APPENDIX B

FERC-approved One-Stage DCF Model Results (Electric Utilities)

	Company	Symbol	6-Months Dividend Yield (Low)	6-Months Dividend Yield (High)	Growth (br+sv)	Growth (IBES)	Adjusted Dividend Yield (Low)	Adjusted Dividend Yield (High)	ROE (Low)	ROE (High)
			[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
1	Allete Inc	ALE	3.08%	3.22%	6.63%	5.00%	3.16%	3.33%	8.16%	9.96%
2	Alliant Energy	LNT	2.92%	3.15%	4.91%	6.00%	2.99%	3.24%	7.90%	9.24%
3	DTE Energy	DTE	4.41%	4.63%	2.31%	5.67%	4.46%	4.76%	6.77%	10.43%
4	Duke Energy	DUK	6.55%	6.86%	2.76%	6.02%	6.64%	7.06%	9.40%	13.08%
5	MDU Resources	MDU	1.94%	2.09%	9.82%	7.15%	2.01%	2.19%	9.16%	12.01%
6	Otter Tail	OTTR	3.62%	3.81%	3.87%	5.00%	3.69%	3.91%	7.56%	8.91%
7	Vectren	VVC	4.29%	4.49%	2.65%	4.00%	4.35%	4.58%	7.00%	8.58%
8	Xcel Energy	XEL	3.87%	4.03%	4.11%	6.20%	3.95%	4.16%	8.06%	10.36%

Average	**9.16%**
Minimum	**7.56%**
Maximum	**13.08%**
Median	**9.04%**
Midpoint	**10.32%**

Notes:
[1] Equals annual dividend divided by 6-months low stock price ending 2/28/2007
[2] Equals annual dividend divided by 6-months high stock price ending 2/28/2007
[3] Source: Value Line Investment Survey (Calculation is summarized in "Earnings Growth (br+sv)" Tab)
[4] Source: IBES
[5] Equals [1]*(1+0.5*MIN([3],[4]))
[6] Equals [2]*(1+0.5*MAX([3],[4]))
[7] Equals MIN([3],[4]) plus [5]
[8] Equals MAX([3],[4]) plus [6]

