

**BEFORE THE  
CORPORATION COMMISSION OF THE STATE OF OKLAHOMA**

IN THE MATTER OF THE APPLICATION OF )  
**OKLAHOMA GAS AND ELECTRIC COMPANY** )  
FOR AN ORDER OF THE COMMISSION )  
AUTHORIZING APPLICANT TO MODIFY ITS )  
RATES, CHARGES, AND TARIFFS FOR RETAIL )  
ELECTRIC SERVICE IN OKLAHOMA )

Cause No. PUD 200800398

**FILED**  
FEB 27 2009

Direct Testimony

of

Scott Forbes

On behalf of

Oklahoma Gas and Electric Company

February 27, 2009

**COURT CLERK'S OFFICE — OKC  
CORPORATION COMMISSION  
OF OKLAHOMA**

Scott Forbes  
*Direct Testimony*

I. INTRODUCTION AND PURPOSE

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**Q. Please state your name, employer and business address.**

A. My name is Scott Forbes. I am employed by Oklahoma Gas and Electric Company (“OG&E” or “Company”). My business address is 321 N. Harvey, P.O. Box 321, Oklahoma City, Oklahoma 73101.

**Q. What position do you currently hold with OG&E?**

A. I am the interim Chief Financial Officer and Chief Accounting Officer.

**Q. Please summarize your professional experience and educational background.**

A. I graduated from Texas Tech University in 1979 with a degree in Business Administration and a major in Accounting. I began employment at Gulf States Utilities (“GSU”) in Beaumont, Texas in 1979. I became a Certified Public Accountant in 1981. In 1987, I became Manager of External Reporting and Subsidiary Accounting at GSU. On December 31, 1993, GSU merged with Entergy Corporation (“Entergy”), and I became the Manager of External Reporting and Accounting Policy for Entergy Services, Inc. in early 1994. I remained in that position until April 1996 when I became the Manager of General, Co-Owner and Nuclear Accounting at Entergy. In September of 1996, I was hired as the Manager of Financial Systems and Reporting at Texas-New Mexico Power Company (“TNMP”). In February 1997, I was promoted to Controller at TNMP. I remained in that position until June 1998 when I became the Chief Information Officer at TNMP. In January 2001 I was promoted to Vice President – Chief Accounting

1 and Information Officer at TNMP. I remained in that position until August 2002, when I  
2 was promoted to Senior Vice President & Chief Financial Officer at TNMP. In October  
3 2003, I also became the Chief Financial Officer of First Choice Power (the affiliated  
4 retail electric provider of TNMP). In August 2005, I joined OGE Energy as Controller  
5 and Chief Accounting Officer for both OGE and OG&E. In July 2008, I was also named  
6 the interim Chief Financial Officer for both OGE and OG&E.

7  
8 **Q. Have you testified previously before the Oklahoma Corporation Commission**  
9 **(“Commission”)?**

10 **A.** Yes, I testified in Cause No. PUD 200700447 which requested recovery of the Red Rock  
11 Generating Facility. I have also previously testified as an accounting and finance witness  
12 on various topics before the Public Utility Commission of Texas and the New Mexico  
13 Public Regulation Commission on behalf of TNMP and First Choice Power. A list of my  
14 testimony in those jurisdictions is attached as Exhibit SF-1.

