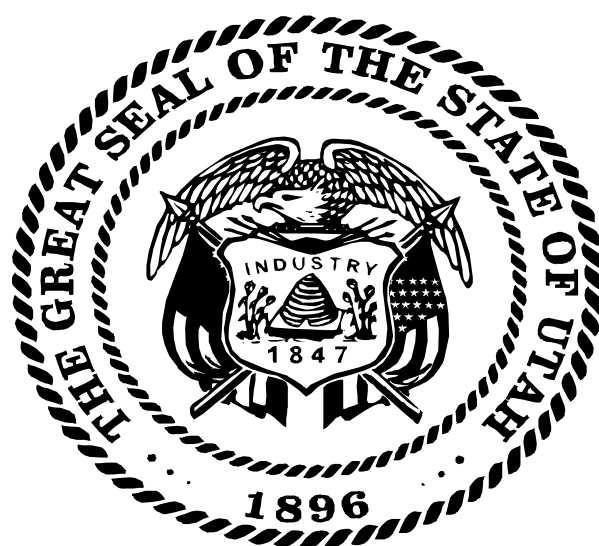


CAPITALIZATION RATE STUDY FOR CENTRALLY ASSESSED PROPERTIES

FOR: JANUARY 1, 2009



UTAH STATE TAX COMMISSION

PROPERTY TAX DIVISION
UTILITIES & TRANSPORTATION SECTION
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UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
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UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
PROPERTY TAX DIVISION PERSONNEL

2009

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UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
CAPITALIZATION RATE STUDY

2009

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CAPITALIZATION RATE SUMMARY

For: January 1, 2009

Industry	Equity Yield Rate	Percent Debt & Preferred Equity	Percent Common Equity	Income Tax Rate
Airlines - Major	14.54%	70% Debt	30% Equity	38.86%
Airlines - Secondary	11.66%	45% Debt	55% Equity	41.23%
Airlines - Secondary (with Southwest)	11.37%	40% Debt	60% Equity	40.80%
Airlines - Freight	9.94%	10% Debt	90% Equity	34.94%
Electric Utilities	9.36%	35% Debt	65% Equity	34.02%
Natural Gas Utilities	8.41%	30% Debt	70% Equity	34.63%
Natural Gas Pipelines	12.54%	30% Debt	70% Equity	36.87%
Liquid Pipelines	11.95%	30% Debt	70% Equity	38.50%
Railroads	12.01%	20% Debt	80% Equity	35.85%
Telecommunications I (Wireline & Wireless)	12.20%	40% Debt	60% Equity	37.31%
Telecommunications II (Broadband)	12.35%	75% Debt	25% Equity	38.00%



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
CAPITALIZATION RATE STUDY**

2009

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BONDS & PREFERRED STOCKS For: January 1, 2009		INFLATION FACTORS FOR 2009 ASSESSMENT YEAR			
Public Utility Bonds		4th Quarter GDP Implicit Price Deflator			
	Rates	Year	(2000 = 100)	Annual Percent Change	Conversion Factor
Aaa	N/A	1997	95.846	---	1.283
Aa	5.93%	1998	96.934	1.14%	1.269
A	6.54%	1999	98.432	1.55%	1.249
Baa	8.13%	2000	100.666	2.27%	1.222
Corporate Bonds		2001	103.191	2.51%	1.192
Aaa	5.06%	2002	104.907	1.66%	1.172
Aa	5.81%	2003	107.190	2.18%	1.147
A	6.70%	2004	110.671	3.25%	1.111
Baa	8.45%	2005	114.525	3.48%	1.074
Ba1	12.12%	2006	117.732	2.80%	1.045
Ba2	12.76%	2007	120.743	2.56%	1.018
Ba3	14.79%	2008	122.976	1.85%	1.000
B1	14.79%	1997 - 2008 Average Change			2.29%
B2	18.60%	St. Louis Federal Reserve as of February, 2009			
B3	18.60%	http://alfred.stlouisfed.org/series?seid=GDPDEF&cid=21			
Caa1	28.49%	OTHER RATES USED IN THIS STUDY			
Caa2	31.43%	For: January 1, 2009			
Caa3	35.04%	Risk-Free Rate	3.05%		
Ca	36.33%	Market Risk Premium	6.50%		
C	37.39%	Market Value of Debt Rate	8.45%		
Preferred Stocks		Market Value of Pref Equity Rate	7.55%		
Aa	N/A	Default Income Tax Rate	38.50%		
A	6.58%				
Baa	7.55%				



MISCELLANEOUS APPRAISAL FACTS, FACTORS, AND RATES

For: January 1, 2009

Airline "TEFRA" Relief Factor	6.35%
4-R Act Relief for Railroads	16.40%
For Burlington Northern Only	6.34%
Rural Telephone adjusted Equity Rates	4.00%
Based upon commission decision issued October 10, 2000.	
Adjustment to equity yield rate.	
Value Line Gross Domestic Product Price Deflator Forecast .	1.30%

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.

Depletion rate for the income indicator on leased aircraft:

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



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
CAPITALIZATION RATE STUDY**

2009

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**AIRLINES - MAJOR
FOR: JANUARY 1, 2009**

**Discount or Cost of Capital Rates
For discounting and yield capitalization only**

DIVIDEND GROWTH MODEL

Company Name	Relative Financial Strength		Beta	Price	Projected Earnings Growth	Projected Dividend Growth	Current Dividend	D.G.M. Rate
AMR Corp.	C+	1.33	1.95	11.25			0.00	
Cont'l Airlines	C++	1.22	1.90	20.10	21.50		0.00	
Delta Air Lines	C++	1.22		11.87			0.00	
UAL Corp.	C+	1.33	1.95	11.67			0.00	
Mean		1.28	1.93		21.50	N/A		
				Industry Growth Rate:		N/A		D.G.M. 0.00%

CAPITAL ASSET PRICING MODEL (Realized Returns)			RISK PREMIUM MODEL (using ValueLine's Relative Strength Rating)		
Market Risk Premium		6.50%	Market Risk Premium		6.50%
Industry Beta		1.93	Industry Relative Financial Strength		1.28
Industry Risk Premium		12.55%	Industry Risk Premium		8.32%
Add: Risk-Free Rate		3.05%	Add: Risk-Free Rate		3.05%
	CAPM	15.60%		RPM	11.37%