Duke Energy Corp. (DUK)
Daily Stock Prices

Date	Actual Closing Prices *	Closing Prices Used By Dr. Lesser **	Date	Actual Closing Prices *	Closing Prices Used By Dr. Lesser **	Date	Actual Closing Prices *	Closing Prices Used By Dr. Lesser **
28-Feb-07	19.68	19.62	29-Dec-06	33.21	19.335	31-Oct-06	31.64	18.4209
27-Feb-07	19.62	19.62	28-Dec-06	33.02	19.2244	30-Oct-06	31.80	18.5141
26-Feb-07	20.01	20.01	27-Dec-06	33.17	19.3117	27-Oct-06	31.78	18.5025
23-Feb-07	19.91	19.91	26-Dec-06	33.19	19.3233	26-Oct-06	31.77	18.4966
22-Feb-07	19.82	19.82	22-Dec-06	33.02	19.2244	25-Oct-06	32.00	18.6305
21-Feb-07	19.95	19.95	21-Dec-06	33.10	19.271	24-Oct-06	31.57	18.3802
20-Feb-07	19.95	19.95	20-Dec-06	32.85	19.1254	23-Oct-06	31.84	18.5374
16-Feb-07	19.96	19.96	19-Dec-06	33.21	19.335	20-Oct-06	31.89	18.5665
15-Feb-07	20.00	20.00	18-Dec-06	33.17	19.3117	19-Oct-06	31.55	18.3685
14-Feb-07	20.06	20.06	15-Dec-06	33.51	19.5097	18-Oct-06	31.19	18.159
13-Feb-07	20.39	20.39	14-Dec-06	33.64	19.5854	17-Oct-06	30.97	18.0309
12-Feb-07	20.20	20.20	13-Dec-06	33.85	19.7076	16-Oct-06	30.58	17.8038
9-Feb-07	20.16	20.16	12-Dec-06	33.24	19.3525	13-Oct-06	30.65	17.8446
8-Feb-07	20.16	20.16	11-Dec-06	33.13	19.2884	12-Oct-06	30.98	18.0367
7-Feb-07	19.99	19.99	8-Dec-06	32.70	19.0381	11-Oct-06	30.79	17.9261
6-Feb-07	20.06	20.06	7-Dec-06	32.41	18.8692	10-Oct-06	30.67	17.8562
5-Feb-07	20.29	20.29	6-Dec-06	32.49	18.9158	9-Oct-06	30.75	17.9028
2-Feb-07	19.99	19.99	5-Dec-06	32.69	19.0323	6-Oct-06	30.75	17.9028
1-Feb-07	19.85	19.85	4-Dec-06	32.72	19.0497	5-Oct-06	30.90	17.9901
31-Jan-07	19.69	19.69	1-Dec-06	31.69	18.45	4-Oct-06	31.28	18.2113
30-Jan-07	19.47	19.47	30-Nov-06	31.72	18.4675	3-Oct-06	31.25	18.1939
29-Jan-07	19.19	19.19	29-Nov-06	31.61	18.4035	2-Oct-06	30.62	17.8271
26-Jan-07	19.08	19.08	28-Nov-06	31.22	18.1764	29-Sep-06	30.20	17.5826
25-Jan-07	18.92	18.92	27-Nov-06	30.75	17.9028	28-Sep-06	30.66	17.8504
24-Jan-07	18.75	18.75	24-Nov-06	31.33	18.2404	27-Sep-06	30.63	17.8329
23-Jan-07	18.67	18.67	22-Nov-06	31.35	18.2521	26-Sep-06	30.34	17.6641
22-Jan-07	18.64	18.64	21-Nov-06	31.29	18.2172	25-Sep-06	30.39	17.6932
19-Jan-07	18.74	18.74	20-Nov-06	31.55	18.3685	22-Sep-06	30.07	17.5069
18-Jan-07	18.68	18.68	17-Nov-06	31.70	18.4559	21-Sep-06	30.12	17.536
17-Jan-07	18.59	18.59	16-Nov-06	31.50	18.3394	20-Sep-06	30.08	17.5127
16-Jan-07	18.62	18.62	15-Nov-06	31.41	18.287	19-Sep-06	30.31	17.6466
12-Jan-07	18.56	18.56	14-Nov-06	31.81	18.5199	18-Sep-06	30.22	17.5942
11-Jan-07	18.65	18.65	13-Nov-06	31.72	18.4675	15-Sep-06	30.37	17.6815
10-Jan-07	18.60	18.60	10-Nov-06	31.53	18.3569	14-Sep-06	30.19	17.5767
9-Jan-07	18.68	18.68	9-Nov-06	31.11	18.1124	13-Sep-06	30.20	17.5826
8-Jan-07	18.77	18.77	8-Nov-06	31.07	18.0891	12-Sep-06	30.25	17.6117
5-Jan-07	18.74	18.74	7-Nov-06	30.66	17.8504	11-Sep-06	30.17	17.5651
4-Jan-07	19.18	19.18	6-Nov-06	30.70	17.8737	8-Sep-06	30.25	17.6117
3-Jan-07	19.14	19.14	3-Nov-06	31.09	18.1007	7-Sep-06	29.88	17.3963
			2-Nov-06	31.49	18.3336	6-Sep-06	29.76	17.3264
			1-Nov-06	31.80	18.5141	5-Sep-06	29.65	17.2624
						1-Sep-06	30.14	17.5476

Notes:
* From http://finance.yahoo.com
** From Dr. Lesser's workpapers supplied in response to IOCA data request.

FERC-approved One-Stage DCF Model Results (Electric Utilities)