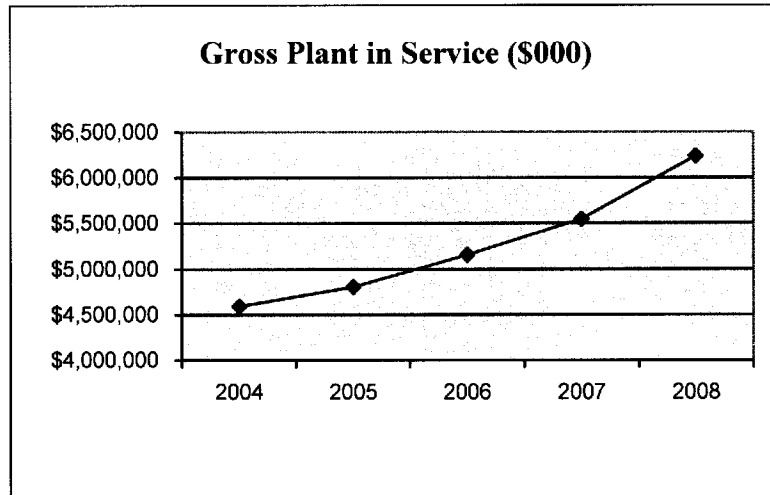
15  
16 **Q. What is the purpose of your testimony?**

17 **A.** The purpose of my testimony is to:

- 18 • Identify the key factors driving the Company’s need for this rate case.
- 19 • Sponsor the Company’s capital structure.
- 20 • Discuss various financial issues that have important implications for the overall  
21 financial integrity of OG&E.



**Table SF-1**



2

3 Q. **What types of investments in plant has OG&E made?**

4 A. More than 94% of these investments have been generation, transmission or distribution  
 5 related. The remaining investments that support operations are reflected in the “other”  
 6 category. All of these investments have been made for the benefit of customers. Table  
 7 SF-2 presents OG&E’s plant additions by function for the years 2005 through September  
 8 30, 2008.

9

**Table SF-2: Plant Additions (\$000)**

Functional Category	2005	2006	2007	2008	Total
Generation (Excl. Redbud and Centennial)	\$68,061	\$52,722	\$40,769	\$18,457	\$180,009
Redbud Plant Purchase <sup>1</sup>	-	-	-	\$492,546	\$492,546
Centennial Wind Farm	-	\$59,671	\$144,253	\$785	\$204,709
Transmission	\$45,352	\$44,284	\$47,565	\$48,940	\$186,141
Distribution	\$136,826	\$152,471	\$174,345	\$147,588	\$611,230
Other <sup>2</sup>	\$21,421	\$25,197	\$29,830	\$25,457	\$101,905
<b>TOTAL</b>					

<sup>1</sup> Recorded at original cost, including acquisition adjustment—actual purchase price was approximately \$438 million. The difference between the actual purchase price of \$438 million and the original cost of \$493 million was recorded as accumulated depreciation, thus net plant reflected the actual purchase price.

<sup>2</sup> Holding Company and OG&E investments including fleet, facilities, information technology and security.

1 Q. **What portion of these investments have been made to maintain the reliability of**  
2 **OG&E's transmission and distribution systems?**

3 A. Since December 31, 2004, OG&E has invested \$134 million to replace aging  
4 infrastructure and maintain reliability. OG&E, like most utilities, must replace its aging  
5 infrastructure in order to maintain reliability on its system. Aging infrastructure is more  
6 susceptible to failure and requires more maintenance to keep in service.

7  
8 Q. **What other types of investments has OG&E made since its last rate case?**

9 A. OG&E has made substantial changes to its generation portfolio. These changes are part of  
10 an ongoing effort to hold down costs, serve growing demand, improve portfolio  
11 efficiency and diversity, enhance rate stability, and provide a hedge against potential  
12 carbon regulation. OG&E has also invested in its transmission facilities in order to  
13 connect new wind generation sources in western Oklahoma to our system. Finally,  
14 OG&E has invested in its transmission and distribution networks to serve new load.

15  
16 Q. **What portion of these investments is currently being recovered through rate riders?**

17 A. Included in the \$1.6 billion is approximately \$700 million of capital expenditures  
18 (Redbud, Centennial and Security projects) that have already been approved by the  
19 Commission. The revenue requirement associated with these three projects is being  
20 recovered through authorized riders. Please refer to the direct testimony of Howard  
21 Motley for a detailed discussion of OG&E's rate riders and related plans.

