

CAPITALIZATION RATE STUDY FOR CENTRALLY ASSESSED PROPERTIES

FOR: JANUARY 1, 2011



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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SUMMARY OF EQUITY RATES AND CAPITAL STRUCTURE

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Industry	Equity Yield Rates	Percent Debt & Preferred Equity	Percent Common Equity	Income Tax Rate
Legacy Air Carriers	14.50%	65%	35%	38.50%
Discount & Regional Carriers	11.97%	60%	40%	39.72%
Southwest Airlines Only	11.00%	25%	75%	31.71%
Freight Airlines	11.23%	10%	90%	36.25%
Electric Utilities	9.89%	45%	55%	33.75%
Natural Gas Utilities	9.63%	35%	65%	34.78%
Natural Gas Pipelines	11.33%	35%	65%	32.20%
Liquid Pipelines	10.51%	30%	70%	38.50%
Railroad and Terminal	12.40%	20%	80%	33.63%
Telecom I: Wireless	11.23%	25%	75%	32.79%
Telecom II: Wireline	10.80%	40%	60%	36.18%
Telecom III: Broadband	13.31%	70%	30%	38.50%



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PROPERTY TAX DIVISION

KEY RATES AND FIGURES

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PUBLIC UTILITY BONDS

Aaa	N/A
Aa	5.32%
A	5.56%
Baa	6.04%

PREFERRED STOCKS

Aaa	N/A
Aa	N/A
A	5.83%
Baa	6.68%

INVESTMENT-GRADE CORPORATE BONDS

Aaa	5.02%
Aa	5.26%
A	5.52%
Baa	6.10%

INFLATION FACTORS

Year	4th Quarter GDP Implicit Price Deflator	Annual Percent Change	Conversion Factor
2000	89.371	N/A	1.243
2001	91.151	1.99%	1.219
2002	92.828	1.84%	1.197
2003	94.799	2.12%	1.172
2004	97.862	3.23%	1.135
2005	101.309	3.52%	1.097
2006	104.218	2.87%	1.066
2007	106.943	2.61%	1.039
2008	109.216	2.13%	1.017
2009	109.665	0.41%	1.013
2010	111.118	1.32%	1.000

2000 - 2010 Average Change: 2.21%

Source:

St. Louis Federal Reserve as of February, 2011

Website:

<http://research.stlouisfed.org/fred2/series/GDPDEF>

OTHER CORPORATE BONDS

Ba1	7.15%
Ba2	7.37%
Ba3	8.21%
B1	8.49%
B2	8.84%
B3	10.10%
Caa1	11.32%
Caa2	14.25%
Caa3	18.17%
Ca	21.03%
C	29.65%

OTHER RATES

Risk-Free Rate	4.13%
Market Risk Premium	6.70%
Default Income Tax Rate	38.50%
ValueLine GDP Price Deflator Forecast	1.30%
Airline "TEFRA" Relief Factor	6.80%
4-R Act Relief for Railroads	9.16%
4-R Act Relief (BNSF only)	6.80%
Rural Telephone Equity Rate Adj.	4.00%

MISCELLANEOUS INFORMATION

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, no adjustment will be made.

The default depletion rate for the income indicator on leased aircraft will be based upon an approximate 18 year economic life with no salvage value.

Resources:

The Value Line Investment Survey. January 2011 CD
 2011 Ibbotson Risk Premia Over Time Report.
 Mergent Bond Record. January 2011 Vol. 78 No. 1
 2011 Ibbotson Valuation Yearbook



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
LEGACY AIR CARRIERS -- EQUITY RATE MODELS**

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DIVIDEND GROWTH MODEL A

Company Name	Tax Rate	Rel. Financial Strength	Beta	Recent Stock Price	Projected Earnings Growth	Projected Dividend Growth	Next Year's Dividend	D.G.M. Rate
AMR Corp.	NMF	C+ 1.33	1.65	7.76			0.00	N/A
Delta Air Lines	NMF	C++ 1.22	1.50	12.49			0.00	N/A
United Cont'l Hldgs.	NMF	C++ 1.22	1.80	24.01			0.00	N/A
US Airways Group	NMF	C+ 1.33	1.75	10.13			0.00	N/A
Mean	38.50	1.28	1.68	Indicated Rate				N/A

RECONCILIATION OF EQUITY RATE

Equity Models	Rate
Capital Asset Pricing Model	15.39%
Division's Risk Premium Model	12.71%
Dividend Growth Model A	0.00%
Total NYSE CAPM	15.08%
Supply Side CAPM	14.21%
Deciles 1 & 2 CAPM	14.19%
Dividend Growth Model B	0.00%
Reconciled Equity Rate	14.50%

CAPITAL ASSET PRICING MODEL

Market Risk Premium	6.70%
Industry Beta	1.68
Industry Risk Premium	11.26%
Add: Risk-Free Rate	4.13%
Indicated Rate	15.39%

DIVISION'S RISK PREMIUM MODEL

Market Risk Premium	6.70%
Industry Relative Financial Strength	1.28
Industry Risk Premium	8.58%
Add: Risk-Free Rate	4.13%
Indicated Rate	12.71%

SUMMARY OF INDUSTRY RATES

EQUITY RATE	PERCENT DEBT	PERCENT EQUITY	TAX RATE
14.50%	65%	35%	38.50%



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
LEGACY AIR CARRIERS -- EQUITY RATE MODELS

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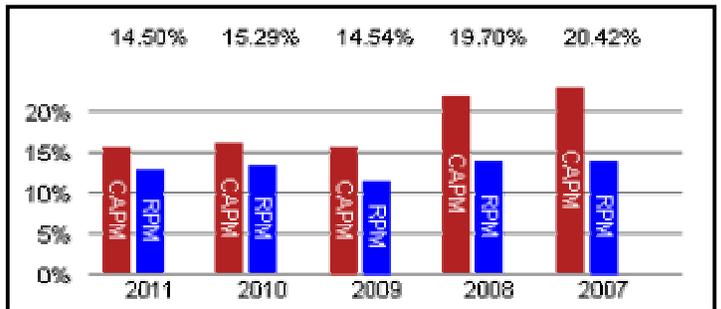
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TOTAL NEW YORK STOCK EXCHANGE CAPM	
Market Risk Premium	6.52%
Industry Beta	1.68
Industry Risk Premium	10.95%
Add: Risk-Free Rate	4.13%
Indicated Rate	15.08%

SUPPLY SIDE CAPM	
Market Risk Premium	6.00%
Industry Beta	1.68
Industry Risk Premium	10.08%
Add: Risk-Free Rate	4.13%
Indicated Rate	14.21%

NYSE DECILES 1 & 2 CAPM	
Market Risk Premium	5.99%
Industry Beta	1.68
Industry Risk Premium	10.06%
Add: Risk-Free Rate	4.13%
Indicated Rate	14.19%



DIVIDEND GROWTH MODEL B					
Company Name	Recent Stock Price	Return on Equity	Retention Rate	Next Year's Dividend	D.G.M. Rate
AMR Corp.	7.76	NMF	100.00	0.00	N/A
Delta Air Lines	12.49	26.50	100.00	0.00	N/A
United Cont'l Hldgs.	24.01	31.00	100.00	0.00	N/A
US Airways Group	10.13	NMF	100.00	0.00	N/A
Indicated Rate					N/A

REMARKS



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LEGACY AIR CARRIERS -- CAPITAL STRUCTURE

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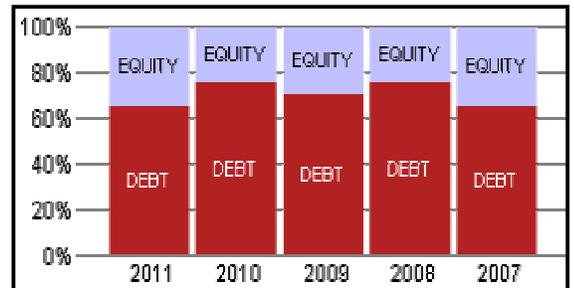
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CALCULATION OF MARKET VALUE

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstndg	Market Value of Equity
AMR Corp.	9,513.0	750.0	8,666.6	0.0	0.0	7.76	332.6	2,581.0
Delta Air Lines	13,063.0	850.0	10,226.6	0.0	0.0	12.49	784.0	9,792.2
United Cont'l Hldgs.	6,931.0	880.0	9,418.7	0.0	0.0	24.01	167.6	4,024.1
US Airways Group	3,987.0	300.0	3,498.8	0.0	0.0	10.13	161.1	1,631.9
Total			31,810.7		0.0			18,029.2

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
AMR Corp.	77.05%	22.95%
Delta Air Lines	51.08%	48.92%
United Cont'l Hldgs.	70.07%	29.93%
US Airways Group	68.19%	31.81%
Mean	66.60%	33.40%
Weighted Mean	63.83%	36.17%



REMARKS

* Market Value of Debt: 8.84% (B2)

** Market Value of Preferred Equity: 6.68%



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
DISCOUNT & REGIONAL CARRIERS -- EQUITY RATE MODELS

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DIVIDEND GROWTH MODEL A

Company Name	Tax Rate	Rel. Financial Strength	Beta	Recent Stock Price	Projected Earnings Growth	Projected Dividend Growth	Next Year's Dividend	D.G.M. Rate
AirTran Hldgs. Inc.	NMF	C 1.44	1.25	7.39	56.00		0.00	N/A
Alaska Air Group	40.83	C++ 1.22	1.15	57.49	30.00		0.00	N/A
JetBlue Airways	41.84	C++ 1.22	1.25	6.71	64.50		0.00	N/A
Pinnacle Airlines Corp	NMF	C 1.44	1.25	7.89			0.00	N/A
Republic Airways Holdings Inc	NMF	C+ 1.33	0.90	7.36	3.00		0.00	N/A
SkyWest	36.49	B 1.11	1.20	16.16	2.00	7.00	0.20	5.74%
Mean	39.72	1.29	1.17	Indicated Rate				5.74%