RECONCILIATION OF MODELS			RECONCILIATION OF CAPITAL STRUCTURE		
Model	Weighting	Rate	Indicator	Debt & Pfd	Equity
Capital Asset Pricing Model	75.00%	15.60%	Mean	69.60%	30.40%
Risk Premium Model	25.00%	11.37%	Weighted	69.25%	30.75%
Dividend Growth Model	0.00%	0.00%	Approved	70.00%	30.00%
RECONCILED EQUITY RATE		14.54%	TAX 38.86%	DEBT 70%	EQ 30%



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
CAPITALIZATION RATE STUDY

2009

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**AIRLINES - MAJOR
FOR: JANUARY 1, 2009**

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Total Debt (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Pref'd Stock (000,000)	Pref'd Divid's (000,000)	Common Shares Outstanding	Tax Rate
AMR Corp.	8,267.0	7,227.0	530.3	0.0	0.0	251,147,538	NMF
Cont'l Airlines	5,898.0	5,181.0	325.0	0.0	0.0	110,243,176	NMF
Delta Air Lines	10,139.0	9,274.0	520.0	0.0	0.0	308,542,158	33.12%
UAL Corp.	8,059.0	7,194.0	450.0	0.0	0.0	128,836,041	44.60%
Mean	8,090.8	7,219.0	456.3	0.0	0.0	199,692,228	38.86%
Total	32,363.0	28,876.0	1,825.3	0.0	0.0	798,768,913	

Company Name	Market Value of Debt* (000,000)	Market Value of Pfd Equity** (000,000)	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
AMR Corp.	6,457.5	0.0	2,825.4	69.56%	0.00%	30.44%
Cont'l Airlines	4,101.2	0.0	2,215.9	64.92%	0.00%	35.08%
Delta Air Lines	6,749.9	0.0	3,662.4	64.83%	0.00%	35.17%
UAL Corp.	5,682.4	0.0	1,503.5	79.08%	0.00%	20.92%
Mean	5,747.7	0.0	2,551.8	69.60%	0.00%	30.40%
Weighted or Total	22,991.0	0.0	10,207.2	69.25%	0.00%	30.75%

* Market Value of Debt Rate: **8.45%**

** Market Value of Preferred Equity Rate: **7.55%**



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
CAPITALIZATION RATE STUDY**

2009

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AIRLINES - SECONDARY

FOR: JANUARY 1, 2009

**Discount or Cost of Capital Rates
For discounting and yield capitalization only**

DIVIDEND GROWTH MODEL

Company Name	Relative Financial Strength		Beta	Price	Projected Earnings Growth	Projected Dividend Growth	Current Dividend	D.G.M. Rate
AirTran Hldgs. Inc.	C	1.44	1.45	4.57	18.00		0.00	
Alaska Air Group	C++	1.22	1.45	30.22	6.50		0.00	
ExpressJet Holdings Inc.	C+	1.33	1.70	1.82			0.00	
JetBlue Airways	C++	1.22	1.20	7.07			0.00	
Pinnacle Airlines Corp	C	1.44	1.35	2.80	20.00		0.00	
Republic Airways Holdings Inc	C+	1.33	0.80	9.99	20.00		0.00	
SkyWest	C++	1.22	1.35	18.71	14.00		0.00	
Mean		1.31	1.33		15.70	N/A		
				Industry Growth Rate:		N/A		D.G.M. 0.00%

CAPITAL ASSET PRICING MODEL (Realized Returns)			RISK PREMIUM MODEL (using ValueLine's Relative Strength Rating)		
Market Risk Premium		6.50%	Market Risk Premium		6.50%
Industry Beta		1.33	Industry Relative Financial Strength		1.31
Industry Risk Premium		8.65%	Industry Risk Premium		8.52%
Add: Risk-Free Rate		3.05%	Add: Risk-Free Rate		3.05%
	CAPM	11.70%		RPM	11.57%

RECONCILIATION OF MODELS			RECONCILIATION OF CAPITAL STRUCTURE			
Model	Weighting	Rate	Indicator	Debt & Pfd	Equity	
Capital Asset Pricing Model	75.00%	11.70%	Mean	45.02%	54.98%	
Risk Premium Model	25.00%	11.57%	Weighted	48.76%	51.24%	
Dividend Growth Model	0.00%	0.00%	Approved	45.00%	55.00%	
RECONCILED EQUITY RATE		11.66%	TAX	41.23%	DEBT	45%
			EQ		55%	



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
CAPITALIZATION RATE STUDY

2009

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AIRLINES - SECONDARY

FOR: JANUARY 1, 2009

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Total Debt (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Pref'd Stock (000,000)	Pref'd Divid's (000,000)	Common Shares Outstanding	Tax Rate
AirTran Hldgs. Inc.	1,125.5	1,052.0	35.0	0.0	0.0	117,229,000	40.30%
Alaska Air Group	1,968.7	1,613.1	80.0	0.0	0.0	36,208,917	44.72%
ExpressJet Holdings Inc.	52.6	49.1		0.0	0.0	18,945,532	NMF
JetBlue Airways	3,135.0	2,929.0	190.0	0.0	0.0	271,118,026	56.10%
Pinnacle Airlines Corp	699.5	573.7		0.0	0.0	22,514,782	31.64%
Republic Airways Holdings Inc	2,162.9	1,955.3		0.0	0.0	34,169,683	38.23%
SkyWest	1,786.4	1,661.4		0.0	0.0	56,484,795	36.41%
Mean	1,561.5	1,404.8	101.7	0.0	0.0	79,524,391	41.23%
Total	10,930.6	9,833.6	305.0	0.0	0.0	556,670,735	

Company Name	Market Value of Debt* (000,000)	Market Value of Pfd Equity** (000,000)	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
AirTran Hldgs. Inc.	536.0	0.0	535.7	50.02%	0.00%	49.98%
Alaska Air Group	1,074.0	0.0	1,094.2	49.54%	0.00%	50.46%
ExpressJet Holdings Inc.	9.4	0.0	34.5	21.38%	0.00%	78.62%
JetBlue Airways	2,378.5	0.0	1,916.8	55.37%	0.00%	44.63%
Pinnacle Airlines Corp	109.6	0.0	63.0	63.50%	0.00%	36.50%
Republic Airways Holdings Inc	373.5	0.0	341.4	52.25%	0.00%	47.75%
SkyWest	317.4	0.0	1,056.8	23.10%	0.00%	76.90%
Mean	685.5	0.0	720.3	45.02%	0.00%	54.98%
Weighted or Total	4,798.5	0.0	5,042.4	48.76%	0.00%	51.24%