1 Q. **Is OG&E being compensated for the remaining \$900 million?**

2 A. No. While the remaining \$900 million dollars in investments are providing benefits to  
3 customers, some for several years, they have not yet been included in the Company's  
4 electric rates. This is a key factor driving OG&E's need for this rate case.

5  
6 Q. **Does OG&E expect to continue making significant investments?**

7 A. Yes. As described in its most recent Securities and Exchange Commission ("SEC")  
8 filing, OG&E's 2009 to 2011 construction program includes approximately \$1.5 billion  
9 in new investments. Our current estimates of capital expenditures are approximately:  
10 2009 - \$611.5 million, 2010 - \$405.9 million and 2011 - \$459.9 million

11 These investments include regular improvements to the distribution, generation and  
12 transmission systems. In addition, the \$1.5 billion includes expenditures related to: (i)  
13 the proposed transmission line between Oklahoma City and Woodward; (ii) the proposed  
14 101 MW OU Spirit wind power project in western Oklahoma; (iii) the proposed system  
15 hardening plan; and (iv) the transmission/substation SPP project.

16  
17 Q. **How will the resolution of this rate case impact the Company's CAPEX plans?**

18 A. OG&E's financial strength and integrity are critical to its ability to continue to make  
19 prudent capital investments to serve its customers. The Company needs the Commission  
20 to issue an order in this proceeding that allows OG&E to recover the costs of the \$900  
21 million of unrecovered investments as well as the increased O&M expenses, which I  
22 describe in the next section of my direct testimony. Absent such an order, the Company's

1 ability to make the planned capital investments and incur O&M expenses on behalf of its  
 2 customers will be jeopardized.

3  
 4 **O&M Cost Increases**

5 **Q. You mention O&M expenses. How have OG&E's O&M expenses changed since the last**  
 6 **rate case?**

7 **A.** Table SF-3 presents OG&E's O&M expenses by category for the period 2004 through  
 8 September 30, 2008. As shown in this table, OG&E's actual O&M expenses (before pro  
 9 forma adjustments) for the September 2008 test year used to establish rates in this case  
 10 are \$349.9 million, compared to \$301.9 million in 2004, which was the basis for test year  
 11 in the last rate case. This represents an average annual increase in O&M expenses of  
 12 3.8%; during this same time period the Consumer Price Index increased an average of  
 13 3.3%.<sup>3</sup>

**Oklahoma Gas and Electric**  
**Table SF-3 - Operating and Maintenance Expense**  
 (Dollars in thousands)

	Test Year Ended 9/30/2008	Year Ended			
		12/31/2007	12/31/2006	12/31/2005	12/31/2004
Total Labor & Benefits	\$ 221,844	\$ 218,627	\$ 214,340	\$ 206,714	\$ 196,940
Contract Technical & Construction Services	36,967	28,194	16,398	25,662	27,862
Fees, Permits and Licenses	11,019	11,517	9,695	3,545	2,201
Fleet Transportation	9,464	6,899	6,170	5,344	4,051
Materials & Supplies	22,587	20,010	19,715	20,565	18,734
Vegetation Management	16,324	14,439	13,022	13,661	13,583
Contract Professional Services	9,605	7,485	8,000	10,531	7,962
Other O&M Expenses	35,994	37,100	41,638	33,778	33,191
<b>Total Direct O&amp;M Expenses</b>	<b>363,804</b>	<b>344,271</b>	<b>328,978</b>	<b>319,800</b>	<b>304,524</b>
Activity Costs - Capitalized Labor and Related Costs	(88,856)	(99,330)	(81,509)	(75,710)	(74,761)
<b>Total O&amp;M Before Allocations</b>	<b>274,948</b>	<b>244,941</b>	<b>247,469</b>	<b>244,090</b>	<b>229,763</b>
Intercompany Allocations	74,997	75,795	68,998	65,092	72,192
<b>Total O&amp;M</b>	<b>\$ 349,945</b>	<b>\$ 320,736</b>	<b>\$ 316,467</b>	<b>\$ 309,182</b>	<b>\$ 301,955</b>