RECONCILIATION OF EQUITY RATE

Equity Models	Rate
Capital Asset Pricing Model	11.97%
Division's Risk Premium Model	12.77%
Dividend Growth Model A	5.74%
Total NYSE CAPM	11.76%
Supply Side CAPM	11.15%
Deciles 1 & 2 CAPM	11.14%
Dividend Growth Model B	6.69%
Reconciled Equity Rate	11.97%

CAPITAL ASSET PRICING MODEL

Market Risk Premium	6.70%
Industry Beta	1.17
Industry Risk Premium	7.84%
Add: Risk-Free Rate	4.13%
Indicated Rate	11.97%

DIVISION'S RISK PREMIUM MODEL

Market Risk Premium	6.70%
Industry Relative Financial Strength	1.29
Industry Risk Premium	8.64%
Add: Risk-Free Rate	4.13%
Indicated Rate	12.77%

SUMMARY OF INDUSTRY RATES

EQUITY RATE	PERCENT DEBT	PERCENT EQUITY	TAX RATE
11.97%	60%	40%	39.72%



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DISCOUNT & REGIONAL CARRIERS -- EQUITY RATE MODELS

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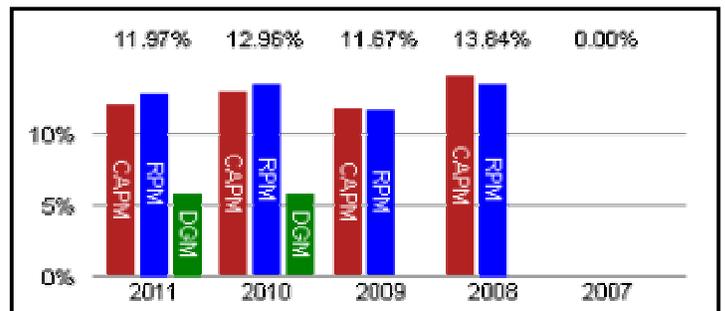
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TOTAL NEW YORK STOCK EXCHANGE CAPM	
Market Risk Premium	6.52%
Industry Beta	1.17
Industry Risk Premium	7.63%
Add: Risk-Free Rate	4.13%
Indicated Rate	11.76%

SUPPLY SIDE CAPM	
Market Risk Premium	6.00%
Industry Beta	1.17
Industry Risk Premium	7.02%
Add: Risk-Free Rate	4.13%
Indicated Rate	11.15%

NYSE DECILES 1 & 2 CAPM	
Market Risk Premium	5.99%
Industry Beta	1.17
Industry Risk Premium	7.01%
Add: Risk-Free Rate	4.13%
Indicated Rate	11.14%



DIVIDEND GROWTH MODEL B					
Company Name	Recent Stock Price	Return on Equity	Retention Rate	Next Year's Dividend	D.G.M. Rate
AirTran Hldgs. Inc.	7.39	16.50	100.00	0.00	N/A
Alaska Air Group	57.49	14.50	100.00	0.00	N/A
JetBlue Airways	6.71	13.00	100.00	0.00	N/A
Pinnacle Airlines Corp	7.89		100.00	0.00	N/A
Republic Airways Holdings Inc	7.36		100.00	0.00	N/A
SkyWest	16.16	6.00	90.91	0.20	6.69%
Indicated Rate					6.69%

REMARKS



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
DISCOUNT & REGIONAL CARRIERS -- CAPITAL STRUCTURE

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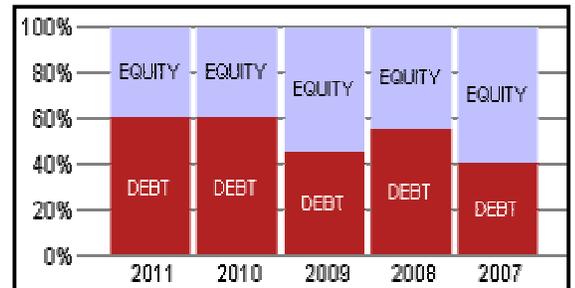
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CALCULATION OF MARKET VALUE

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstndg	Market Value of Equity
AirTran Hldgs. Inc.	902.1	80.0	904.5	0.0	0.0	7.39	134.7	995.4
Alaska Air Group	1,390.1	100.0	1,177.1	0.0	0.0	57.49	35.6	2,046.6
JetBlue Airways	2,880.0	175.0	2,139.3	0.0	0.0	6.71	291.5	1,956.0
Pinnacle Airlines Corp	577.3	0.0	577.3	0.0	0.0	7.89	18.3	144.4
Republic Airways Holdings Inc	2,333.5	0.0	2,333.5	0.0	0.0	7.36	34.6	254.7
SkyWest	1,787.4	90.0	1,154.5	0.0	0.0	16.16	55.6	898.5
Total			8,286.2		0.0			6,295.6

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
AirTran Hldgs. Inc.	47.61%	52.39%
Alaska Air Group	36.51%	63.49%
JetBlue Airways	52.24%	47.76%
Pinnacle Airlines Corp	79.99%	20.01%
Republic Airways Holdings Inc	90.16%	9.84%
SkyWest	56.23%	43.77%
Mean	60.46%	39.54%
Weighted Mean	56.83%	43.17%



REMARKS

* Market Value of Debt: 8.84% (B2)

** Market Value of Preferred Equity: 6.68%



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
SOUTHWEST AIRLINES ONLY -- EQUITY RATE MODELS

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DIVIDEND GROWTH MODEL A

Company Name	Tax Rate	Rel. Financial Strength	Beta	Recent Stock Price	Projected Earnings Growth	Projected Dividend Growth	Next Year's Dividend	D.G.M. Rate
Southwest Airlines	31.71	B+ 1.00	0.95	12.97	26.00	1.00	0.02	13.65%
Mean	31.71	1.00	0.95	Indicated Rate				13.65%

RECONCILIATION OF EQUITY RATE

Equity Models	Rate
Capital Asset Pricing Model	10.50%
Division's Risk Premium Model	10.83%
Dividend Growth Model A	13.65%
Total NYSE CAPM	10.32%
Supply Side CAPM	9.83%
Deciles 1 & 2 CAPM	9.82%
Dividend Growth Model B	12.50%
Reconciled Equity Rate	11.00%

CAPITAL ASSET PRICING MODEL

Market Risk Premium	6.70%
Industry Beta	0.95
Industry Risk Premium	6.37%
Add: Risk-Free Rate	4.13%
Indicated Rate	10.50%

DIVISION'S RISK PREMIUM MODEL

Market Risk Premium	6.70%
Industry Relative Financial Strength	1.00
Industry Risk Premium	6.70%
Add: Risk-Free Rate	4.13%
Indicated Rate	10.83%

SUMMARY OF INDUSTRY RATES

EQUITY RATE	PERCENT DEBT	PERCENT EQUITY	TAX RATE
11.00%	25%	75%	31.71%



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
SOUTHWEST AIRLINES ONLY -- EQUITY RATE MODELS**

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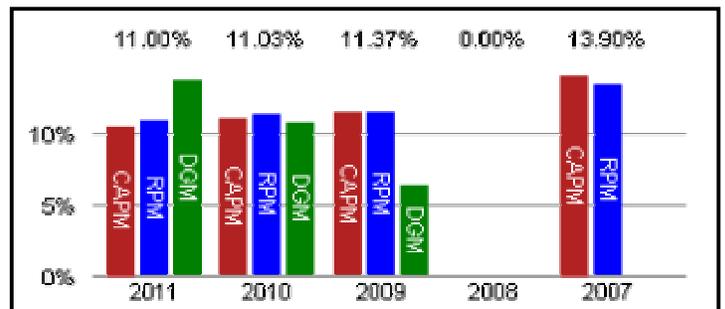
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TOTAL NEW YORK STOCK EXCHANGE CAPM	
Market Risk Premium	6.52%
Industry Beta	0.95
Industry Risk Premium	6.19%
Add: Risk-Free Rate	4.13%
Indicated Rate	10.32%

SUPPLY SIDE CAPM	
Market Risk Premium	6.00%
Industry Beta	0.95
Industry Risk Premium	5.70%
Add: Risk-Free Rate	4.13%
Indicated Rate	9.83%

NYSE DECILES 1 & 2 CAPM	
Market Risk Premium	5.99%
Industry Beta	0.95
Industry Risk Premium	5.69%
Add: Risk-Free Rate	4.13%
Indicated Rate	9.82%



DIVIDEND GROWTH MODEL B					
Company Name	Recent Stock Price	Return on Equity	Retention Rate	Next Year's Dividend	D.G.M. Rate
Southwest Airlines	12.97	12.50	98.75	0.02	12.50%
Indicated Rate					12.50%

REMARKS



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
SOUTHWEST AIRLINES ONLY -- CAPITAL STRUCTURE

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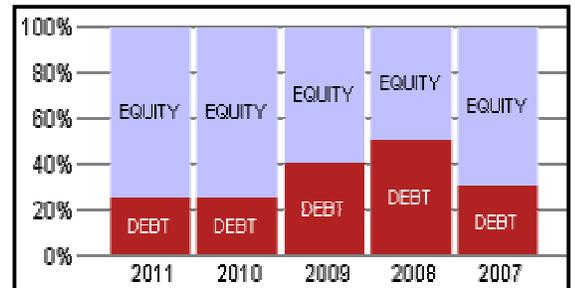
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CALCULATION OF MARKET VALUE

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstndg	Market Value of Equity
Southwest Airlines	3,350.0	160.0	2,841.5	0.0	0.0	12.97	742.8	9,634.1
Total			2,841.5		0.0			9,634.1

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
Southwest Airlines	22.78%	77.22%
Mean	22.78%	77.22%
Weighted Mean	22.78%	77.22%



REMARKS

* Market Value of Debt: 6.10% (Baa)

** Market Value of Preferred Equity: 6.68%



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
FREIGHT AIRLINES -- EQUITY RATE MODELS**