* Market Value of Debt Rate: **8.45%**

** Market Value of Preferred Equity Rate: **7.55%**



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
CAPITALIZATION RATE STUDY**

2009

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AIRLINES - SECONDARY (WITH SOUTHWEST)

FOR: JANUARY 1, 2009

**Discount or Cost of Capital Rates
For discounting and yield capitalization only**

DIVIDEND GROWTH MODEL

Company Name	Relative Financial Strength		Beta	Price	Projected Earnings Growth	Projected Dividend Growth	Current Dividend	D.G.M. Rate
AirTran Hldgs. Inc.	C	1.44	1.45	4.57	18.00		0.00	
Alaska Air Group	C++	1.22	1.45	30.22	6.50		0.00	
ExpressJet Holdings Inc.	C+	1.33	1.70	1.82			0.00	
JetBlue Airways	C++	1.22	1.20	7.07			0.00	
Pinnacle Airlines Corp	C	1.44	1.35	2.80	20.00		0.00	
Republic Airways Holdings Inc	C+	1.33	0.80	9.99	20.00		0.00	
SkyWest	C++	1.22	1.35	18.71	14.00		0.00	
Southwest Airlines	B+	1.00	0.90	8.95	11.00	1.00	0.02	8.20%
Mean		1.28	1.28		14.92	1.00		
					Industry Growth Rate:	7.96%		D.G.M. 8.20%

CAPITAL ASSET PRICING MODEL (Realized Returns)			RISK PREMIUM MODEL (using ValueLine's Relative Strength Rating)		
Market Risk Premium		6.50%	Market Risk Premium		6.50%
Industry Beta		1.28	Industry Relative Financial Strength		1.28
Industry Risk Premium		8.32%	Industry Risk Premium		8.32%
Add: Risk-Free Rate		3.05%	Add: Risk-Free Rate		3.05%
	CAPM	11.37%		RPM	11.37%

RECONCILIATION OF MODELS			RECONCILIATION OF CAPITAL STRUCTURE			
Model	Weighting	Rate	Indicator	Debt & Pfd	Equity	
Capital Asset Pricing Model	75.00%	11.37%	Mean	41.88%	58.12%	
Risk Premium Model	25.00%	11.37%	Weighted	35.58%	64.42%	
Dividend Growth Model	0.00%	8.20%	Approved	40.00%	60.00%	
RECONCILED EQUITY RATE		11.37%	TAX	40.80%	DEBT	40%
			EQ		60%	



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
CAPITALIZATION RATE STUDY

2009

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AIRLINES - SECONDARY (WITH SOUTHWEST)

FOR: JANUARY 1, 2009

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Total Debt (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Pref'd Stock (000,000)	Pref'd Divid's (000,000)	Common Shares Outstanding	Tax Rate
AirTran Hldgs. Inc.	1,125.5	1,052.0	35.0	0.0	0.0	117,229,000	40.30%
Alaska Air Group	1,968.7	1,613.1	80.0	0.0	0.0	36,208,917	44.72%
ExpressJet Holdings Inc.	52.6	49.1		0.0	0.0	18,945,532	NMF
JetBlue Airways	3,135.0	2,929.0	190.0	0.0	0.0	271,118,026	56.10%
Pinnacle Airlines Corp	699.5	573.7		0.0	0.0	22,514,782	31.64%
Republic Airways Holdings Inc	2,162.9	1,955.3		0.0	0.0	34,169,683	38.23%
SkyWest	1,786.4	1,661.4		0.0	0.0	56,484,795	36.41%
Southwest Airlines	2,652.0	2,580.0	120.0	0.0	0.0	739,724,140	38.19%
Mean	1,697.8	1,551.7	106.3	0.0	0.0	162,049,359	40.80%
Total	13,582.6	12,413.6	425.0	0.0	0.0	1,296,394,875	

Company Name	Market Value of Debt* (000,000)	Market Value of Pfd Equity** (000,000)	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
AirTran Hldgs. Inc.	536.0	0.0	535.7	50.02%	0.00%	49.98%
Alaska Air Group	1,074.0	0.0	1,094.2	49.54%	0.00%	50.46%
ExpressJet Holdings Inc.	9.4	0.0	34.5	21.38%	0.00%	78.62%
JetBlue Airways	2,378.5	0.0	1,916.8	55.37%	0.00%	44.63%
Pinnacle Airlines Corp	109.6	0.0	63.0	63.50%	0.00%	36.50%
Republic Airways Holdings Inc	373.5	0.0	341.4	52.25%	0.00%	47.75%
SkyWest	317.4	0.0	1,056.8	23.10%	0.00%	76.90%
Southwest Airlines	1,641.7	0.0	6,620.5	19.87%	0.00%	80.13%
Mean	805.0	0.0	1,457.9	41.88%	0.00%	58.12%
Weighted or Total	6,440.2	0.0	11,662.9	35.58%	0.00%	64.42%

* Market Value of Debt Rate: **8.45%**

** Market Value of Preferred Equity Rate: **7.55%**



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
CAPITALIZATION RATE STUDY**

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AIRLINES - FREIGHT

FOR: JANUARY 1, 2009

**Discount or Cost of Capital Rates
For discounting and yield capitalization only**

DIVIDEND GROWTH MODEL

Company Name	Relative Financial Strength		Beta	Price	Projected Earnings Growth	Projected Dividend Growth	Current Dividend	D.G.M. Rate
Atlas Air Worldwide	B	1.11	1.40	21.24	7.50		0.00	
FedEx Corp.	B++	0.89	0.95	64.25	9.50	9.00	0.44	8.74%
United Parcel Serv.	A	0.78	0.80	55.45	7.00	7.00	1.80	11.51%
Mean		0.93	1.05		8.00	8.00		
				Industry Growth Rate:		8.00%		D.G.M. 10.13%

CAPITAL ASSET PRICING MODEL (Realized Returns)			RISK PREMIUM MODEL (using ValueLine's Relative Strength Rating)		
Market Risk Premium		6.50%	Market Risk Premium		6.50%
Industry Beta		1.05	Industry Relative Financial Strength		0.93
Industry Risk Premium		6.83%	Industry Risk Premium		6.05%
Add: Risk-Free Rate		3.05%	Add: Risk-Free Rate		3.05%
	CAPM	9.88%		RPM	9.10%