<sup>3</sup> Data Source: <http://www.bls.gov/cpi/cpid0901.pdf> at Table 24

1 Q. **What are the key drivers of this increase in O&M expenses?**

2 A. The O&M expense categories which have experienced a significant increase since our  
3 last rate case include: Labor, benefits and other personnel expenses (before capitalized  
4 amounts) which increased \$35.6 million; fleet transportation costs which increased \$5.4  
5 million; material and supplies which increased \$3.9 million; and vegetation management  
6 costs which increased \$2.7 million. The labor and benefits costs were offset in part by an  
7 increase of \$14.1 million in the amount of labor and benefits that were capitalized.

8  
9 Q. **Do you believe OG&E has taken reasonable actions to manage costs?**

10 A. Yes. We have and continue to do numerous things to insure that we manage costs to the  
11 best of our abilities and that we take actions to keep any requested rate increase as  
12 reasonable as possible.

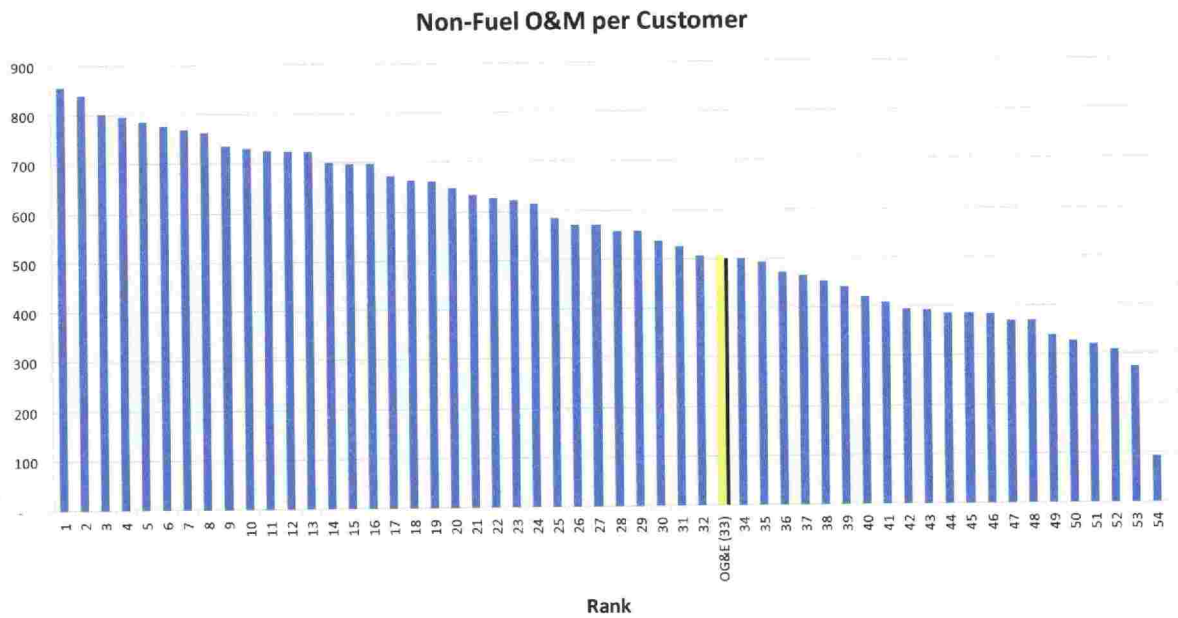
- 13 • Our budgeting process is very thorough, painstaking and robust. The annual budget  
14 process begins in July/August of each year, and is targeted for completion in  
15 November/December.
- 16 • Our budget management process is equally as robust. Each month, the Chief  
17 Operating Officer and Chief Financial Officer meet with all business unit Vice  
18 Presidents to evaluate performance.
- 19 • Management of O&M expenses is a key factor in our annual incentive plan.  
20 Managing O&M expenses was included as a goal for 2008 for every employee in  
21 OG&E, as well as all employees of OGE's Enterprise Services.
- 22 • OG&E/OGE specifically undertook an initiative to enhance our supply chain  
23 management. Supply chain is responsible for material and equipment services from  
24 procurement through distribution/utilization.