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DIVIDEND GROWTH MODEL A

Company Name	Tax Rate	Rel. Financial Strength		Beta	Recent Stock Price	Projected Earnings Growth	Projected Dividend Growth	Next Year's Dividend	D.G.M. Rate
Atlas Air Worldwide	40.08	B	1.11	1.60	56.49	11.00		0.00	N/A
FedEx Corp.	37.49	B++	0.89	1.00	92.96	16.00	6.00	0.48	11.52%
United Parcel Serv.	31.19	A	0.78	0.85	72.68	9.00	4.00	1.96	9.20%
Mean	36.25	0.93		1.15	Indicated Rate				10.36%

RECONCILIATION OF EQUITY RATE

Equity Models	Rate
Capital Asset Pricing Model	11.84%
Division's Risk Premium Model	10.36%
Dividend Growth Model A	10.36%
Total NYSE CAPM	11.63%
Supply Side CAPM	11.03%
Deciles 1 & 2 CAPM	11.02%
Dividend Growth Model B	16.65%
Reconciled Equity Rate	11.23%

CAPITAL ASSET PRICING MODEL

Market Risk Premium	6.70%
Industry Beta	1.15
Industry Risk Premium	7.71%
Add: Risk-Free Rate	4.13%
Indicated Rate	11.84%

DIVISION'S RISK PREMIUM MODEL

Market Risk Premium	6.70%
Industry Relative Financial Strength	0.93
Industry Risk Premium	6.23%
Add: Risk-Free Rate	4.13%
Indicated Rate	10.36%

SUMMARY OF INDUSTRY RATES

EQUITY RATE	PERCENT DEBT	PERCENT EQUITY	TAX RATE
11.23%	10%	90%	36.25%



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PROPERTY TAX DIVISION
FREIGHT AIRLINES -- EQUITY RATE MODELS**

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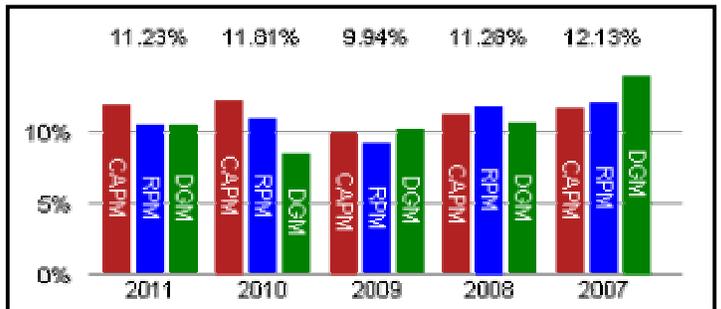
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TOTAL NEW YORK STOCK EXCHANGE CAPM	
Market Risk Premium	6.52%
Industry Beta	1.15
Industry Risk Premium	7.50%
Add: Risk-Free Rate	4.13%
Indicated Rate	11.63%

SUPPLY SIDE CAPM	
Market Risk Premium	6.00%
Industry Beta	1.15
Industry Risk Premium	6.90%
Add: Risk-Free Rate	4.13%
Indicated Rate	11.03%

NYSE DECILES 1 & 2 CAPM	
Market Risk Premium	5.99%
Industry Beta	1.15
Industry Risk Premium	6.89%
Add: Risk-Free Rate	4.13%
Indicated Rate	11.02%



DIVIDEND GROWTH MODEL B					
Company Name	Recent Stock Price	Return on Equity	Retention Rate	Next Year's Dividend	D.G.M. Rate
Atlas Air Worldwide	56.49	9.50	100.00	0.00	N/A
FedEx Corp.	92.96	13.50	93.90	0.48	13.19%
United Parcel Serv.	72.68	29.00	60.00	1.96	20.10%
Indicated Rate					16.65%

REMARKS



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
FREIGHT AIRLINES -- CAPITAL STRUCTURE**

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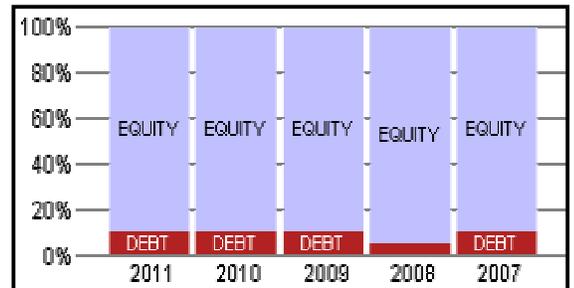
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CALCULATION OF MARKET VALUE

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstndg	Market Value of Equity
Atlas Air Worldwide	347.6	32.0	471.4	0.0	0.0	56.49	25.7	1,451.8
FedEx Corp.	1,668.0	65.0	1,246.7	0.0	0.0	92.96	314.0	29,189.4
United Parcel Serv.	8,648.0	315.0	6,211.5	0.0	0.0	72.68	992.9	72,164.0
Total			7,929.6		0.0			102,805.2

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
Atlas Air Worldwide	24.51%	75.49%
FedEx Corp.	4.10%	95.90%
United Parcel Serv.	7.93%	92.07%
Mean	12.18%	87.82%
Weighted Mean	7.16%	92.84%



REMARKS

* Market Value of Debt: 6.10% (Baa)

** Market Value of Preferred Equity: 6.68%



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
ELECTRIC UTILITIES -- EQUITY RATE MODELS**

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DIVIDEND GROWTH MODEL A

Company Name	Tax Rate	Rel. Financial Strength	Beta	Recent Stock Price	Projected Earnings Growth	Projected Dividend Growth	Next Year's Dividend	D.G.M. Rate
Avista Corp.	34.32	B++ 0.89	0.70	22.68	8.50	8.50	1.08	13.26%
Black Hills	30.72	B+ 1.00	0.80	30.34	4.50	2.50	1.48	8.38%
NV Energy Inc.	29.20	B 1.11	0.85	14.07	6.50	6.50	0.50	10.05%
Portland General	28.80	B+ 1.00	0.75	21.78	3.00	3.00	1.07	7.91%
UniSource Energy	38.17	C++ 1.22	0.70	36.15	14.00	12.50	1.76	18.12%
ALLETE	33.66	A 0.78	0.70	37.36	1.00	1.00	1.76	5.71%
Cleco Corp.	NMF	B+ 1.00	0.65	30.97	9.50	8.50	1.08	12.49%
CMS Energy Corp.	34.60	B 1.11	0.75	18.76	10.00	10.00	0.84	14.48%
Empire Dist. Elec.	32.50	B+ 1.00	0.70	22.16	7.50	1.00	1.28	10.03%
Integrus Energy	41.46	B+ 1.00	0.90	48.81	11.00	0.50	2.72	11.32%
MGE Energy	35.58	A 0.78	0.65	42.99	4.00	2.00	1.52	6.54%
OGE Energy	31.69	A 0.78	0.75	45.95	6.50	3.00	1.51	8.04%
Wisconsin Energy	36.48	B++ 0.89	0.65	59.03	9.50	9.50	2.10	13.06%
TECO Energy	31.55	B 1.11	0.85	17.79	8.00	3.00	0.84	10.22%
Mean	33.75	0.98	0.74	Indicated Rate				10.69%

RECONCILIATION OF EQUITY RATE

Equity Models	Rate
Capital Asset Pricing Model	9.09%
Division's Risk Premium Model	10.70%
Dividend Growth Model A	10.69%
Total NYSE CAPM	8.95%
Supply Side CAPM	8.57%
Deciles 1 & 2 CAPM	8.56%
Dividend Growth Model B	8.67%
Reconciled Equity Rate	9.89%

CAPITAL ASSET PRICING MODEL

Market Risk Premium	6.70%
Industry Beta	0.74
Industry Risk Premium	4.96%
Add: Risk-Free Rate	4.13%
Indicated Rate	9.09%

DIVISION'S RISK PREMIUM MODEL

Market Risk Premium	6.70%
Industry Relative Financial Strength	0.98
Industry Risk Premium	6.57%
Add: Risk-Free Rate	4.13%
Indicated Rate	10.70%

SUMMARY OF INDUSTRY RATES

EQUITY RATE	PERCENT DEBT	PERCENT EQUITY	TAX RATE
9.89%	45%	55%	33.75%



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
ELECTRIC UTILITIES -- EQUITY RATE MODELS

3/24/2011

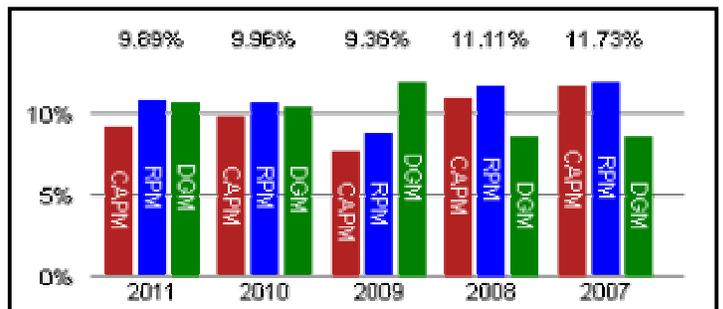
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TOTAL NEW YORK STOCK EXCHANGE CAPM	
Market Risk Premium	6.52%
Industry Beta	0.74
Industry Risk Premium	4.82%
Add: Risk-Free Rate	4.13%
Indicated Rate	8.95%

SUPPLY SIDE CAPM	
Market Risk Premium	6.00%
Industry Beta	0.74
Industry Risk Premium	4.44%
Add: Risk-Free Rate	4.13%
Indicated Rate	8.57%

NYSE DECILES 1 & 2 CAPM	
Market Risk Premium	5.99%
Industry Beta	0.74
Industry Risk Premium	4.43%
Add: Risk-Free Rate	4.13%
Indicated Rate	8.56%



