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**Cash Flow Trends and Their Fundamental Drivers: A Continuing Look  
Comprehensive Industry Review (Qtr 4, 2008)  
Utilities (GICS 5510)  
EXECUTIVE SUMMARY**

This research report is one of a series that looks at the cash flow performance of Corporate America. Our primary focus is on free cash margin, or free cash flow measured as a percent of revenue. The current study provides our comprehensive review for the Utilities industry (GICS 5510) through Q4, 2008.

The Utilities Industry finished the 12-months ended December 2008 with a median free cash margin of 2.57% compared to 1.00% for the 12-months ended December 2007. Free cash margin appears highly cyclical and currently appears to be in the rising leg of a cyclical trend. Median capital expenditures as a percentage of revenue rose to 15.51% from 14.59% over the same period. Capital expenditures as a percentage of revenue have, in fact, been on a sustained uptrend since its bottom at 10.66% for the 12-months ended December 2001 until its peak at 15.64% for the 12-months ended September 2008.

Data for this research were provided by Cash Flow Analytics, LLC., [www.cashflowanalytics.com](http://www.cashflowanalytics.com). Charles Mulford is a principal in Cash Flow Analytics, LLC.

May, 2009

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**Georgia Tech Financial Analysis Lab**

The Georgia Tech Financial Analysis Lab conducts research on issues of financial reporting and analysis. Unbiased information is vital to effective investment decision-making. Accordingly, we think that independent research organizations, such as our own, have an important role to play in providing information to market participants.

Because our Lab is housed within a university, all of our research reports have an educational quality, as they are designed to impart knowledge and understanding to those who read them. Our focus is on issues that we believe will be of interest to a large segment of stock market participants. Depending on the issue, we may focus our attention on individual companies, groups of companies, or on large segments of the market at large.

A recurring theme in our work is the identification of reporting practices that give investors a misleading signal, whether positive or negative, of corporate earning power. We define earning power as the ability to generate a sustainable stream of earnings that is backed by cash flow. Accordingly, our research may look into reporting practices that affect either earnings or cash flow, or both. At times, our research may look at stock prices generally, though from a fundamental and not technical point of view.

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Cash Flow Trends and Their Fundamental Drivers: A Continuing Look. Comprehensive Industry Review (Qtr 4 2008). (c) 2009 by the College of Management, Georgia Institute of Technology, Atlanta, GA 30332-0520.

## Utilities(GICS 5510)

<b>Sub-industries included:</b>	<b>Page</b>
<b>Electric Utilities (GICS 551010)</b>	<b>15</b>
<b>Gas Utilities (GICS 551020)</b>	<b>16</b>
<b>Multi-Utilities (GICS 551030)</b>	<b>17</b>
<b>Water Utilities (GICS 551040)</b>	<b>18</b>
<b>Independent Power Producers &amp; Energy Traders (GICS 551050)</b>	<b>19</b>

The Utilities Industry finished the 12-months ended December 2008 with a median free cash margin of 2.57% compared to 1.00% for the 12-months ended December 2007. Free cash margin appears highly cyclical and currently appears to be in the rising leg of a cyclical trend. Median capital expenditures as a percentage of revenue rose to 15.51% from 14.59% over the same period. Capital expenditures as a percentage of revenue have, in fact, been on a sustained uptrend since its bottom at 10.66% for the 12-months ended December 2001 until its peak at 15.64% for the 12-months ended September 2008.

Median operating cash margin, on the other hand, fell to 16.34% for the rolling 12-months ended December 2008 from 18.02% for the 12-months ended December 2007. A contributing factor to this fall in operating cash margin has been the fall in operating cushion that declined to 23.44% from 26.65% over the same period. A decline in gross margin that fell to 23.86% from 26.51% over the same period could be considered a potential cause for the drop in median operating cushion.