- In mid-2006 we brought in Denali Consulting, who are experts in supply chain strategy and strategic sourcing efforts, and worked with them to assess a variety of strategic sourcing initiatives. The results of these initiatives include realigning and training staff, certifying certain suppliers, reducing the number of vendors, and enhancing our ability to negotiate terms and discounts for certain commodities.

Q. **How do OG&E's O&M expense levels compare with other utilities?**

A. As shown in Table SF-4, below, OG&E's O&M expense levels compare very favorably with other utilities. Based on 2007 FERC Form 1 data, OG&E's non-fuel O&M cost per customer was \$504 as compared to an average of \$537 for the 53 utilities reviewed.

**Table SF-4**



Source: 2007 FERC Form 1 data

Q. **Is the Company presenting additional analysis of its O&M cost management relative to other utilities?**

1 A. Yes. Dr. Mark Lowry's direct testimony presents the results of his O&M Cost  
 2 Performance Study which uses two statistical benchmarking methods to assess OG&E's  
 3 O&M cost management performance as compared to (1) 38 utilities across the United  
 4 States, and (2) past and present members of SPP. Based upon these analyses, Dr. Lowry  
 5 concludes that "OG&E is exceptional at managing its base rate O&M expenses."

7 **IV. CAPITAL STRUCTURE**

8 **Q. What capital structure are you sponsoring on behalf of OG&E?**

9 A. OG&E proposes to use its actual capital structure. OG&E's capital structure and  
 10 proposed cost of capital for the twelve-month period ending September 30, 2008,  
 11 adjusted through December 2008 for certain known and measurable changes are shown in  
 12 Table SF-5.

13 **Table SF-5 Pro Forma Capital Structure**

Line No.	Description	Pro Forma 12-31-08 Amount	Capital Ratio	Cost Under Proposed Rate	Weighted Cost
1.	Senior Notes	1,409,950,000	41.843%		
2.	Pollution Control Bonds	135,300,000	4.015%		
3.	Total Long Term Debt	1,545,250,000	45.858%	6.559%	3.008%
4.	Preferred Stock	-	0.000%		0.000%
5.	Common Equity	1,824,359,077	54.142%	12.250%	6.632%
6.	Total	3,369,609,077	100.000%		9.640%

14  
 15 **Q. Please describe the known and measurable changes that were included in the**  
 16 **Company's proposed capital structure.**

1 A. In December 2008, OG&E issued \$250 million of 8.25% senior notes. This debt issuance  
2 is reflected in the long-term debt component of our capital structure. In addition, we have  
3 updated our common equity to be the actual balance as of December 31, 2008.

4  
5 Q. **Has this Commission previously accepted the Company's actual capital structure?**

6 A. Yes. The Commission has consistently accepted the use of OG&E's actual capital  
7 structure for purposes of setting rates.

8  
9 **V. FINANCIAL CONSIDERATIONS**

10 Q. **What are the primary financial issues that OG&E is facing that are affected directly**  
11 **by this rate case?**

12 A. Increased costs, deteriorating macro-economic conditions and credit availability, and  
13 OG&E-specific considerations have come together in a manner that heightens the  
14 importance of this case. The requested revenue increase is critical to OG&E's ability to  
15 continue to meet the needs of its customers. It is essential that OG&E's rates be set at a  
16 level sufficient to provide it with a reasonable opportunity for *both* (1) the return of  
17 capital and expenses, and (2) a compensatory return on capital invested commensurate  
18 with the returns of other utilities with whom the Company must compete for needed  
19 capital in the marketplace. One without the other is not enough. As Dr. Murry explains,  
20 the Company is legally entitled to a reasonable opportunity to earn its authorized rate of  
21 return. I am not a lawyer, but I can explain how a failure to fully recognize our costs in  
22 rates leaves us incapable of earning our authorized return. I leave it to the lawyers to  
23 discuss the implications of this under the law.