RECONCILIATION OF MODELS			RECONCILIATION OF CAPITAL STRUCTURE		
Model	Weighting	Rate	Indicator	Debt & Pfd	Equity
Capital Asset Pricing Model	75.00%	9.88%	Mean	22.50%	77.50%
Risk Premium Model	0.00%	9.10%	Weighted	8.28%	91.72%
Dividend Growth Model	25.00%	10.13%	Approved	10.00%	90.00%

RECONCILED EQUITY RATE	9.94%	TAX	34.94%	DEBT	10%	EQ	90%
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UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
CAPITALIZATION RATE STUDY

2009

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AIRLINES - FREIGHT
FOR: JANUARY 1, 2009

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Total Debt (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Pref'd Stock (000,000)	Pref'd Divid's (000,000)	Common Shares Outstanding	Tax Rate
Atlas Air Worldwide	634.6	590.6	45.5	0.0	0.0	21,762,292	32.71%
FedEx Corp.	2,008.0	1,007.0	75.0	0.0	0.0	311,241,913	37.16%
United Parcel Serv.	10,959.0	8,064.0	400.0	0.0	0.0	995,184,648	NMF
Mean	4,533.9	3,220.5	173.5	0.0	0.0	442,729,618	34.94%
Total	13,601.6	9,661.6	520.5	0.0	0.0	1,328,188,853	

Company Name	Market Value of Debt* (000,000)	Market Value of Pfd Equity** (000,000)	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
Atlas Air Worldwide	548.4	0.0	462.2	54.27%	0.00%	45.73%
FedEx Corp.	910.4	0.0	19,997.3	4.35%	0.00%	95.65%
United Parcel Serv.	5,369.9	0.0	55,183.0	8.87%	0.00%	91.13%
Mean	2,276.3	0.0	25,214.2	22.50%	0.00%	77.50%
Weighted or Total	6,828.8	0.0	75,642.5	8.28%	0.00%	91.72%

* Market Value of Debt Rate: **8.45%**

** Market Value of Preferred Equity Rate: **7.55%**



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
CAPITALIZATION RATE STUDY**

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ELECTRIC UTILITIES

FOR: JANUARY 1, 2009

**Discount or Cost of Capital Rates
For discounting and yield capitalization only**

DIVIDEND GROWTH MODEL

Company Name	Relative Financial Strength		Beta	Price	Projected Earnings Growth	Projected Dividend Growth	Current Dividend	D.G.M. Rate
Pinnacle West Capital	A	0.78	0.70	33.64	2.00	1.50	2.10	12.88%
Puget Energy Inc.	B+	1.00	0.85	27.41	5.00	3.00	1.04	10.28%
Alliant Energy	A	0.78	0.70	29.13	6.00	9.00	1.50	11.72%
G't Plains Energy	B++	0.89	0.65	19.90	NMF	NMF	1.66	15.11%
OGE Energy	A	0.78	0.75	26.30	4.50	3.00	1.43	12.03%
Westar Energy	B++	0.89	0.80	20.73	2.00	5.50	1.22	12.50%
DPL Inc.	B++	0.89	0.65	23.19	11.00	5.00	1.10	11.29%
Wisconsin Energy	B++	0.89	0.65	42.73	8.00	13.00	1.35	9.61%
Portland General	B++	0.89	0.65	19.20	7.00	14.50	1.00	11.78%
Mean		0.87	0.71		5.69	6.81		
					Industry Growth Rate:	6.25%		D.G.M. 11.91%

CAPITAL ASSET PRICING MODEL (Realized Returns)			RISK PREMIUM MODEL (using ValueLine's Relative Strength Rating)		
Market Risk Premium		6.50%	Market Risk Premium		6.50%
Industry Beta		0.71	Industry Relative Financial Strength		0.87
Industry Risk Premium		4.62%	Industry Risk Premium		5.66%
Add: Risk-Free Rate		3.05%	Add: Risk-Free Rate		3.05%
	CAPM	7.67%		RPM	8.71%

RECONCILIATION OF MODELS			RECONCILIATION OF CAPITAL STRUCTURE					
Model	Weighting	Rate	Indicator	Debt & Pfd	Equity			
Capital Asset Pricing Model	60.00%	7.67%	Mean	37.12%	62.88%			
Risk Premium Model	0.00%	8.71%	Weighted	36.92%	63.08%			
Dividend Growth Model	40.00%	11.91%	Approved	35.00%	65.00%			
RECONCILED EQUITY RATE		9.36%	TAX	34.02%	DEBT	35%	EQ	65%



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ELECTRIC UTILITIES

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CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Total Debt (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Pref'd Stock (000,000)	Pref'd Divid's (000,000)	Common Shares Outstanding	Tax Rate
Pinnacle West Capital	3,477.5	3,086.2	181.3			100,733,570	33.56%
Puget Energy Inc.	2,995.0	2,528.9	168.7	1.9	0.1	129,678,489	28.20%
Alliant Energy	1,609.8	1,255.1	95.0	243.8	18.7	110,449,099	44.36%
G't Plains Energy	2,928.1	2,633.7	188.5	39.0	1.6	118,918,655	30.73%
OGE Energy	2,651.8	1,912.0	123.3			92,783,129	32.34%
Westar Energy	2,450.5	2,013.8	85.0	21.4	1.0	108,290,243	27.50%
DPL Inc.	1,542.1	1,276.3	71.3	22.9	0.9	115,961,880	36.64%
Wisconsin Energy	4,566.6	3,271.1	196.3	30.4	1.2	116,918,996	39.05%
Portland General	1,344.0	1,164.0	72.0			62,557,928	33.79%
Mean	2,618.4	2,126.8	131.3	59.9	3.9	106,254,665	34.02%
Total	23,565.4	19,141.1	1,181.4	359.4	23.5	956,291,989	

Company Name	Market Value of Debt* (000,000)	Market Value of Pfd Equity** (000,000)	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
Pinnacle West Capital	2,325.3	0.0	3,388.7	40.69%	0.00%	59.31%
Puget Energy Inc.	2,098.2	1.3	3,554.5	37.11%	0.02%	62.87%
Alliant Energy	1,149.3	247.7	3,217.4	24.91%	5.37%	69.73%
G't Plains Energy	2,307.7	21.2	2,366.5	49.15%	0.45%	50.40%
OGE Energy	1,545.7	0.0	2,440.2	38.78%	0.00%	61.22%
Westar Energy	1,198.5	13.2	2,244.9	34.67%	0.38%	64.95%
DPL Inc.	926.4	11.9	2,689.2	25.54%	0.33%	74.13%
Wisconsin Energy	2,504.2	15.9	4,995.9	33.32%	0.21%	66.47%
Portland General	911.7	0.0	1,201.1	43.15%	0.00%	56.85%
Mean	1,663.0	34.6	2,899.8	36.37%	0.75%	62.88%
Weighted or Total	14,966.8	311.2	26,098.4	36.17%	0.75%	63.08%