DIVIDEND GROWTH MODEL B					
Company Name	Recent Stock Price	Return on Equity	Retention Rate	Next Year's Dividend	D.G.M. Rate
Avista Corp.	22.68	9.00	35.00	1.08	7.91%
Black Hills	30.34	7.50	28.89	1.48	7.04%
NV Energy Inc.	14.07	8.00	44.00	0.50	7.07%
Portland General	21.78	8.50	40.00	1.07	8.31%
UniSource Energy	36.15	12.50	39.10	1.76	9.76%
ALLETE	37.36	9.00	32.73	1.76	7.66%
Cleco Corp.	30.97	10.50	47.27	1.08	8.45%
CMS Energy Corp.	18.76	12.00	39.39	0.84	9.20%
Empire Dist. Elec.	22.16	10.50	22.86	1.28	8.18%
Integrus Energy	48.81	10.00	32.00	2.72	8.77%
MGE Energy	42.99	12.00	44.83	1.52	8.92%
OGE Energy	45.95	12.50	56.00	1.51	10.29%
Wisconsin Energy	59.03	13.00	48.57	2.10	9.87%
TECO Energy	17.79	13.00	40.63	0.84	10.00%
Indicated Rate					8.67%

REMARKS



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
ELECTRIC UTILITIES -- CAPITAL STRUCTURE**

3/24/2011

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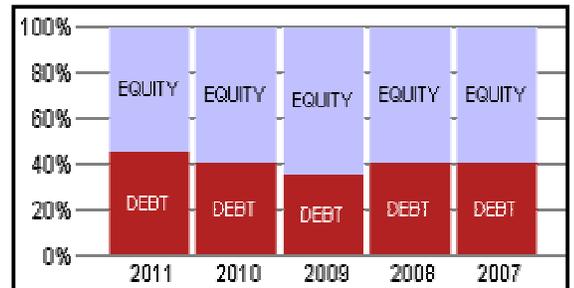
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CALCULATION OF MARKET VALUE

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstndg	Market Value of Equity
Avista Corp.	1,143.4	66.3	1,111.6	0.0	0.0	22.68	54.8	1,242.9
Black Hills	990.1	66.3	1,065.0	0.0	0.0	30.34	39.0	1,183.3
NV Energy Inc.	5,242.4	306.3	5,123.3	0.0	0.0	14.07	234.8	3,303.6
Portland General	1,808.0	104.0	1,748.1	0.0	0.0	21.78	75.2	1,637.9
UniSource Energy	1,326.3	110.0	1,670.7	0.0	0.0	36.15	35.9	1,297.8
ALLETE	784.2	39.3	691.3	0.0	0.0	37.36	35.2	1,315.1
Cleco Corp.	1,187.8	72.5	1,196.5	0.1	1.5	30.97	60.3	1,867.5
CMS Energy Corp.	6,203.0	347.0	5,884.3	2.0	29.9	18.76	227.9	4,275.4
Empire Dist. Elec.	690.7	43.0	705.5	0.0	0.0	22.16	38.1	844.3
Integrus Energy	1,912.7	107.1	1,815.6	3.1	46.4	48.81	76.0	3,709.6
MGE Energy	319.7	12.0	235.5	0.0	0.0	42.99	23.1	993.1
OGE Energy	2,372.8	144.7	2,388.7	0.0	0.0	45.95	97.0	4,457.2
Wisconsin Energy	3,935.7	222.4	3,759.3	1.2	18.0	59.03	116.9	6,900.6
TECO Energy	3,312.8	213.7	3,469.6	0.0	0.0	17.79	213.9	3,805.3
Total			30,865.0		95.8			36,833.6

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
Avista Corp.	47.21%	52.79%
Black Hills	47.37%	52.63%
NV Energy Inc.	60.80%	39.20%
Portland General	51.63%	48.37%
UniSource Energy	56.28%	43.72%
ALLETE	34.45%	65.55%
Cleco Corp.	39.08%	60.92%
CMS Energy Corp.	58.04%	41.96%
Empire Dist. Elec.	45.52%	54.48%
Integrus Energy	33.42%	66.58%
MGE Energy	19.17%	80.83%
OGE Energy	34.89%	65.11%
Wisconsin Energy	35.37%	64.63%
TECO Energy	47.69%	52.31%
Mean	43.64%	56.36%
Weighted Mean	45.67%	54.33%



REMARKS

* Market Value of Debt: 6.04% (Baa)

** Market Value of Preferred Equity: 6.68%



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
NATURAL GAS UTILITIES -- EQUITY RATE MODELS**

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DIVIDEND GROWTH MODEL A

Company Name	Tax Rate	Rel. Financial Strength		Beta	Recent Stock Price	Projected Earnings Growth	Projected Dividend Growth	Next Year's Dividend	D.G.M. Rate	
AGL Resources	35.16	B++	0.89	0.75	36.18	4.50	2.50	1.76	8.36%	
Atmos Energy	34.39	B+	1.00	0.65	31.44	5.50	2.00	1.36	8.08%	
Laclede Group	33.59	B+	1.00	0.60	37.22	2.50	2.50	1.61	6.83%	
Nicor Inc.	32.45	A	0.78	0.75	50.08	1.00		1.86	4.71%	
NiSource Inc.	41.76	B	1.11	0.85	17.62	6.50	0.50	0.92	8.72%	
Northwest Nat. Gas	38.32	A	0.78	0.60	47.06	3.00	4.50	1.72	7.41%	
Piedmont Natural Gas	28.51	B++	0.89	0.65	28.40	4.00	3.50	1.15	7.80%	
Questar Corp.	NMF	B++	0.89		17.48	NMF	6.00	0.59	9.38%	
Southwest Gas	34.02	B	1.11	0.75	37.02	8.00	5.00	1.05	9.34%	
Mean	34.78		0.94	0.70					Indicated Rate	7.85%

RECONCILIATION OF EQUITY RATE

Equity Models	Rate
Capital Asset Pricing Model	8.82%
Division's Risk Premium Model	10.43%
Dividend Growth Model A	7.85%
Total NYSE CAPM	8.69%
Supply Side CAPM	8.33%
Deciles 1 & 2 CAPM	8.32%
Dividend Growth Model B	9.06%
Reconciled Equity Rate	9.63%

CAPITAL ASSET PRICING MODEL

Market Risk Premium	6.70%
Industry Beta	0.70
Industry Risk Premium	4.69%
Add: Risk-Free Rate	4.13%
Indicated Rate	8.82%

DIVISION'S RISK PREMIUM MODEL

Market Risk Premium	6.70%
Industry Relative Financial Strength	0.94
Industry Risk Premium	6.30%
Add: Risk-Free Rate	4.13%
Indicated Rate	10.43%

SUMMARY OF INDUSTRY RATES

EQUITY RATE	PERCENT DEBT	PERCENT EQUITY	TAX RATE
9.63%	35%	65%	34.78%



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
NATURAL GAS UTILITIES -- EQUITY RATE MODELS**

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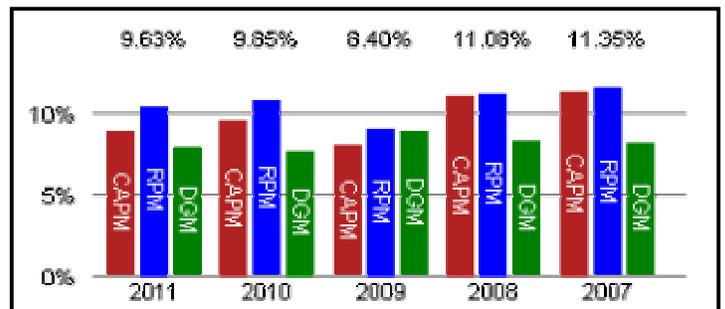
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TOTAL NEW YORK STOCK EXCHANGE CAPM	
Market Risk Premium	6.52%
Industry Beta	0.70
Industry Risk Premium	4.56%
Add: Risk-Free Rate	4.13%
Indicated Rate	8.69%

SUPPLY SIDE CAPM	
Market Risk Premium	6.00%
Industry Beta	0.70
Industry Risk Premium	4.20%
Add: Risk-Free Rate	4.13%
Indicated Rate	8.33%

NYSE DECILES 1 & 2 CAPM	
Market Risk Premium	5.99%
Industry Beta	0.70
Industry Risk Premium	4.19%
Add: Risk-Free Rate	4.13%
Indicated Rate	8.32%



DIVIDEND GROWTH MODEL B					
Company Name	Recent Stock Price	Return on Equity	Retention Rate	Next Year's Dividend	D.G.M. Rate
AGL Resources	36.18	12.50	46.67	1.76	10.70%
Atmos Energy	31.44	9.50	46.30	1.36	8.72%
Laclede Group	37.22	11.00	41.67	1.61	8.91%
Nicor Inc.	50.08	10.50	38.00	1.86	7.70%
NiSource Inc.	17.62	8.00	41.25	0.92	8.52%
Northwest Nat. Gas	47.06	11.00	39.69	1.72	8.02%
Piedmont Natural Gas	28.40	13.00	33.16	1.15	8.36%
Questar Corp.	17.48	16.00	56.25	0.59	12.38%
Southwest Gas	37.02	9.50	57.14	1.05	8.26%
Indicated Rate					9.06%

REMARKS



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
NATURAL GAS UTILITIES -- CAPITAL STRUCTURE**

3/24/2011

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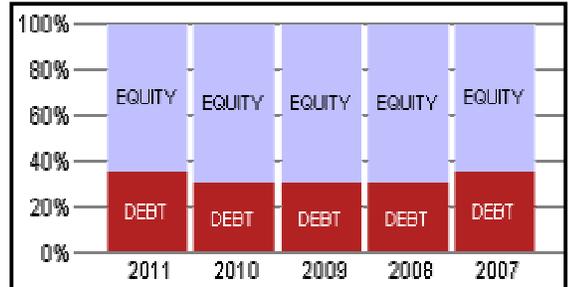
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CALCULATION OF MARKET VALUE