1 Q. **Please discuss credit ratings and their implications for a company's cost of capital.**

2 A. Credit ratings are issued by Standard and Poor's ("S&P"), Moody's Investor Services  
3 ("Moody's) and Fitch Ratings ("Fitch") to provide investors with an independent  
4 assessment of a firm's financial integrity. Credit ratings are aimed primarily at bond  
5 holders to provide them with an assessment of the risk of a company's debt securities as  
6 compared with the bonds of other companies. All three rating agencies indicate that they  
7 use both quantitative metrics and qualitative assessments in developing a company's  
8 credit ratings. "Investment grade" is a term that commonly refers to ratings between  
9 BBB and AAA (ratings of BB and below are considered below investment grade,  
10 sometimes called high yield debt or "junk bonds"). As I discuss in more detail later in  
11 my testimony, the better a company's credit ratings, the lower the perceived risk of that  
12 company and thus the better the company's access to and cost of capital.

13  
14 Q. **What are OG&E's current credit ratings?**

15 A. As shown in Table SF-6, OG&E's current credit ratings are investment-grade.

16 **Table SF-6: OG&E Credit Ratings**

	Moody's	Standard & Poor's	Fitch's
Company Senior Notes	A2	BBB+	AA-

17  
18 Q. **Has the strength of OG&E's current credit ratings and its value to OG&E's  
19 customers recently been tested?**

20 A. Yes. It was put to the test this past December when the Company raised \$250 million in  
21 unsecured 10-year debt. The fourth quarter of 2008 was an unprecedented period in the  
22 capital markets with borrowers generally experiencing high interest costs and/or complete

1 lack of access to debt financing. OG&E determined that it would be prudent to raise  
2 capital during this period to cover a portion of the purchase price for Redbud, pay down  
3 short-term debt, and ensure adequate liquidity for 2009 operating requirements and  
4 capital expenditures. The Company's bank group expected a continued negative outlook  
5 for debt issuance throughout 2009; therefore, OG&E decided to move forward, if  
6 possible, with a debt offering. On December 8, 2008, OG&E sold \$250 million of 10  
7 year notes at a rate of 8.25%. The strength of OG&E's credit ratings was instrumental in  
8 allowing that issue to be sold in the market at that time. A list of utility comparable debt  
9 transactions (see Exhibit SF-2) in the time period of OG&E's offering showed that no  
10 electric utility debt was issued with a rating less than BBB+ from S&P.  
11

12 Q. **Earlier in your testimony you stated that the better a company's credit ratings, the**  
13 **lower its cost of capital. Please expand.**

14 A. Credit ratings directly impact the cost of borrowing, and indirectly impact the cost of  
15 equity. Bond investors rely on credit ratings to assist in evaluating the risk that they take  
16 by lending to a rated company. Higher credit ratings are an indication of lower financial  
17 risk and therefore result in lower interest costs and greater access to the markets for both  
18 short and long-term debt. Lower credit ratings, conversely, are an indication of higher  
19 risk to investors. Since lower credit ratings result in higher interest rates, the higher  
20 interest rates in turn require higher revenues in order to maintain adequate debt coverage  
21 ratios. If utility rates do not reflect these higher interest costs, deterioration in debt  
22 coverage ratios can lead to further downgrades, resulting in still higher interests costs and  
23 increasing difficulty in accessing capital markets.