* Market Value of Debt Rate: **8.45%**

** Market Value of Preferred Equity Rate: **7.55%**



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NATURAL GAS UTILITIES

FOR: JANUARY 1, 2009

**Discount or Cost of Capital Rates
For discounting and yield capitalization only**

DIVIDEND GROWTH MODEL

Company Name	Relative Financial Strength		Beta	Price	Projected Earnings Growth	Projected Dividend Growth	Current Dividend	D.G.M. Rate
AGL Resources	B++	0.89	0.75	31.64	3.00	4.00	1.72	10.36%
Atmos Energy	B+	1.00	0.65	24.19	4.50	2.00	1.33	10.42%
Laclede Group	B+	1.00	0.65	47.19	4.50	2.50	1.54	8.09%
Nicor Inc.	A	0.78	0.70	34.44	4.00	NMF	1.86	10.32%
Northwest Nat. Gas	A	0.78	0.60	43.72	5.50	5.00	1.60	8.50%
Piedmont Natural Gas	B++	0.89	0.70	30.36	7.50	4.00	1.04	8.26%
Questar Corp.	B++	0.89	1.25	36.88	9.50	4.50	0.50	6.09%
Southwest Gas	B	1.11	0.75	25.65	6.50	4.00	0.93	8.47%
Mean	0.92		0.76		5.63	3.71		
					Industry Growth Rate:	4.67%		D.G.M. 8.81%

CAPITAL ASSET PRICING MODEL (Realized Returns)			RISK PREMIUM MODEL (using ValueLine's Relative Strength Rating)		
Market Risk Premium	6.50%		Market Risk Premium	6.50%	
Industry Beta	0.76		Industry Relative Financial Strength	0.92	
Industry Risk Premium	4.94%		Industry Risk Premium	5.98%	
Add: Risk-Free Rate	3.05%		Add: Risk-Free Rate	3.05%	
	CAPM	7.99%		RPM	9.03%

RECONCILIATION OF MODELS			RECONCILIATION OF CAPITAL STRUCTURE					
Model	Weighting	Rate	Indicator	Debt & Pfd	Equity			
Capital Asset Pricing Model	60.00%	7.99%	Mean	29.08%	70.92%			
Risk Premium Model	40.00%	9.03%	Weighted	28.00%	71.99%			
Dividend Growth Model	0.00%	8.81%	Approved	30.00%	70.00%			
RECONCILED EQUITY RATE		8.41%	TAX	34.63%	DEBT	30%	EQ	70%



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NATURAL GAS UTILITIES

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CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Total Debt (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Pref'd Stock (000,000)	Pref'd Divid's (000,000)	Common Shares Outstanding	Tax Rate
AGL Resources	2,444.0	1,675.0	85.0	0.0	0.0	76,780,439	37.57%
Atmos Energy	2,234.0	2,119.7	125.0	0.0	0.0	90,627,522	35.83%
Laclede Group	368.0	309.2	20.0	0.5	0.0	21,971,760	33.45%
Nicor Inc.	937.0	448.0	30.0	0.6	0.0	45,191,267	26.64%
Northwest Nat. Gas	686.8	512.0	37.0	0.0	0.0	26,470,688	37.16%
Piedmont Natural Gas	994.0	824.5	55.7	0.0	0.0	73,278,668	32.96%
Questar Corp.	2,109.2	1,995.9	110.0	0.0	0.0	173,434,716	36.96%
Southwest Gas	1,325.6	1,313.1	90.0	0.0	0.0	43,914,407	36.47%
Mean	1,387.3	1,149.7	69.1	0.1	0.0	68,958,683	34.63%
Total	11,098.6	9,197.4	552.7	1.1	0.0	551,669,467	

Company Name	Market Value of Debt* (000,000)	Market Value of Pfd Equity** (000,000)	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
AGL Resources	1,133.7	0.0	2,429.3	31.82%	0.00%	68.18%
Atmos Energy	1,601.6	0.0	2,192.3	42.22%	0.00%	57.78%
Laclede Group	250.5	0.5	1,036.8	19.45%	0.04%	80.51%
Nicor Inc.	372.8	0.0	1,556.4	19.32%	0.00%	80.68%
Northwest Nat. Gas	452.0	0.0	1,157.3	28.09%	0.00%	71.91%
Piedmont Natural Gas	690.8	0.0	2,224.7	23.69%	0.00%	76.31%
Questar Corp.	1,434.4	0.0	6,396.3	18.32%	0.00%	81.68%
Southwest Gas	1,112.5	0.0	1,126.4	49.69%	0.00%	50.31%
Mean	881.0	0.1	2,264.9	29.08%	0.01%	70.92%
Weighted or Total	7,048.3	0.5	18,119.5	28.00%	0.00%	71.99%

* Market Value of Debt Rate: **8.45%**

** Market Value of Preferred Equity Rate: **7.55%**



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GAS PIPELINES

FOR: JANUARY 1, 2009

**Discount or Cost of Capital Rates
For discounting and yield capitalization only**

DIVIDEND GROWTH MODEL

Company Name	Relative Financial Strength		Beta	Price	Projected Earnings	Projected Dividend	Current Dividend	D.G.M. Rate
					Growth	Growth		
Enterprise Products	B	1.11	0.85	23.77	15.50	10.50	2.18	21.78%
Equitable Resources	B++	0.89	1.15	36.39	15.50	4.50	0.93	14.40%
TransCanada Corp.	B++	0.89	0.90	28.54	10.00	10.00	1.44	17.18%
Questar Corp.	B++	0.89	1.25	36.88	9.50	4.50	0.50	13.06%
Williams Cos.	B+	1.00	1.25	16.15	22.00	13.50	0.47	14.80%
Mean		0.96	1.08		14.50	8.60		
					Industry Growth Rate:	11.55%		D.G.M. 16.24%