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstndg	Market Value of Equity
AGL Resources	1,514.0	68.0	1,243.9	0.0	0.0	36.18	77.5	2,804.0
Atmos Energy	1,809.5	120.0	1,932.8	0.0	0.0	31.44	92.6	2,911.3
Laclede Group	364.3	20.0	341.2	0.0	0.0	37.22	22.2	826.3
Nicor Inc.	423.4	6.5	203.7	0.0	0.0	50.08	45.2	2,263.6
NiSource Inc.	5,964.3	300.0	5,270.3	0.0	0.0	17.62	276.8	4,877.2
Northwest Nat. Gas	591.6	30.0	525.6	0.0	0.0	47.06	26.5	1,247.1
Piedmont Natural Gas	732.0	55.1	857.4	0.0	0.0	28.40	73.3	2,081.7
Questar Corp.	649.1	30.0	543.0	0.0	0.0	17.48	174.6	3,052.0
Southwest Gas	1,075.5	80.0	1,248.8	0.0	0.0	37.02	45.1	1,669.6
Total			12,166.7		0.0			21,732.8

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
AGL Resources	30.73%	69.27%
Atmos Energy	39.90%	60.10%
Laclede Group	29.22%	70.78%
Nicor Inc.	8.26%	91.74%
NiSource Inc.	51.94%	48.06%
Northwest Nat. Gas	29.65%	70.35%
Piedmont Natural Gas	29.17%	70.83%
Questar Corp.	15.10%	84.90%
Southwest Gas	42.79%	57.21%
Mean	30.75%	69.25%
Weighted Mean	35.89%	64.11%



REMARKS

* Market Value of Debt: 6.04% (Baa)

** Market Value of Preferred Equity: 6.68%



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
NATURAL GAS PIPELINES -- EQUITY RATE MODELS

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DIVIDEND GROWTH MODEL A

Company Name	Tax Rate	Rel. Financial Strength	Beta	Recent Stock Price	Projected Earnings Growth	Projected Dividend Growth	Next Year's Dividend	D.G.M. Rate
Boardwalk Pipeline	NMF	B+ 1.00	0.85	31.11	7.50	5.00	2.11	13.03%
Enterprise Products	NMF	B+ 1.00	0.85	41.69	10.50	8.00	2.44	15.10%
Kinder Morgan Energy	NMF	B+ 1.00	0.75	70.43	8.00	6.00	4.56	13.47%
ONEOK Inc.	40.43	B+ 1.00	0.95	55.69	5.00	12.00	2.00	12.09%
Spectra Energy	29.52	B 1.11	1.00	24.99	3.50	5.50	1.04	8.66%
Questar Corp.	NMF	B++ 0.89		17.48	NMF	6.00	0.59	9.38%
TransCanada Corp.	20.77	B++ 0.89	0.90	38.14	8.50	4.00	1.60	10.45%
Williams Cos.	38.07	B+ 1.00	1.30	24.66	7.50	6.50	0.52	9.11%
Williams Partners L.P.	NMF	B+ 1.00	1.05	46.65	10.50	12.00	2.96	17.60%
Mean	32.20	0.99	0.96	Indicated Rate				12.10%

RECONCILIATION OF EQUITY RATE

Equity Models	Rate
Capital Asset Pricing Model	10.56%
Division's Risk Premium Model	10.76%
Dividend Growth Model A	12.10%
Total NYSE CAPM	10.39%
Supply Side CAPM	9.89%
Deciles 1 & 2 CAPM	9.88%
Dividend Growth Model B	10.98%
Reconciled Equity Rate	11.33%

CAPITAL ASSET PRICING MODEL

Market Risk Premium	6.70%
Industry Beta	0.96
Industry Risk Premium	6.43%
Add: Risk-Free Rate	4.13%
Indicated Rate	10.56%

DIVISION'S RISK PREMIUM MODEL

Market Risk Premium	6.70%
Industry Relative Financial Strength	0.99
Industry Risk Premium	6.63%
Add: Risk-Free Rate	4.13%
Indicated Rate	10.76%

SUMMARY OF INDUSTRY RATES

EQUITY RATE	PERCENT DEBT	PERCENT EQUITY	TAX RATE
11.33%	35%	65%	32.20%



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
NATURAL GAS PIPELINES -- EQUITY RATE MODELS**

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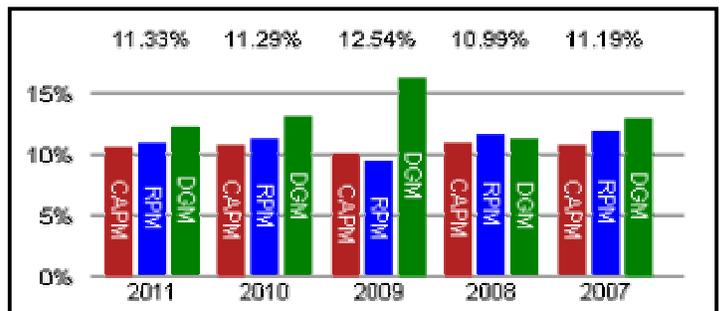
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TOTAL NEW YORK STOCK EXCHANGE CAPM	
Market Risk Premium	6.52%
Industry Beta	0.96
Industry Risk Premium	6.26%
Add: Risk-Free Rate	4.13%
Indicated Rate	10.39%

SUPPLY SIDE CAPM	
Market Risk Premium	6.00%
Industry Beta	0.96
Industry Risk Premium	5.76%
Add: Risk-Free Rate	4.13%
Indicated Rate	9.89%

NYSE DECILES 1 & 2 CAPM	
Market Risk Premium	5.99%
Industry Beta	0.96
Industry Risk Premium	5.75%
Add: Risk-Free Rate	4.13%
Indicated Rate	9.88%



DIVIDEND GROWTH MODEL B					
Company Name	Recent Stock Price	Return on Equity	Retention Rate	Next Year's Dividend	D.G.M. Rate
Boardwalk Pipeline	31.11			2.11	N/A
Enterprise Products	41.69			2.44	N/A
Kinder Morgan Energy	70.43			4.56	N/A
ONEOK Inc.	55.69		21.05	2.00	N/A
Spectra Energy	24.99		30.53	1.04	N/A
Questar Corp.	17.48	16.00	56.25	0.59	12.38%
TransCanada Corp.	38.14	11.00	50.72	1.60	9.77%
Williams Cos.	24.66	12.00	72.44	0.52	10.80%
Williams Partners L.P.	46.65			2.96	N/A
Indicated Rate					10.98%

REMARKS



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
NATURAL GAS PIPELINES -- CAPITAL STRUCTURE

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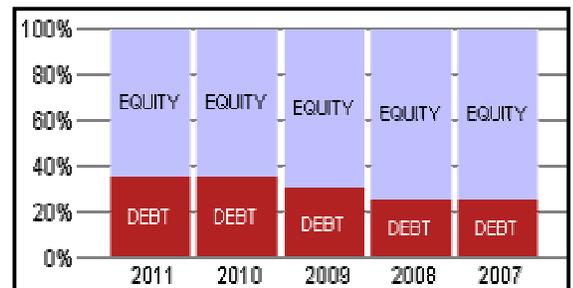
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CALCULATION OF MARKET VALUE

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstndg	Market Value of Equity
Boardwalk Pipeline	3,251.8	165.0	2,890.0	0.0	0.0	31.11	192.6	5,991.8
Enterprise Products	12,704.8	715.0	12,101.5	0.0	0.0	41.69	610.4	25,447.6
Kinder Morgan Energy	10,278.6	490.0	8,771.5	0.0	0.0	70.43	296.9	20,910.7
ONEOK Inc.	3,692.0	300.0	4,579.1	0.0	0.0	55.69	105.9	5,897.6
Spectra Energy	9,277.0	635.0	10,137.2	0.0	0.0	24.99	647.5	16,181.0
Questar Corp.	649.1	30.0	543.0	0.0	0.0	17.48	174.6	3,052.0
TransCanada Corp.	17,390.2	725.0	13,641.9	0.0	0.0	38.14	684.4	26,103.0
Williams Cos.	8,002.0	636.0	9,760.9	0.0	0.0	24.66	583.0	14,376.8
Williams Partners L.P.	5,765.0	422.0	6,615.1	0.0	0.0	46.65	52.8	2,463.1
Total			69,040.2		0.0			120,423.6

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
Boardwalk Pipeline	32.54%	67.46%
Enterprise Products	32.23%	67.77%
Kinder Morgan Energy	29.55%	70.45%
ONEOK Inc.	43.71%	56.29%
Spectra Energy	38.52%	61.48%
Questar Corp.	15.10%	84.90%
TransCanada Corp.	34.32%	65.68%
Williams Cos.	40.44%	59.56%
Williams Partners L.P.	72.87%	27.13%
Mean	37.70%	62.30%
Weighted Mean	36.44%	63.56%



REMARKS

* Market Value of Debt: 6.04% (Baa)

** Market Value of Preferred Equity: 6.68%



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
LIQUID PIPELINES -- EQUITY RATE MODELS**

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DIVIDEND GROWTH MODEL A

Company Name	Tax Rate	Rel. Financial Strength	Beta	Recent Stock Price	Projected Earnings Growth	Projected Dividend Growth	Next Year's Dividend	D.G.M. Rate
Buckeye Partners L.P.	NMF	B+ 1.00	0.85	67.33	4.50	3.50	3.95	9.87%
Kinder Morgan Energy	NMF	B+ 1.00	0.75	70.43	8.00	6.00	4.56	13.47%
Magellan Midstream	NMF	B+ 1.00	0.90	56.54	5.00	4.00	3.00	9.81%
Plains All Amer. Pipe.	NMF	B+ 1.00	0.85	62.84	3.00	3.00	3.82	9.08%
Enbridge Inc.	NMF	B+ 1.00	0.65	56.64	8.00	8.00	1.96	11.46%
Enterprise Products	NMF	B+ 1.00	0.85	41.69	10.50	8.00	2.44	15.10%
Mean	38.50	1.00	0.81	Indicated Rate				11.47%

RECONCILIATION OF EQUITY RATE

Equity Models	Rate
Capital Asset Pricing Model	9.56%
Division's Risk Premium Model	10.83%
Dividend Growth Model A	11.47%
Total NYSE CAPM	9.41%
Supply Side CAPM	8.99%
Deciles 1 & 2 CAPM	8.98%
Dividend Growth Model B	7.76%
Reconciled Equity Rate	10.51%