1 Q. **Do credit ratings influence the cost of equity?**

2 A. Yes. Higher credit ratings also mean a lower cost of equity. Equity investors consider  
3 credit ratings when evaluating the risk of not receiving future dividends, just as debt  
4 investors look to credit ratings to evaluate the risk of not receiving future interest and  
5 principal payments. Overall, higher credit ratings increase the access to capital on  
6 favorable financial terms, therefore reducing the cost of raising capital and increasing a  
7 utility's ability to make prudent reliability investments as needed.

8

9 Q. **Are Commission actions, like decisions in this rate proceeding, a factor in credit  
10 ratings?**

11 A. Yes. For a regulated public utility such as OG&E, the rating agencies have traditionally  
12 recognized that regulatory support is important to the financial health of the utility and,  
13 therefore, an important component of their ratings process. For example, in its ratings  
14 action of September 23, 2008 on OG&E, Moody's stated:

15 *"At the utility level, OG&E's A2 senior unsecured rating and stable outlook*  
16 *have also been affirmed as OG&E's financial profile is expected to be largely*  
17 *unchanged following this transaction (the Enogex transaction that has since*  
18 *been cancelled). We also expect that OG&E will remain conservatively*  
19 *capitalized and will continue to be afforded supportive regulatory treatment in*  
20 *Oklahoma and Arkansas."*

21 S&P, in its August 22, 2008 report on OG&E, stated:

1                   *“The stable outlook for OGE Energy and OG&E reflects expectations that the*  
2                   *company’s regulated utility business will proceed with due care on its capital*  
3                   *plan and receives regulatory support for the spending.”*

4  
5   **Q.    Please discuss the implication of the current credit market environment for the cost**  
6   **of debt.**

7   **A.**   As noted earlier, credit markets currently are stressed and access to capital is restricted.  
8           While OG&E was able to raise debt financing in December, 2008, the interest cost of that  
9           financing was above the levels that OG&E had to pay in September 2008 for a \$250  
10          million 10-year senior notes, which had a coupon of 6.35%.

11          Much of the problem in the credit markets stems from a severe “flight to quality” by  
12          buyers. Investors in fixed income securities are highly concerned about the credit quality  
13          of banks and other issues and are seeking to invest in bonds of the highest quality, those  
14          being US Treasury securities. This flight to Treasuries has helped push Treasury security  
15          interest rates down to unprecedented lows. The implied Treasury rate at the time of  
16          OG&E’s December 8 bond offering was 2.758%. The “flight to quality”, however, exerts  
17          a strong opposite impact on the interest rates of corporate bonds, all of which are  
18          considered to be lower quality than US Treasury securities. The spread to Treasuries in  
19          OG&E’s offering was nearly 5.5%, an unusually high spread (in OG&E’s September  
20          2008 debt offering, the spread to Treasuries was approximately 2.75%). The cost of  
21          borrowing to corporations, when available, has skyrocketed and this impacts OG&E as  
22          well.

1 Q. **Has the current credit market environment influenced OG&E's financing plans?**

2 A. Yes. The December 2008 offering was sized to cover expected 2009 capital expenditures  
3 so the Company does not currently need to access the public debt markets. However,  
4 OG&E will certainly need to issue debt in early 2010 to cover expected expenditures. If  
5 the yield conditions in the market as of December 2008 are maintained, OG&E's (and all  
6 companies who are able to issue debt) cost of borrowing will be high relative to recent  
7 history. While OG&E's banking group has indicated that spreads to Treasuries for good  
8 quality utility bonds have declined recently, there remains a tremendous amount of  
9 uncertainty in the market. OG&E must maintain its good credit ratings to have access to  
10 credit and also to be able to keep interest rates as low as possible on its future financing  
11 requirements.