CAPITAL ASSET PRICING MODEL (Realized Returns)			RISK PREMIUM MODEL (using ValueLine's Relative Strength Rating)		
Market Risk Premium		6.50%	Market Risk Premium		6.50%
Industry Beta		1.08	Industry Relative Financial Strength		0.96
Industry Risk Premium		7.02%	Industry Risk Premium		6.24%
Add: Risk-Free Rate		3.05%	Add: Risk-Free Rate		3.05%
	CAPM	10.07%		RPM	9.29%

RECONCILIATION OF MODELS			RECONCILIATION OF CAPITAL STRUCTURE			
Model	Weighting	Rate	Indicator	Debt & Pfd	Equity	
Capital Asset Pricing Model	60.00%	10.07%	Mean	28.96%	71.04%	
Risk Premium Model	0.00%	9.29%	Weighted	33.64%	66.36%	
Dividend Growth Model	40.00%	16.24%	Approved	30.00%	70.00%	
RECONCILED EQUITY RATE		12.54%	TAX	36.87%	DEBT	30%
			EQ		70%	



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GAS PIPELINES

FOR: JANUARY 1, 2009

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Total Debt (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Pref'd Stock (000,000)	Pref'd Divid's (000,000)	Common Shares Outstanding	Tax Rate
Enterprise Products	8,458.2	8,458.2	500.0	0.0	0.0	437,850,289	NMF
Equitable Resources	1,347.2	1,253.5	50.0	0.0	0.0	130,772,530	45.23%
TransCanada Corp.	15,872.7	14,448.6	725.0	0.0	0.0	580,000,000	27.07%
Questar Corp.	2,109.2	1,995.9	110.0	0.0	0.0	173,434,716	36.96%
Williams Cos.	7,911.0	7,827.0	450.0	0.0	0.0	578,674,347	38.22%
Mean	7,139.7	6,796.6	367.0	0.0	0.0	380,146,376	36.87%
Total	35,698.3	33,983.2	1,835.0	0.0	0.0	1,900,731,882	

Company Name	Market Value of Debt* (000,000)	Market Value of Pfd Equity** (000,000)	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
Enterprise Products	6,402.6	0.0	10,407.7	38.09%	0.00%	61.91%
Equitable Resources	718.1	0.0	4,758.8	13.11%	0.00%	86.89%
TransCanada Corp.	9,701.0	0.0	16,553.2	36.95%	0.00%	63.05%
Questar Corp.	1,434.4	0.0	6,396.3	18.32%	0.00%	81.68%
Williams Cos.	5,803.3	0.0	9,345.6	38.31%	0.00%	61.69%
Mean	4,811.9	0.0	9,492.3	28.96%	0.00%	71.04%
Weighted or Total	24,059.5	0.0	47,461.6	33.64%	0.00%	66.36%

* Market Value of Debt Rate: **8.45%**

** Market Value of Preferred Equity Rate: **7.55%**



**UTAH STATE TAX COMMISSION
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**LIQUID PIPELINES
FOR: JANUARY 1, 2009**

**Discount or Cost of Capital Rates
For discounting and yield capitalization only**

DIVIDEND GROWTH MODEL

Company Name	Relative Financial Strength		Beta	Price	Projected Earnings	Projected Dividend	Current Dividend	D.G.M. Rate
					Growth	Growth		
Buckeye Partners L.P.	B+	1.00	0.90	37.60	8.50	4.50	3.63	16.84%
Kinder Morgan Energy	B+	1.00	0.75	47.84	10.50	9.00	4.08	15.64%
Magellan Midstream	B+	1.00	0.85	34.26	7.50	8.50	2.81	15.29%
Plains All Amer. Pipe.	B+	1.00	0.95	39.01	0.50	5.50	3.66	16.55%
TEPPCO Partners L.P.	B	1.11	0.85	23.01	6.00	5.00	2.95	20.21%
Mean		1.02	0.86		6.60	6.50		
					Industry Growth Rate:	6.55%		D.G.M. 16.91%

CAPITAL ASSET PRICING MODEL (Realized Returns)			RISK PREMIUM MODEL (using ValueLine's Relative Strength Rating)		
Market Risk Premium		6.50%	Market Risk Premium		6.50%
Industry Beta		0.86	Industry Relative Financial Strength		1.02
Industry Risk Premium		5.59%	Industry Risk Premium		6.63%
Add: Risk-Free Rate		3.05%	Add: Risk-Free Rate		3.05%
	CAPM	8.64%		RPM	9.68%

RECONCILIATION OF MODELS			RECONCILIATION OF CAPITAL STRUCTURE		
Model	Weighting	Rate	Indicator	Debt & Pfd	Equity
Capital Asset Pricing Model	60.00%	8.64%	Mean	31.48%	68.52%
Risk Premium Model	0.00%	9.68%	Weighted	29.39%	70.61%
Dividend Growth Model	40.00%	16.91%	Approved	30.00%	70.00%
RECONCILED EQUITY RATE		11.95%	TAX 38.50%	DEBT 30%	EQ 70%



UTAH STATE TAX COMMISSION
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LIQUID PIPELINES
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CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Total Debt (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Pref'd Stock (000,000)	Pref'd Divid's (000,000)	Common Shares Outstanding	Tax Rate
Buckeye Partners L.P.	1,500.4	1,399.4	70.0	0.0	0.0	48,616,260	NMF
Kinder Morgan Energy	8,553.9	8,269.2	285.0	0.0	0.0	260,733,842	NMF
Magellan Midstream	1,017.5	1,017.5	55.0	0.0	0.0	66,743,730	NMF
Plains All Amer. Pipe.	4,569.0	3,220.0	150.0	0.0	0.0	122,911,645	NMF
TEPPCO Partners L.P.	2,338.7	2,338.7	150.0	0.0	0.0	104,524,501	NMF
Mean	3,595.9	3,249.0	142.0	0.0	0.0	120,705,996	38.50%
Total	17,979.5	16,244.8	710.0	0.0	0.0	603,529,978	

Company Name	Market Value of Debt* (000,000)	Market Value of Pfd Equity** (000,000)	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
Buckeye Partners L.P.	937.5	0.0	1,828.0	33.90%	0.00%	66.10%
Kinder Morgan Energy	4,308.2	0.0	12,473.5	25.67%	0.00%	74.33%
Magellan Midstream	720.9	0.0	2,286.6	23.97%	0.00%	76.03%
Plains All Amer. Pipe.	2,051.2	0.0	4,794.8	29.96%	0.00%	70.04%
TEPPCO Partners L.P.	1,882.8	0.0	2,405.1	43.91%	0.00%	56.09%
Mean	1,980.1	0.0	4,757.6	31.48%	0.00%	68.52%
Weighted or Total	9,900.6	0.0	23,788.0	29.39%	0.00%	70.61%