CAPITAL ASSET PRICING MODEL

Market Risk Premium	6.70%
Industry Beta	0.81
Industry Risk Premium	5.43%
Add: Risk-Free Rate	4.13%
Indicated Rate	9.56%

DIVISION'S RISK PREMIUM MODEL

Market Risk Premium	6.70%
Industry Relative Financial Strength	1.00
Industry Risk Premium	6.70%
Add: Risk-Free Rate	4.13%
Indicated Rate	10.83%

SUMMARY OF INDUSTRY RATES

EQUITY RATE	PERCENT DEBT	PERCENT EQUITY	TAX RATE
10.51%	30%	70%	38.50%



UTAH STATE TAX COMMISSION PROPERTY TAX DIVISION LIQUID PIPELINES -- EQUITY RATE MODELS

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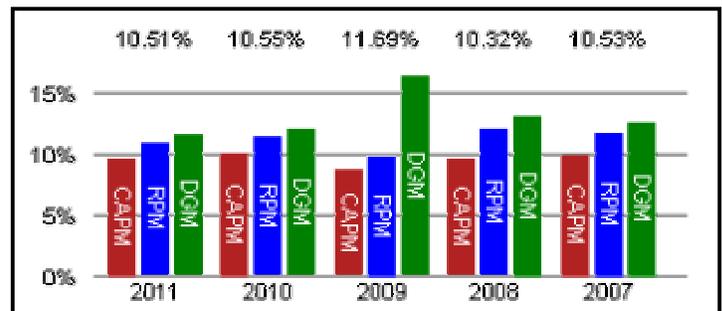
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TOTAL NEW YORK STOCK EXCHANGE CAPM	
Market Risk Premium	6.52%
Industry Beta	0.81
Industry Risk Premium	5.28%
Add: Risk-Free Rate	4.13%
Indicated Rate	9.41%

SUPPLY SIDE CAPM	
Market Risk Premium	6.00%
Industry Beta	0.81
Industry Risk Premium	4.86%
Add: Risk-Free Rate	4.13%
Indicated Rate	8.99%

NYSE DECILES 1 & 2 CAPM	
Market Risk Premium	5.99%
Industry Beta	0.81
Industry Risk Premium	4.85%
Add: Risk-Free Rate	4.13%
Indicated Rate	8.98%



DIVIDEND GROWTH MODEL B					
Company Name	Recent Stock Price	Return on Equity	Retention Rate	Next Year's Dividend	D.G.M. Rate
Buckeye Partners L.P.	67.33		1.18	3.95	N/A
Kinder Morgan Energy	70.43			4.56	N/A
Magellan Midstream	56.54		6.85	3.00	N/A
Plains All Amer. Pipe.	62.84			3.82	N/A
Enbridge Inc.	56.64	12.00	35.82	1.96	7.76%
Enterprise Products	41.69			2.44	N/A
Indicated Rate					7.76%

REMARKS



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
LIQUID PIPELINES -- CAPITAL STRUCTURE**

3/24/2011

2011

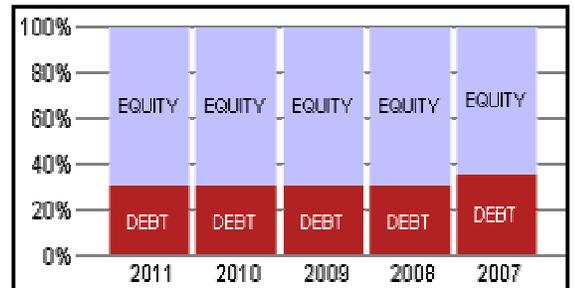
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CALCULATION OF MARKET VALUE

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstndg	Market Value of Equity
Buckeye Partners L.P.	1,441.3	70.0	1,244.8	0.0	0.0	67.33	51.4	3,460.8
Kinder Morgan Energy	10,278.6	490.0	8,771.5	0.0	0.0	70.43	296.9	20,910.7
Magellan Midstream	1,892.3	88.6	1,596.3	0.0	0.0	56.54	106.6	6,027.2
Plains All Amer. Pipe.	4,593.0	190.0	3,585.9	0.0	0.0	62.84	136.1	8,552.5
Enbridge Inc.	14,195.0	525.0	10,366.0	6.9	103.3	56.64	378.0	21,409.9
Enterprise Products	12,704.8	715.0	12,101.5	0.0	0.0	41.69	610.4	25,447.6
Total			37,666.0		103.3			85,808.7

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
Buckeye Partners L.P.	26.45%	73.55%
Kinder Morgan Energy	29.55%	70.45%
Magellan Midstream	20.94%	79.06%
Plains All Amer. Pipe.	29.54%	70.46%
Enbridge Inc.	32.84%	67.16%
Enterprise Products	32.23%	67.77%
Mean	28.59%	71.41%
Weighted Mean	30.56%	69.44%



REMARKS

* Market Value of Debt: 6.04% (Baa)

** Market Value of Preferred Equity: 6.68%



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
RAILROAD AND TERMINAL -- EQUITY RATE MODELS**

3/24/2011

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DIVIDEND GROWTH MODEL A

Company Name	Tax Rate	Rel. Financial Strength		Beta	Recent Stock Price	Projected Earnings Growth	Projected Dividend Growth	Next Year's Dividend	D.G.M. Rate
Can. National Railway	26.44	A	0.78	1.15	66.52	12.50	10.00	1.12	12.93%
CSX Corp.	35.43	B++	0.89	1.25	64.46	12.50	12.50	1.06	14.14%
Norfolk Southern	36.25	B+	1.00	1.15	62.74	10.00	4.00	1.40	9.23%
Union Pacific	36.40	A	0.78	1.15	92.06	14.00	12.50	1.52	14.90%
Mean	33.63	0.86		1.18	Indicated Rate				12.80%

RECONCILIATION OF EQUITY RATE

Equity Models	Rate
Capital Asset Pricing Model	12.04%
Division's Risk Premium Model	9.89%
Dividend Growth Model A	12.80%
Total NYSE CAPM	11.82%
Supply Side CAPM	11.21%
Deciles 1 & 2 CAPM	11.20%
Dividend Growth Model B	13.64%
Reconciled Equity Rate	12.40%

CAPITAL ASSET PRICING MODEL

Market Risk Premium	6.70%
Industry Beta	1.18
Industry Risk Premium	7.91%
Add: Risk-Free Rate	4.13%
Indicated Rate	12.04%

DIVISION'S RISK PREMIUM MODEL

Market Risk Premium	6.70%
Industry Relative Financial Strength	0.86
Industry Risk Premium	5.76%
Add: Risk-Free Rate	4.13%
Indicated Rate	9.89%

SUMMARY OF INDUSTRY RATES

EQUITY RATE	PERCENT DEBT	PERCENT EQUITY	TAX RATE
12.40%	20%	80%	33.63%



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
RAILROAD AND TERMINAL -- EQUITY RATE MODELS

3/24/2011

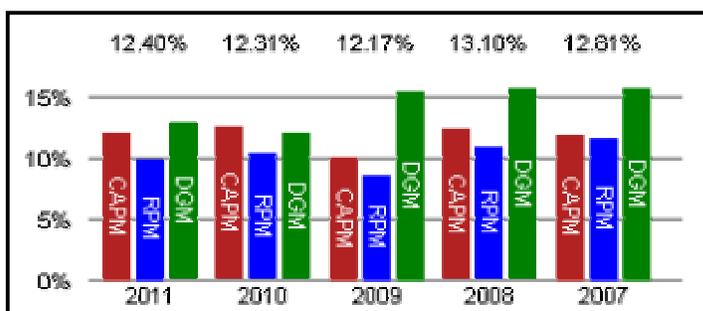
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TOTAL NEW YORK STOCK EXCHANGE CAPM	
Market Risk Premium	6.52%
Industry Beta	1.18
Industry Risk Premium	7.69%
Add: Risk-Free Rate	4.13%
Indicated Rate	11.82%

SUPPLY SIDE CAPM	
Market Risk Premium	6.00%
Industry Beta	1.18
Industry Risk Premium	7.08%
Add: Risk-Free Rate	4.13%
Indicated Rate	11.21%

NYSE DECILES 1 & 2 CAPM	
Market Risk Premium	5.99%
Industry Beta	1.18
Industry Risk Premium	7.07%
Add: Risk-Free Rate	4.13%
Indicated Rate	11.20%



DIVIDEND GROWTH MODEL B					
Company Name	Recent Stock Price	Return on Equity	Retention Rate	Next Year's Dividend	D.G.M. Rate
Can. National Railway	66.52	16.00	76.74	1.12	13.96%
CSX Corp.	64.46	16.50	75.81	1.06	14.15%
Norfolk Southern	62.74	14.00	76.88	1.40	12.99%
Union Pacific	92.06	15.00	78.70	1.52	13.46%
Indicated Rate					13.64%

REMARKS



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
RAILROAD AND TERMINAL -- CAPITAL STRUCTURE**

3/24/2011

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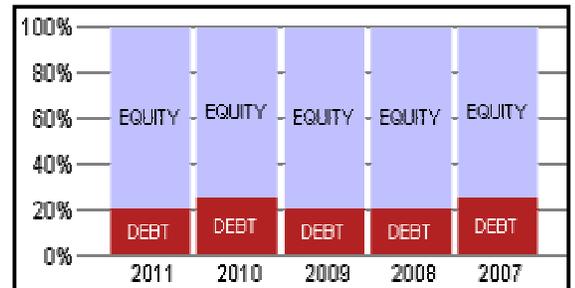
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CALCULATION OF MARKET VALUE

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstndg	Market Value of Equity
Can. National Railway	6,117.0	360.0	5,966.4	0.0	0.0	66.52	462.4	30,758.9
CSX Corp.	7,297.0	524.0	8,201.4	0.0	0.0	64.46	374.2	24,120.0
Norfolk Southern	6,574.0	440.0	7,021.0	0.0	0.0	62.74	363.4	22,798.0
Union Pacific	9,060.0	530.0	8,800.2	0.0	0.0	92.06	493.1	45,399.3
Total			29,989.0		0.0			123,076.2