12  
13 Q. **How important is the outcome of this rate proceeding to OG&E's future cost of  
14 capital?**

15 A. It is of utmost importance. As explained earlier in my direct testimony, a denial of or  
16 meaningful reduction in OG&E's rate request is highly likely to reduce its credit ratings.  
17 This will increase the interest cost of its debt securities. The cost of equity will increase  
18 because equity investors will view the lower credit ratings as a sign that the Company is  
19 more risky. They will demand a higher equity return to compensate for the higher risk.  
20 This increase in both the cost of equity and the cost of debt will raise the Company's  
21 weighted average cost of capital. A higher cost of capital ultimately results in higher rates  
22 to customers.

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## VI. CONCLUSIONS

Q. **Is the proposed rate increase necessary?**

A. OG&E's request is necessary to ensure both the Company's financial health and the reliable service that the Commission and our customers expect.

Q. **How will OG&E's customers be affected if the Company does not receive a favorable ruling on its requested rate increase?**

A. Absent a favorable ruling on the requested rate increase, OG&E will have no opportunity to earn an adequate return on its more than \$1.6 billion investment in new plant or to recover its increased O&M expenses since 2004. To avoid - or at least mitigate - any resulting financial harm to the Company, OG&E would need to reduce both its capital expenditures and O&M expenses going forward, which would in turn adversely affect both OG&E's level of service and, as a likely further consequence, economic activity in Oklahoma. The specific effects would depend on the rate relief granted.

Q. **Does that conclude your direct testimony?**

A. Yes.

**Exhibit SF-1****TESTIMONY FILED:**

Nature of Proceeding	Regulatory Body	Date	Cause/Docket
OG&E's recovery of the Red Rock Costs	OCC	12/07	PUD200700447
The Acquisition of TNMP by PNM Resources	PUCT	1/05	30172
The Acquisition of TNMP by PNM Resources	NMPRC	3/05	04-00315-UT
Stranded cost true-up case for TNMP, FCP and Texas Generating Company.	PUCT	4/04	29206
TNMP's request for approval of Class II and related affiliate transactions.	NMPRC	10/03	03-00333-UT
TNMP's business separation plan and unbundled cost of service filing.	PUCT	1/00	22349
TNMP's transition plan pursuant to the electric utility industry restructuring act of 1999.	NMPUC	5/00	2718
TNMP's voluntary transition to competition plan	PUCT	3/98	17751

# Utility Comparables

Date	Company	Rating	Amount	Term	Yield
11/03/08	Virginia Electric	Baa1/A-	\$700	30-yr	8.875%
11/13/08	Cleveland Electric	Baa2/BBB+	\$300	10-yr	8.875%
11/13/08	PG&E	A3/BBB+	\$400	5-yr	6.42%*
11/13/08	PG&E	A3/BBB+	\$200	10-yr	7.60%
11/14/08	Mississippi Power	A1/A	\$50	5-yr	6.00%
11/14/08	Alabama Power	A2/A	\$250	5-yr	5.80%
11/14/08	Southwestern Public Svc.	Baa1/BBB+	\$250	10-yr	8.75%
11/17/08	Sempra	Baa1/BBB+	\$250	5-yr	8.90%
11/17/08	Sempra	Baa1/BBB+	\$250	10-yr	9.80%
11/18/08	Westar	Baa2/BBB+	\$300	10-yr	8.625%
12/2/08	ConEd	A1/A-	\$600	10-yr	7.125%
12/3/08	Potomac Electric	Baa1/BBB+	\$250	30-yr	7.90%
12/4/08	Central Illinois Light	Baa2/BBB+	\$150	5-yr	8.875%
12/8/08	Wisconsin Electric	A1/A-	\$250	7-yr	6.25%
12/8/08	Oklahoma Gas & Electric	A2/BBB+	\$250	10-yr	8.25%
12/9/08	FPL Group	A2/A-	\$450	7-yr	7.875%

\*PG&E 5-yr issue is a re-opening of 8.25% 2018 notes (priced on 10/16); Pricing yield used instead of coupon