	Company	Symbol	6-Months Dividend Yield (Low)	6-Months Dividend Yield (High)	Growth (br+sv)	Growth (IBES)	Adjusted Dividend Yield (Low)	Adjusted Dividend Yield (High)	ROE (Low)	ROE (High)
			[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
1	Allete Inc	ALE	3.08%	3.22%	6.63%	5.00%	3.16%	3.33%	**8.16%**	**9.96%**
2	Alliant Energy	LNT	2.92%	3.15%	4.91%	6.00%	2.99%	3.24%	**7.90%**	**9.24%**
3	DTE Energy	DTE	4.41%	4.63%	2.31%	5.67%	4.46%	4.76%	**6.77%**	**10.43%**
4	Duke Energy	DUK	4.00%	4.19%	2.76%	6.02%	4.06%	4.32%	**6.82%**	**10.34%**
5	MDU Resources	MDU	1.94%	2.09%	9.82%	7.15%	2.01%	2.19%	**9.16%**	**12.01%**
6	Otter Tail	OTTR	3.62%	3.81%	3.87%	5.00%	3.69%	3.91%	**7.56%**	**8.91%**
7	Vectren	VVC	4.29%	4.49%	2.65%	4.00%	4.35%	4.58%	**7.00%**	**8.58%**
8	Xcel Energy	XEL	3.87%	4.03%	4.11%	6.20%	3.95%	4.16%	**8.06%**	**10.36%**

Average	**8.83%**
Minimum	**6.77%**
Maximum	**12.01%**
Median	**8.74%**
Midpoint	**9.39%**

Notes:
[1] Equals annual dividend divided by 6-months low stock price ending 2/28/2007
[2] Equals annual dividend divided by 6-months high stock price ending 2/28/2007
[3] Source: Value Line Investment Survey (Calculation is summarized in "Earnings Growth (br+sv)" Tab)
[4] Source: IBES
[5] Equals [1]*(1+0.5*MIN([3],[4]))
[6] Equals [2]*(1+0.5*MAX([3],[4]))
[7] Equals MIN([3],[4]) plus [5]
[8] Equals MAX([3],[4]) plus [6]

Duke Energy Average Dividend Yields:

	Monthly High and Low Closing Prices:		Annual	Dividend Yields:	
	High	Low	Dividend	Low	High
Feb-07	20.39	19.62	0.84	4.12%	4.28%
Jan-07	19.69	18.56	0.84	4.27%	4.53%
Dec-06	33.85	31.69	1.25	3.69%	3.94%
Nov-06	31.81	30.66	1.25	3.93%	4.08%
Oct-06	32.00	30.58	1.25	3.91%	4.09%
Sep-06	30.66	29.65	1.25	4.08%	4.22%
Average				4.00%	4.19%

FERC-approved One-Stage DCF Model Results (Electric Utilities)

	Company	Symbol	6-Months Dividend Yield (Low)	6-Months Dividend Yield (High)	Growth (br+sv)	Growth (IBES)	Adjusted Dividend Yield (Low)	Adjusted Dividend Yield (High)	ROE (Low)	ROE (High)
			[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
1	Allete Inc	ALE	3.08%	3.22%	6.63%	5.00%	3.16%	3.33%	**8.16%**	**9.95%**
2	Alliant Energy	LNT	2.92%	3.15%	4.91%	6.00%	2.99%	3.24%	**7.90%**	**9.24%**
3	DTE Energy	DTE	4.41%	4.63%	2.30%	5.67%	4.46%	4.76%	**6.76%**	**10.43%**
4	Duke Energy	DUK	4.00%	4.19%	2.76%	6.02%	4.06%	4.32%	**6.82%**	**10.34%**
5	MDU Resources	MDU	1.94%	2.09%	9.78%	7.15%	2.01%	2.19%	**9.16%**	**11.96%**
6	Otter Tail	OTTR	3.62%	3.81%	3.86%	5.00%	3.69%	3.91%	**7.55%**	**8.91%**
7	Vectren	VVC	4.29%	4.49%	2.65%	4.00%	4.35%	4.58%	**7.00%**	**8.58%**
8	Xcel Energy	XEL	3.87%	4.03%	4.10%	6.20%	3.95%	4.16%	**8.05%**	**10.36%**

Average	**8.82%**
Minimum	**6.76%**
Maximum	**11.96%**
Median	**8.74%**
Midpoint	**9.36%**

Notes:

[1] Equals annual dividend divided by 6-months low stock price ending 2/28/2007
[2] Equals annual dividend divided by 6-months high stock price ending 2/28/2007
[3] Source: Value Line Investment Survey (Calculation is summarized in "Earnings Growth (br+sv)" Tab)
[4] Source: IBES
[5] Equals [1]*(1+0.5*MIN([3],[4]))
[6] Equals [2]*(1+0.5*MAX([3],[4]))
[7] Equals MIN([3],[4]) plus [5]
[8] Equals MAX([3],[4]) plus [6]