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
Can. National Railway	16.25%	83.75%
CSX Corp.	25.37%	74.63%
Norfolk Southern	23.55%	76.45%
Union Pacific	16.24%	83.76%
Mean	20.35%	79.65%
Weighted Mean	19.59%	80.41%



REMARKS

* Market Value of Debt: 6.10% (Baa)

** Market Value of Preferred Equity: 6.68%



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
TELECOM I: WIRELESS -- EQUITY RATE MODELS

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DIVIDEND GROWTH MODEL A

Company Name	Tax Rate	Rel. Financial Strength		Beta	Recent Stock Price	Projected Earnings Growth	Projected Dividend Growth	Next Year's Dividend	D.G.M. Rate
AT&T Inc.	32.40	A+	0.67	0.75	29.33	5.50	4.50	1.72	10.86%
Leap Wireless	NMF	C	1.44	1.30	12.50			0	N/A
Metro PCS Communic.	33.22	B	1.11	0.85	12.66	28.00		0	N/A
U.S. Cellular	32.43	B+	1.00	1.10	49.81	3.00		0	N/A
Sprint Nextel Corp.	NMF	C++	1.22	1.30	4.16		20.00	0	N/A
Verizon Communic.	33.10	A+	0.67	0.70	35.56	4.00	1.50	1.90	8.09%
Clearwire Corp.	NMF	C+	1.33	1.40	5.22			0.00	N/A
Mean	32.79		1.06	1.06					Indicated Rate
									9.48%

RECONCILIATION OF EQUITY RATE

Equity Models	Rate
Capital Asset Pricing Model	11.23%
Division's Risk Premium Model	11.23%
Dividend Growth Model A	9.48%
Total NYSE CAPM	11.04%
Supply Side CAPM	10.49%
Deciles 1 & 2 CAPM	10.48%
Dividend Growth Model B	10.85%
Reconciled Equity Rate	11.23%

CAPITAL ASSET PRICING MODEL

Market Risk Premium	6.70%
Industry Beta	1.06
Industry Risk Premium	7.10%
Add: Risk-Free Rate	4.13%
Indicated Rate	11.23%

DIVISION'S RISK PREMIUM MODEL

Market Risk Premium	6.70%
Industry Relative Financial Strength	1.06
Industry Risk Premium	7.10%
Add: Risk-Free Rate	4.13%
Indicated Rate	11.23%

SUMMARY OF INDUSTRY RATES

EQUITY RATE	PERCENT DEBT	PERCENT EQUITY	TAX RATE
11.23%	25%	75%	32.79%



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
TELECOM I: WIRELESS -- EQUITY RATE MODELS**

3/24/2011

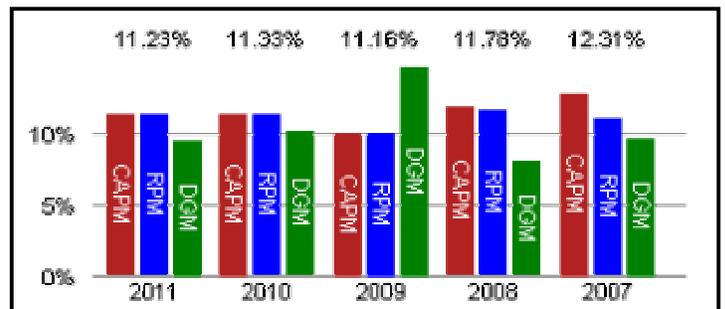
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TOTAL NEW YORK STOCK EXCHANGE CAPM	
Market Risk Premium	6.52%
Industry Beta	1.06
Industry Risk Premium	6.91%
Add: Risk-Free Rate	4.13%
Indicated Rate	11.04%

SUPPLY SIDE CAPM	
Market Risk Premium	6.00%
Industry Beta	1.06
Industry Risk Premium	6.36%
Add: Risk-Free Rate	4.13%
Indicated Rate	10.49%

NYSE DECILES 1 & 2 CAPM	
Market Risk Premium	5.99%
Industry Beta	1.06
Industry Risk Premium	6.35%
Add: Risk-Free Rate	4.13%
Indicated Rate	10.48%



DIVIDEND GROWTH MODEL B					
Company Name	Recent Stock Price	Return on Equity	Retention Rate	Next Year's Dividend	D.G.M. Rate
AT&T Inc.	29.33	13.50	39.00	1.72	11.13%
Leap Wireless	12.50	22.50	100.00	0	N/A
Metro PCS Communic.	12.66	18.00	100.00	0	N/A
U.S. Cellular	49.81	6.50	100.00	0	N/A
Sprint Nextel Corp.	4.16	21.50	100.00	0	N/A
Verizon Communic.	35.56	14.50	36.00	1.90	10.56%
Clearwire Corp.	5.22	12.00	100.00	0.00	N/A
Indicated Rate					10.85%

REMARKS

The wireless sector outlook is expected to be neutral due to the competitive nature of this segment. Even with penetration reaching 100%, strong cash flows will continue as the carriers venture further into 4G technology buildouts by WiMax with Clearwire or LTE by the other carriers. The competition is still fierce among the carriers as they try to provide better handsets with more capabilities through operating platforms, applications and data/video speeds along with the introduction of tablets. The wireless sector of the telecom industry is still believed to be where the growth will be. S&P Industry Surveys Telecommunications: Wireless



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
TELECOM I: WIRELESS -- CAPITAL STRUCTURE

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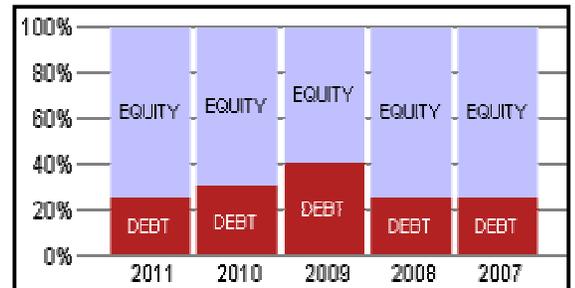
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CALCULATION OF MARKET VALUE

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstndg	Market Value of Equity
AT&T Inc.	64,720.0	3,000.0	47,542.9	0.0	0.0	29.33	5,901.9	173,102.7
Leap Wireless	2,735.3	225.0	3,045.9	0.0	0.0	12.50	77.5	968.8
Metro PCS Communic.	3,625.9	260.0	3,633.8	0.0	0.0	12.66	352.7	4,465.2
U.S. Cellular	867.5	58.0	825.0	0.0	0.0	49.81	86.5	4,308.6
Sprint Nextel Corp.	20,293.0	1,300.0	18,699.8	0.0	0.0	4.16	2,973.0	12,367.7
Verizon Communic.	55,051.0	1,650.0	30,922.1	0.0	0.0	35.56	2,835.7	100,837.5
Clearwire Corp.	2,801.2	255.0	3,378.7	0.0	0.0	5.22	196.8	1,027.3
Total			108,048.2		0.0			297,077.8

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
AT&T Inc.	21.55%	78.45%
Leap Wireless	75.87%	24.13%
Metro PCS Communic.	44.87%	55.13%
U.S. Cellular	16.07%	83.93%
Sprint Nextel Corp.	60.19%	39.81%
Verizon Communic.	23.47%	76.53%
Clearwire Corp.	76.68%	23.32%
Mean	45.53%	54.47%
Weighted Mean	26.67%	73.33%



REMARKS

* Market Value of Debt: 7.15% (Ba1)

** Market Value of Preferred Equity: 6.68%



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
TELECOM II: WIRELINE -- EQUITY RATE MODELS

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DIVIDEND GROWTH MODEL A

Company Name	Tax Rate	Rel. Financial Strength	Beta	Recent Stock Price	Projected Earnings Growth	Projected Dividend Growth	Next Year's Dividend	D.G.M. Rate
CenturyLink Inc.	37.37	B++ 0.89	0.70	46.36	-2.00	11.00	2.90	10.76%
Cincinnati Bell	41.93	C+ 1.33	1.10	2.81	7.00		0	N/A
Frontier Communic.	36.21	B 1.11	0.90	9.66		-4.50	0.75	5.51%
Windstream Corp.	38.69	B 1.11	0.95	13.97	7.00		1.00	14.16%
Qwest Communic.	26.69	C+ 1.33	1.00	7.64	-2.00	7.00	0.32	6.69%
Mean	36.18	1.15	0.93	Indicated Rate				9.28%

RECONCILIATION OF EQUITY RATE

Equity Models	Rate
Capital Asset Pricing Model	10.36%
Division's Risk Premium Model	11.84%
Dividend Growth Model A	9.28%
Total NYSE CAPM	10.19%
Supply Side CAPM	9.71%
Deciles 1 & 2 CAPM	9.70%
Dividend Growth Model B	6.40%
Reconciled Equity Rate	10.80%

CAPITAL ASSET PRICING MODEL

Market Risk Premium	6.70%
Industry Beta	0.93
Industry Risk Premium	6.23%
Add: Risk-Free Rate	4.13%
Indicated Rate	10.36%

DIVISION'S RISK PREMIUM MODEL

Market Risk Premium	6.70%
Industry Relative Financial Strength	1.15
Industry Risk Premium	7.71%
Add: Risk-Free Rate	4.13%
Indicated Rate	11.84%

SUMMARY OF INDUSTRY RATES

EQUITY RATE	PERCENT DEBT	PERCENT EQUITY	TAX RATE
10.80%	40%	60%	36.18%



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
TELECOM II: WIRELINE -- EQUITY RATE MODELS**