* Market Value of Debt Rate: **8.45%**

** Market Value of Preferred Equity Rate: **7.55%**



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RAILROADS

FOR: JANUARY 1, 2009

**Discount or Cost of Capital Rates
For discounting and yield capitalization only**

DIVIDEND GROWTH MODEL

Company Name	Relative Financial Strength		Beta	Price	Projected Earnings Growth	Projected Dividend Growth	Current Dividend	D.G.M. Rate
Burlington Northern	A	0.78	1.00	80.87	7.00	12.00	1.60	14.82%
CSX Corp.	B++	0.89	1.15	36.49	19.00	NMF	0.88	15.31%
Can. National Railway	A	0.78	1.10	40.48	8.00	13.00	0.74	14.65%
Norfolk Southern	B+	1.00	1.05	49.86	13.00	14.50	1.28	15.48%
Union Pacific	A	0.78	1.05	53.85	17.00	10.00	1.08	14.85%
Mean		0.85	1.07		12.80	12.38		
					Industry Growth Rate:	12.59%		D.G.M. 15.02%

CAPITAL ASSET PRICING MODEL (Realized Returns)			RISK PREMIUM MODEL (using ValueLine's Relative Strength Rating)		
Market Risk Premium		6.50%	Market Risk Premium		6.50%
Industry Beta		1.07	Industry Relative Financial Strength		0.85
Industry Risk Premium		6.96%	Industry Risk Premium		5.53%
Add: Risk-Free Rate		3.05%	Add: Risk-Free Rate		3.05%
	CAPM	10.01%		RPM	8.58%

RECONCILIATION OF MODELS			RECONCILIATION OF CAPITAL STRUCTURE					
Model	Weighting	Rate	Indicator	Debt & Pfd	Equity			
Capital Asset Pricing Model	60.00%	10.01%	Mean	21.77%	78.23%			
Risk Premium Model	0.00%	8.58%	Weighted	21.25%	78.75%			
Dividend Growth Model	40.00%	15.02%	Approved	20.00%	80.00%			
RECONCILED EQUITY RATE		12.01%	TAX	35.85%	DEBT	20%	EQ	80%



UTAH STATE TAX COMMISSION
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RAILROADS

FOR: JANUARY 1, 2009

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Total Debt (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Pref'd Stock (000,000)	Pref'd Divid's (000,000)	Common Shares Outstanding	Tax Rate
Burlington Northern	8,700.0	8,297.0	520.0	0.0	0.0	342,326,358	38.15%
CSX Corp.	7,910.0	7,367.0	524.0	0.0	0.0	394,469,360	35.75%
Can. National Railway	5,370.0	5,011.0	296.0	0.0	0.0	464,100,000	32.43%
Norfolk Southern	6,471.0	5,983.0	440.0	0.0	0.0	370,279,291	34.56%
Union Pacific	8,462.0	8,116.0	530.0	0.0	0.0	506,430,904	38.35%
Mean	7,382.6	6,954.8	462.0	0.0	0.0	415,521,183	35.85%
Total	36,913.0	34,774.0	2,310.0	0.0	0.0	2,077,605,913	

Company Name	Market Value of Debt* (000,000)	Market Value of Pfd Equity** (000,000)	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
Burlington Northern	6,563.3	0.0	27,683.9	19.16%	0.00%	80.84%
CSX Corp.	6,423.9	0.0	14,394.2	30.86%	0.00%	69.14%
Can. National Railway	3,791.1	0.0	18,786.8	16.79%	0.00%	83.21%
Norfolk Southern	5,355.3	0.0	18,462.1	22.48%	0.00%	77.52%
Union Pacific	6,624.4	0.0	27,271.3	19.54%	0.00%	80.46%
Mean	5,751.6	0.0	21,319.7	21.77%	0.00%	78.23%
Weighted or Total	28,758.0	0.0	106,598.3	21.25%	0.00%	78.75%

* Market Value of Debt Rate: **8.45%**

** Market Value of Preferred Equity Rate: **7.55%**



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TELECOMMUNICATIONS I (WIRELINE & WIRELESS)

FOR: JANUARY 1, 2009

**Discount or Cost of Capital Rates
For discounting and yield capitalization only**

DIVIDEND GROWTH MODEL

Company Name	Relative Financial Strength		Beta	Price	Projected		Current Dividend	D.G.M. Rate
					Earnings Growth	Dividend Growth		
AT&T Inc.	A+	0.67	0.80	28.24	11.00	11.50	1.64	15.73%
Cincinnati Bell	C+	1.33	1.10	1.92	8.00	NMF	0.00	
Frontier Communic.	B	1.11	0.90	8.60	6.00	NMF	1.00	22.09%
Leap Wireless	C++	1.22	1.30	32.42	NMF	NMF	0.00	
Qwest Communic.	C+	1.33	1.20	3.55	16.50	NMF	0.32	19.23%
Sprint Nextel Corp.	C++	1.22	1.45	2.28	26.00	NMF	0.00	
U.S. Cellular	B+	1.00	1.15	44.01	8.50	NMF	0.00	
Windstream Corp.	B	1.11	1.00	9.26	NMF	NMF	1.00	21.19%
Verizon Communic.	A+	0.67	0.75	31.86	4.50	3.00	1.84	15.69%
Mean	1.07		1.07		11.50	7.25		
					Industry Growth Rate:	9.38%		D.G.M. 18.79%

CAPITAL ASSET PRICING MODEL (Realized Returns)			RISK PREMIUM MODEL (using ValueLine's Relative Strength Rating)		
Market Risk Premium	6.50%		Market Risk Premium	6.50%	
Industry Beta	1.07		Industry Relative Financial Strength	1.07	
Industry Risk Premium	6.96%		Industry Risk Premium	6.96%	
Add: Risk-Free Rate	3.05%		Add: Risk-Free Rate	3.05%	
	CAPM	10.01%		RPM	10.01%

RECONCILIATION OF MODELS			RECONCILIATION OF CAPITAL STRUCTURE			
Model	Weighting	Rate	Indicator	Debt & Pfd	Equity	
Capital Asset Pricing Model	75.00%	10.01%	Mean	46.92%	53.08%	
Risk Premium Model	0.00%	10.01%	Weighted	33.85%	66.15%	
Dividend Growth Model	25.00%	18.79%	Approved	40.00%	60.00%	
RECONCILED EQUITY RATE		12.20%	TAX	37.31%	DEBT	40%
			EQ		60%	