Corrections to the "s" Share Growth Component of the "br+sv" Growth Rate

Earnings Growth Rates (br+sv)

	Company	Symbol	Earnings Per Share (EPS)	Dividend Per Share (DPS)	Book Value Per Share (BV)	Internal Growth (br)	Average Market Price Per Share (MV)	MV/BV	Common Shares Outstanding 2006	Common Shares Outstanding 2009-2011	Common Shares Outstanding Growth	External Growth (sv)	br+sv
				[1]		[2]	[3]	[4]	[5]		[6]	[7]	[8]
1	Allete Inc	ALE	$ 3.20	$ 1.73	$ 24.07	6.11%	$ 46.14	1.92	30.65	32	1.08%	0.52%	6.63%
2	Alliant Energy	LNT	$ 2.45	$ 1.33	$ 23.22	4.82%	$ 38.09	1.64	115	116	0.22%	0.08%	4.91%
3	DTE Energy	DTE	$ 3.08	$ 2.18	$ 34.43	2.62%	$ 45.75	1.33	177	168	-1.30%	-0.32%	2.30%
4	Duke Energy	DUK	$ 1.95	$ 1.35	$ 21.62	2.76%	$ 18.69	0.86	1260	1260	0.00%	0.00%	2.76%
5	MDU Resources	MDU	$ 1.82	$ 0.59	$ 14.08	8.69%	$ 25.30	1.80	181.5	200	2.46%	1.09%	9.78%
6	Otter Tail	OTTR	$ 1.80	$ 1.21	$ 17.42	3.39%	$ 31.08	1.78	29.5	30.8	1.08%	0.48%	3.86%
7	Vectren	VVC	$ 1.72	$ 1.30	$ 16.17	2.60%	$ 28.04	1.73	76.2	76.6	0.13%	0.06%	2.65%
8	Xcel Energy	XEL	$ 1.50	$ 0.97	$ 14.85	3.57%	$ 22.43	1.51	407	433	1.56%	0.53%	4.10%
	Average		**$ 2.19**	**$ 1.33**	**$ 20.73**	**4.32%**	**$ 31.94**	**1.57**	**284.61**	**289.55**	**0.65%**	**0.30%**	**4.62%**

Notes:

[1] Source: Value Line Investment Survey (Arithmetic Average of 2006, 2007, and 2009-2011 Forecast Values).
[2] Equals (EPS-DPS)/BV
[3] Equals arithmetic average of 6-month monthly high and low stock prices ending February 28, 2007.
[4] Equals MV/BV
[5] Source: Value Line Investment Survey (Common Shares Outstanding in Millions Adjusted for Split)
[6] Equals annual growth of common shares outstanding in [5]
[7] Equals ([4]-1)*[6]
[8] Equals [2]+[7]

Constant Growth, Quarterly DCF Model Results 2/28/2007

	[1] Company	Symbol	Current Quarterly Dividends $D_{0,1}$	$D_{0,2}$	$D_{0,3}$	$D_{0,4}$	Annual Dividend	Stock Price	Current Dividend Yield	Next Scheduled Dividend Payment Date	Time Until Next Payment (Years)	Earnings Growth Rate	Quarterly DCF ROE
Unadjusted Per ITC Witness Lesser							[2]	[3]	[4]	[5]	[6]	[7]	
1	Allete Inc	ALE	$ 0.363	$ 0.363	$ 0.363	$ 0.363	$ 1.452	$48.29	3.01%	3/1/2007	0.0028	5.67%	**9.02%**
2	Alliant Energy	LNT	$ 0.288	$ 0.288	$ 0.288	$ 0.288	$ 1.152	$39.06	2.95%	5/15/2007	0.2083	5.17%	**8.37%**
3	DTE Energy	DTE	$ 0.515	$ 0.515	$ 0.515	$ 0.515	$ 2.060	$46.98	4.38%	4/15/2007	0.1250	4.79%	**9.60%**
4	Duke Energy	DUK	$ 0.310	$ 0.310	$ 0.310	$ 0.320	$ 1.250	$19.61	6.37%	3/15/2007	0.0417	7.17%	**14.57%**
5	MDU Resources	MDU	$ 0.127	$ 0.127	$ 0.135	$ 0.135	$ 0.524	$26.06	2.01%	4/1/2007	0.0861	7.72%	**10.00%**
6	Otter Tail	OTTR	$ 0.288	$ 0.288	$ 0.288	$ 0.288	$ 1.152	$32.72	3.52%	3/1/2007	0.0028	4.50%	**8.37%**
7	Vectren	VVC	$ 0.305	$ 0.305	$ 0.305	$ 0.315	$ 1.230	$28.19	4.36%	3/1/2007	0.0028	3.83%	**8.60%**
8	Xcel Energy	XEL	$ 0.215	$ 0.223	$ 0.223	$ 0.223	$ 0.884	$23.71	3.73%	4/15/2007	0.1250	5.73%	**9.86%**