3/24/2011

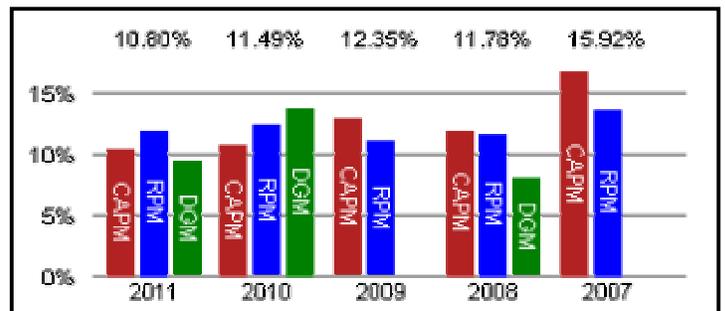
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TOTAL NEW YORK STOCK EXCHANGE CAPM	
Market Risk Premium	6.52%
Industry Beta	0.93
Industry Risk Premium	6.06%
Add: Risk-Free Rate	4.13%
Indicated Rate	10.19%

SUPPLY SIDE CAPM	
Market Risk Premium	6.00%
Industry Beta	0.93
Industry Risk Premium	5.58%
Add: Risk-Free Rate	4.13%
Indicated Rate	9.71%

NYSE DECILES 1 & 2 CAPM	
Market Risk Premium	5.99%
Industry Beta	0.93
Industry Risk Premium	5.57%
Add: Risk-Free Rate	4.13%
Indicated Rate	9.70%



DIVIDEND GROWTH MODEL B					
Company Name	Recent Stock Price	Return on Equity	Retention Rate	Next Year's Dividend	D.G.M. Rate
CenturyLink Inc.	46.36	8.50		2.90	N/A
Cincinnati Bell	2.81		100.00	0	N/A
Frontier Communic.	9.66	7.00		0.75	N/A
Windstream Corp.	13.97		26.00	1.00	N/A
Qwest Communic.	7.64	13.00	17.00	0.32	6.40%
Indicated Rate					6.40%

REMARKS

The wireline segment of the telecom industry is still experiencing mergers and acquisitions as the traditional POTS providers seek synergies through cost reductions and customer footprints. Although still in decline, the loss of subscriber lines seems to be tapering off as the providers backfill voice with DSL and other services. Many operators are replacing traditional twisted pair copper with fiber in an attempt to compete with wireless and broadband providers. The wireline segment still has an upper-hand in rural areas, however, the outlook will be for further mergers and bundling of services as the providers try to slow line losses. S&P Industry Surveys
Telecommunications:
Wireline



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
TELECOM II: WIRELINE -- CAPITAL STRUCTURE

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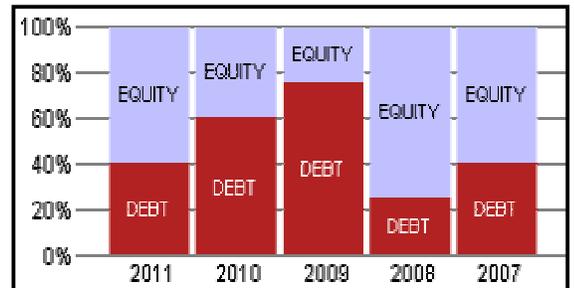
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CALCULATION OF MARKET VALUE

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstndg	Market Value of Equity
CenturyLink Inc.	7,253.7	350.0	5,338.0	0.0	0.0	46.36	299.2	13,870.9
Cincinnati Bell	1,963.3	129.6	1,806.6	10.4	155.7	2.81	228.5	642.1
Frontier Communic.	4,794.1	400.0	5,278.5	0.0	0.0	9.66	312.3	3,016.8
Windstream Corp.	6,271.4	520.0	6,871.2	0.0	0.0	13.97	436.8	6,102.1
Qwest Communic.	12,004.0	810.0	11,228.8	0.0	0.0	7.64	1,729.2	13,211.1
Total			30,523.1		155.7			36,843.0

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
CenturyLink Inc.	27.79%	72.21%
Cincinnati Bell	75.35%	24.65%
Frontier Communic.	63.63%	36.37%
Windstream Corp.	52.96%	47.04%
Qwest Communic.	45.94%	54.06%
Mean	53.14%	46.86%
Weighted Mean	45.44%	54.56%



REMARKS

* Market Value of Debt: 7.37% (Ba2)

** Market Value of Preferred Equity: 6.68%



**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
TELECOM III: BROADBAND -- EQUITY RATE MODELS**

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DIVIDEND GROWTH MODEL A

Company Name	Tax Rate	Rel. Financial Strength		Beta	Recent Stock Price	Projected Earnings Growth	Projected Dividend Growth	Next Year's Dividend	D.G.M. Rate
tw telecom	NMF	B	1.11	1.40	17.29			1.60	N/A
Level 3 Communic.	NMF	C++	1.22	1.25	0.98	2.00		0	N/A
Global Crossing	NMF	C++	1.22	1.00	12.95	12.00		0	N/A
FiberTower Corporation	NMF	C++	1.22	1.90	4.49			0.00	N/A
Mean	38.50	1.19		1.39	Indicated Rate				N/A

RECONCILIATION OF EQUITY RATE

Equity Models	Rate
Capital Asset Pricing Model	13.44%
Division's Risk Premium Model	12.10%
Dividend Growth Model A	0.00%
Total NYSE CAPM	13.19%
Supply Side CAPM	12.47%
Deciles 1 & 2 CAPM	12.46%
Dividend Growth Model B	20.80%
Reconciled Equity Rate	13.31%

CAPITAL ASSET PRICING MODEL

Market Risk Premium	6.70%
Industry Beta	1.39
Industry Risk Premium	9.31%
Add: Risk-Free Rate	4.13%
Indicated Rate	13.44%

DIVISION'S RISK PREMIUM MODEL

Market Risk Premium	6.70%
Industry Relative Financial Strength	1.19
Industry Risk Premium	7.97%
Add: Risk-Free Rate	4.13%
Indicated Rate	12.10%

SUMMARY OF INDUSTRY RATES

EQUITY RATE	PERCENT DEBT	PERCENT EQUITY	TAX RATE
13.31%	70%	30%	38.50%



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
TELECOM III: BROADBAND -- EQUITY RATE MODELS

3/24/2011

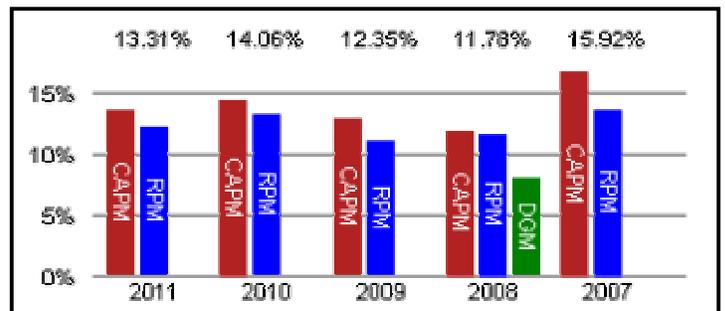
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TOTAL NEW YORK STOCK EXCHANGE CAPM	
Market Risk Premium	6.52%
Industry Beta	1.39
Industry Risk Premium	9.06%
Add: Risk-Free Rate	4.13%
Indicated Rate	13.19%

SUPPLY SIDE CAPM	
Market Risk Premium	6.00%
Industry Beta	1.39
Industry Risk Premium	8.34%
Add: Risk-Free Rate	4.13%
Indicated Rate	12.47%

NYSE DECILES 1 & 2 CAPM	
Market Risk Premium	5.99%
Industry Beta	1.39
Industry Risk Premium	8.33%
Add: Risk-Free Rate	4.13%
Indicated Rate	12.46%



DIVIDEND GROWTH MODEL B					
Company Name	Recent Stock Price	Return on Equity	Retention Rate	Next Year's Dividend	D.G.M. Rate
tw telecom	17.29	17.50	66.00	1.60	20.80%
Level 3 Communic.	0.98		100.00	0	N/A
Global Crossing	12.95		100.00	0	N/A
FiberTower Corporation	4.49		100.00	0.00	N/A
Indicated Rate					20.80%

REMARKS

The broadband segment of the telecommunications industry has been showing some increase in activity as more data and video traffic are being moved. Broadband still remains the leader in download/upload speeds making it a better value for consumers that use large amounts of bandwidth for data and/or video. There is development by the FCC to reclassify broadband from telecommunications information under Title I to telecommunications service under Title II which would put broadband under more regulatory oversight. The outlook for the broadband sector will be for stonger cash flows and market penetration. S&P Industry Surveys
Telecommunications:
Wireline



UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
TELECOM III: BROADBAND -- CAPITAL STRUCTURE

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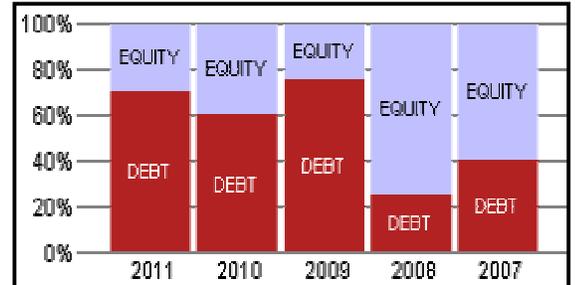
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CALCULATION OF MARKET VALUE

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstndg	Market Value of Equity
tw telecom	21,314.0	680.0	7,699.3	0.0	0.0	17.29	150.2	2,597.0
Level 3 Communic.	6,448.0	180.0	2,127.2	0.0	0.0	0.98	1,644.1	1,611.2
Global Crossing	1,385.0	222.0	1,897.4	0.0	0.0	12.95	60.2	779.6
FiberTower Corporation	165.1	0.2	19.8	0.0	0.0	4.49	45.6	204.7
Total			11,743.7		0.0			5,192.5

CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
tw telecom	74.78%	25.22%
Level 3 Communic.	56.90%	43.10%
Global Crossing	70.88%	29.12%
FiberTower Corporation	8.82%	91.18%
Mean	52.84%	47.16%
Weighted Mean	69.34%	30.66%



REMARKS

* Market Value of Debt: 11.32% (Caa1)

** Market Value of Preferred Equity: 6.68%