

Q. Evidence of Kathleen McShane – Appendix “B”, “Selection of U.S. Low Risk Utility Sample.”: Which of Ms. McShane’s companies would be considered by Ms. McShane to be small, mid-cap and large-cap?

A. Morningstar's *SBBI Valuation Edition 2012* establishes the ranges for low-cap, mid-cap and large-cap companies based on 2011 valuations as follows:

	Market Cap Range \$Million
Large-Cap	>\$6896
Mid-Cap	\$1621-6896
Low-Cap	\$423-1620

Based on the above ranges, the table below categorizes the 13 companies in the sample based on their December 2011 market capitalization and the Ibbotson market cap ranges:

<u>Company Name</u>	<u>End 2011 Market Value (\$M)</u>	<u>Category</u>
AGL Resources Inc.	4,944	Mid-Cap
Allete Inc.	1,574	Low-Cap
Alliant Energy Corp.	4,897	Mid-Cap
Atmos Energy Corp.	2,930	Mid-Cap
Consolidated Edison Inc.	18,168	Large-Cap
Integrus Energy Group Inc.	4,221	Mid-Cap
Northwest Natural Gas Co.	1,282	Low-Cap
Piedmont Natural Gas Co.	2,364	Mid-Cap
Southern Co.	40,047	Large-Cap
Vectren Corp.	2,476	Mid-Cap
WGL Holdings Inc.	2,007	Mid-Cap
Wisconsin Energy Corp.	8,058	Large-Cap
Xcel Energy Inc.	13,447	Large-Cap

Value Line considers firms with a market capitalization of between \$1 and \$4.9 billion as mid-cap stocks and firms with a market capitalization of \$5 billion and above as large cap. *Value Line* categorizes Consolidated Edison, Southern Co., Wisconsin Energy and Xcel Energy as large cap stocks and the remainder as mid-cap stocks.