Average	**9.80%**
Minimum	**8.37%**
Maximum	**14.57%**
Median	**9.31%**
Midpoint	**11.47%**

Adjusted to Correct Duke Energy Dividend Expectations Per Value Line Report Dated March 2, 2007													
9	Allete Inc	ALE	$ 0.363	$ 0.363	$ 0.363	$ 0.363	$ 1.452	$48.29	3.01%	3/1/2007	0.0028	5.67%	**9.02%**
10	Alliant Energy	LNT	$ 0.288	$ 0.288	$ 0.288	$ 0.288	$ 1.152	$39.06	2.95%	5/15/2007	0.2083	5.17%	**8.37%**
11	DTE Energy	DTE	$ 0.515	$ 0.515	$ 0.515	$ 0.515	$ 2.060	$46.98	4.38%	4/15/2007	0.1250	4.79%	**9.60%**
12	Duke Energy	DUK	$ 0.210	$ 0.210	$ 0.210	$ 0.210	$ 0.840	$19.61	4.28%	3/15/2007	0.0417	7.17%	**12.08%**
13	MDU Resources	MDU	$ 0.127	$ 0.127	$ 0.135	$ 0.135	$ 0.524	$26.06	2.01%	4/1/2007	0.0861	7.72%	**10.00%**
14	Otter Tail	OTTR	$ 0.288	$ 0.288	$ 0.288	$ 0.288	$ 1.152	$32.72	3.52%	3/1/2007	0.0028	4.50%	**8.37%**
15	Vectren	VVC	$ 0.305	$ 0.305	$ 0.305	$ 0.315	$ 1.230	$28.19	4.36%	3/1/2007	0.0028	3.83%	**8.60%**
16	Xcel Energy	XEL	$ 0.215	$ 0.223	$ 0.223	$ 0.223	$ 0.884	$23.71	3.73%	4/15/2007	0.1250	5.73%	**9.86%**

Average	**9.49%**
Minimum	**8.37%**
Maximum	**12.08%**
Median	**9.31%**
Midpoint	**10.23%**

Notes:
[1] MISO Group Utilities
[2] Source: Value Line Investment Survey, Individual Company Reports.
[3] Source: Daily closing stock prices. Thomson Financial: Equals average of previous 30 days' closing prices
[4] Equals [2] / [3]
[5] Source: Based on a combination of Thomson's dividend payment dates and individual company Annual Reports
[6] Elapsed time calculated as date from "calculation date" until next scheduled dividend payment date [5]
[7] Equals average I/B/E/S, Zack's, and Value Line earnings growth rates

