOR: January 1, 2008

Company Name	Total Debt (000,000)	Debt Due in 5 yrs (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Preferred Stock (000,000)
Burlington Northern	8,223.0	2,737.0	7,820.0	455.0	0
Can. National Railway	5,635.0	1,580.0	5,342.0	312.0	0
CSX Corp.	6,913.0	3,586.0	6,678.0	408.0	0
Norfolk Southern	6,147.0	2,100.0	5,764.0	485.0	0
Union Pacific	7,841.0	2,990.0	7,697.0	530.0	0
Mean	6,951.8	2,598.6	6,660.2	438.0	0.0
Weighted or Total	34,759.0	12,993.0	33,301.0	2,190.0	0.0

Company Name	Preferred Dividends (000,000)	Common Shares Outstanding (000,000)	Recent Price	Tax Rate	Market Value of Debt in (000,000) Rate Used = 6.65%
Burlington Northern	0.0	357.9	81.71	37.70	7,846.1
Can. National Railway	0.0	512.4	46.81	33.68	5,373.2
CSX Corp.	0.0	437.8	42.82	37.22	6,736.8
Norfolk Southern	0.0	397.4	48.36	33.59	6,736.7
Union Pacific	0.0	276.0	123.83	36.40	7,940.4
Mean	0.0	396.30		35.72%	6,926.6
Weighted or Total	0.0				34,633.2

Company Name	Market Value of Pfd Equity in (000,000) Rate Used = 6.51%	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
Burlington Northern	0.0	29,244.00	21.15%	0.00%	78.85%
Can. National Railway	0.0	23,985.40	18.30%	0.00%	81.70%
CSX Corp.	0.0	18,746.60	26.44%	0.00%	73.56%
Norfolk Southern	0.0	19,218.30	25.96%	0.00%	74.04%
Union Pacific	0.0	34,177.10	18.85%	0.00%	81.15%
Mean	0.0	25,074.3	22.14%	0.00%	77.86%
Weighted or Total	0.0	125,371.4	21.65%	0.00%	78.35%

TELECOMMUNICATIONS

Capital Structure at Market Value

FOR: January 1, 2008

Company Name	Total Debt (000,000)	Debt Due in 5 yrs (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Preferred Stock (000,000)
AT&T Inc.	60,611.0	30,000.0	54,585.0	2,700.0	0.0
Century Tel Inc.	3,002.5	1,250.0	2,747.6	135.0	7.4
Citizens Communications	4,727.8	2,500.0	4,725.4	235.0	0.0
Level 3 Communications	6,864.0	NMF	6,833.0	NMF	0.0
Qwest Communications	14,506.0	6,631.0	12,779.0	1,160.0	0.0
Sprint Nextel	22,152.0	6,050.0	21,723.0	1,385.0	0.0
US Cellular	1,002.2	45.0	1,002.2	60.0	0.0
Verizon	31,447.0	20,941.0	29,383.0	1,825.0	0.0
Mean	18,039.1	9,631.0	16,722.3	1,071.4	0.9
Weighted or Total	144,312.5	67,417.0	133,778.2	7,500.0	7.4

Company Name	Preferred Dividends (000,000)	Common Shares Outstdng	Recent Price	Tax Rate	Market Value of Debt in (000,000) Rate Used = 6.65%
AT&T Inc.	0.0	6,064,800,000	40.48	34.50	55,809.60
Century Tel Inc.	0.4	110,400,000	42.28	38.50	2,739.60
Citizens Communications	0.0	327,774,555	12.89	39.00	4,350.50
Level 3 Communications	0.0	1,535,693,002	3.15	NMF	3,611.00
Qwest Communications	0.0	1,804,800,000	6.91	10.00	16,185.00
Sprint Nextel	0.0	2,844,101,899	14.59	33.00	21,796.00
US Cellular	0.0	87,713,369	85.08	43.00	956.10
Verizon	0.0	2,890,327,267	43.93	35.00	30,899.00
Mean	0.05	1,958,201,262		33.29%	17,043.35
Weighted or Total	0.4				136,346.80

Company Name	Market Value of Pfd Equity in (000,000) Rate Used = 6.51%	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
AT&T Inc.	0.3	245,503.1	18.52%	0.00%	81.48%
Century Tel Inc.	6.1	4,667.7	36.95%	0.08%	62.96%
Citizens Communications	0.0	4,225.0	50.73%	0.00%	49.27%
Level 3 Communications	0.0	4,837.4	42.74%	0.00%	57.26%
Qwest Communications	0.0	12,471.2	56.48%	0.00%	43.52%
Sprint Nextel	0.0	41,495.4	34.44%	0.00%	65.56%
US Cellular	0.0	7,462.7	11.36%	0.00%	88.64%
Verizon	0.0	126,972.1	19.57%	0.00%	80.43%
Mean	0.8	55,954.3	33.85%	0.01%	66.14%
Weighted or Total	6.4	447,634.6	23.35%	0.00%	76.65%