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TELECOMMUNICATIONS I (WIRELINE & WIRELESS)

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CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Total Debt (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Pref'd Stock (000,000)	Pref'd Divid's (000,000)	Common Shares Outstanding	Tax Rate
AT&T Inc.	76,774.0	59,355.0	3,000.0	0.0	0.0	2,840,484,291	34.23%
Cincinnati Bell	1,990.5	1,980.8	140.0	12.4	10.4	230,401,442	42.79%
Frontier Communic.	4,749.0	4,745.2	355.0	0.0	0.0	311,315,997	37.36%
Leap Wireless	2,582.1	2,569.6	180.0	0.0	0.0	350,173,117	NMF
Qwest Communic.	14,055.0	12,815.0	1,050.0	0.0	0.0	1,703,427,297	37.00%
Sprint Nextel Corp.	22,640.0	21,023.0	1,255.0	0.0	0.0	2,856,799,492	NMF
U.S. Cellular	1,006.4	1,006.4	60.0	0.0	0.0	87,366,490	39.65%
Windstream Corp.	5,395.7	5,371.4	415.0	0.0	0.0	439,422,952	35.11%
Verizon Communic.	44,775.0	37,478.0	1,605.0	0.0	0.0	2,840,484,291	35.00%
Mean	19,329.7	16,260.5	895.6	1.4	1.2	1,295,541,708	37.31%
Total	173,967.7	146,344.4	8,060.0	12.4	10.4	11,659,875,369	

Company Name	Market Value of Debt* (000,000)	Market Value of Pfd Equity** (000,000)	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
AT&T Inc.	40,059.6	0.0	80,215.3	33.31%	0.00%	66.69%
Cincinnati Bell	1,718.7	137.7	442.4	74.77%	5.99%	19.24%
Frontier Communic.	4,305.1	0.0	2,677.3	61.66%	0.00%	38.34%
Leap Wireless	2,214.1	0.0	11,352.6	16.32%	0.00%	83.68%
Qwest Communic.	12,500.3	0.0	6,047.2	67.40%	0.00%	32.60%
Sprint Nextel Corp.	16,031.0	0.0	6,513.5	71.11%	0.00%	28.89%
U.S. Cellular	766.7	0.0	3,845.0	16.62%	0.00%	83.38%
Windstream Corp.	4,999.2	0.0	4,069.1	55.13%	0.00%	44.87%
Verizon Communic.	22,525.2	0.0	90,497.8	19.93%	0.00%	80.07%
Mean	11,680.0	15.3	22,851.1	46.25%	0.67%	53.08%
Weighted or Total	105,120.0	137.7	205,660.2	33.81%	0.04%	66.15%

* Market Value of Debt Rate: **8.45%**

** Market Value of Preferred Equity Rate: **7.55%**



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TELECOMMUNICATIONS II (BROADBAND)

FOR: JANUARY 1, 2009

**Discount or Cost of Capital Rates
For discounting and yield capitalization only**

DIVIDEND GROWTH MODEL

Company Name	Relative Financial Strength		Beta	Price	Projected Earnings Growth	Projected Dividend Growth	Current Dividend	D.G.M. Rate
FiberTower Corporation	C+	1.33	1.70	0.21	NMF	NMF	0.00	
Global Crossing	C++	1.22	1.25	8.50	12.00	NMF	0.00	
Level 3 Communic.	B	1.11	1.55	0.88	41.00	NMF	0.00	
Mean		1.22	1.50		26.50	N/A		
				Industry Growth Rate:		N/A		D.G.M. 0.00%

CAPITAL ASSET PRICING MODEL (Realized Returns)			RISK PREMIUM MODEL (using ValueLine's Relative Strength Rating)		
Market Risk Premium		6.50%	Market Risk Premium		6.50%
Industry Beta		1.50	Industry Relative Financial Strength		1.22
Industry Risk Premium		9.75%	Industry Risk Premium		7.93%
Add: Risk-Free Rate		3.05%	Add: Risk-Free Rate		3.05%
	CAPM	12.80%		RPM	10.98%

RECONCILIATION OF MODELS			RECONCILIATION OF CAPITAL STRUCTURE					
Model	Weighting	Rate	Indicator	Debt & Pfd	Equity			
Capital Asset Pricing Model	75.00%	12.80%	Mean	72.62%	27.38%			
Risk Premium Model	25.00%	10.98%	Weighted	74.67%	25.33%			
Dividend Growth Model	0.00%	0.00%	Approved	75.00%	25.00%			
RECONCILED EQUITY RATE		12.35%	TAX	38.00%	DEBT	75%	EQ	25%



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TELECOMMUNICATIONS II (BROADBAND)

FOR: JANUARY 1, 2009

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Total Debt (000,000)	Long-Term Debt (000,000)	Long-Term Interest (000,000)	Pref'd Stock (000,000)	Pref'd Divid's (000,000)	Common Shares Outstanding	Tax Rate
FiberTower Corporation	426.5	426.5	0.0	0.0	0.0	150,396,000	38.00%
Global Crossing	1,399.0	1,310.0	89.0	180.0	0.0	56,310,390	38.00%
Level 3 Communic.	6,763.0	6,435.0	328.0	0.0	0.0	1,561,139,915	38.00%
Mean	2,862.8	2,723.8	139.0	60.0	0.0	589,282,102	38.00%
Total	8,588.5	8,171.5	417.0	180.0	0.0	1,767,846,305	

Company Name	Market Value of Debt* (000,000)	Market Value of Pfd Equity** (000,000)	Market Value of Cmn Equity (000,000)	Percent Debt	Percent Preferred Equity	Percent Common Equity
FiberTower Corporation	81.5	0.0	31.6	72.05%	0.00%	27.95%
Global Crossing	1,102.3	0.0	478.6	69.73%	0.00%	30.27%
Level 3 Communic.	4,369.4	0.0	1,373.8	76.08%	0.00%	23.92%
Mean	1,851.1	0.0	628.0	72.62%	0.00%	27.38%
Weighted or Total	5,553.2	0.0	1,884.0	74.67%	0.00%	25.33%

* Market Value of Debt Rate: **8.45%**

** Market Value of Preferred Equity Rate: **7.55%**