Calculation Date: 2/28/2007

Constant Growth, Quarterly DCF Model Results

2/28/2007

	[1] Company	Symbol	Current Quarterly Dividends $D_{0,1}$	$D_{0,2}$	$D_{0,3}$	$D_{0,4}$	Annual Dividend	Stock Price	Current Dividend Yield	Next Scheduled Dividend Payment Date	Time Until Next Payment (Years)	Earnings Growth Rate	Quarterly DCF ROE
Unadjusted Per ITC Witness Lesser							[2]	[3]	[4]	[5]	[6]	[7]	
1	Allete Inc	ALE	$ 0.363	$ 0.363	$ 0.363	$ 0.363	$ 1.452	$46.14	3.15%	3/1/2007	0.0028	5.67%	**9.18%**
2	Alliant Energy	LNT	$ 0.288	$ 0.288	$ 0.288	$ 0.288	$ 1.152	$38.14	3.02%	5/15/2007	0.2083	5.17%	**8.45%**
3	DTE Energy	DTE	$ 0.515	$ 0.515	$ 0.515	$ 0.515	$ 2.060	$45.60	4.52%	4/15/2007	0.1250	4.79%	**9.75%**
4	Duke Energy	DUK	$ 0.310	$ 0.310	$ 0.310	$ 0.320	$ 1.250	$18.67	6.70%	3/15/2007	0.0417	7.17%	**14.96%**
5	MDU Resources	MDU	$ 0.127	$ 0.127	$ 0.135	$ 0.135	$ 0.524	$25.11	2.09%	4/1/2007	0.0861	7.72%	**10.08%**
6	Otter Tail	OTTR	$ 0.288	$ 0.288	$ 0.288	$ 0.288	$ 1.152	$31.04	3.71%	3/1/2007	0.0028	4.50%	**8.58%**
7	Vectren	VVC	$ 0.305	$ 0.305	$ 0.305	$ 0.315	$ 1.230	$28.00	4.39%	3/1/2007	0.0028	3.83%	**8.64%**
8	Xcel Energy	XEL	$ 0.215	$ 0.223	$ 0.223	$ 0.223	$ 0.884	$22.39	3.95%	4/15/2007	0.1250	5.73%	**10.11%**

Average	**9.97%**
Minimum	**8.45%**
Maximum	**14.96%**
Median	**9.47%**
Midpoint	**11.71%**

Adjusted to Correct Duke Energy Dividend Expectations Per Value Line Report Dated March 2, 2007													
9	Allete Inc	ALE	$ 0.363	$ 0.363	$ 0.363	$ 0.363	$ 1.452	$46.14	3.15%	3/1/2007	0.0028	5.67%	**9.18%**
10	Alliant Energy	LNT	$ 0.288	$ 0.288	$ 0.288	$ 0.288	$ 1.152	$38.14	3.02%	5/15/2007	0.2083	5.17%	**8.45%**
11	DTE Energy	DTE	$ 0.515	$ 0.515	$ 0.515	$ 0.515	$ 2.060	$45.60	4.52%	4/15/2007	0.1250	4.79%	**9.75%**
12	Duke Energy	DUK	$ 0.210	$ 0.210	$ 0.210	$ 0.210	$ 0.840	$18.67	4.50%	3/15/2007	0.0417	7.17%	**12.34%**
13	MDU Resources	MDU	$ 0.127	$ 0.127	$ 0.135	$ 0.135	$ 0.524	$25.11	2.09%	4/1/2007	0.0861	7.72%	**10.08%**
14	Otter Tail	OTTR	$ 0.288	$ 0.288	$ 0.288	$ 0.288	$ 1.152	$31.04	3.71%	3/1/2007	0.0028	4.50%	**8.58%**
15	Vectren	VVC	$ 0.305	$ 0.305	$ 0.305	$ 0.315	$ 1.230	$28.00	4.39%	3/1/2007	0.0028	3.83%	**8.64%**
16	Xcel Energy	XEL	$ 0.215	$ 0.223	$ 0.223	$ 0.223	$ 0.884	$22.39	3.95%	4/15/2007	0.1250	5.73%	**10.11%**

Average	**9.64%**
Minimum	**8.45%**
Maximum	**12.34%**
Median	**9.47%**
Midpoint	**10.40%**

Notes:

[1] MISO Group Utilities
[2] Source: Value Line Investment Survey, Individual Company Reports.
[3] Source: Daily closing stock prices. Thomson Financial: Equals average of previous 30 days' closing prices
[4] Equals [2] / [3]
[5] Source: Based on a combination of Thomson's dividend payment dates and individual company Annual Reports
[6] Elapsed time calculated as date from "calculation date" until next scheduled dividend payment date [5]
[7] Equals average I/B/E/S, Zack's, and Value Line earnings growth rates

Calculation Date: 2/28/2007