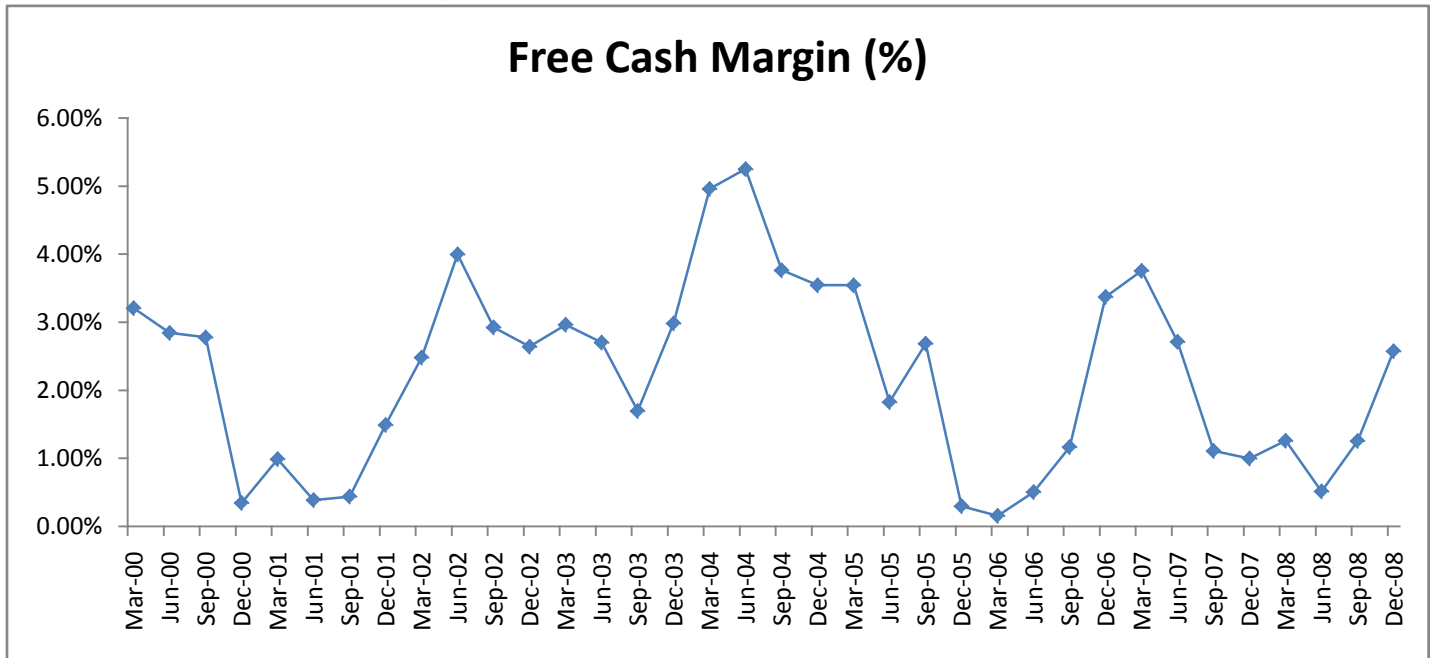
Median cash cycle was 33.55 for the 12-months ended December 2008 compared to 34.75 days for the 12-months ended December 2007. Cash cycle appears highly seasonal, generally peaking for the rolling 12-months ending December. Median receivables days and inventory days too display this seasonal behavior generally peaking in December.

Median net margin appears to be on a short-term downtrend from its peak at 8% for the 12-months ended June 2008 to the current 7.15%. However, net margin has been on a long-term uptrend since its most recent bottom at 6.26% for the 12-months ended June 2005 until peaking at 8.00% for the 12-months ended June 2008.

The performance of the different sub-industries varies greatly. Sub-industries such as Electric Utilities (GICS: 551010) and Multi-Utilities (GICS: 551030) witnessed a sharp rise in median free cash margin for the 12-months ended December 2008 compared to the rolling 12-months ended December 2007. For instance, Electric Utilities saw their median free cash margin rise to 4.19% from 0.11% whereas, Multi-utilities rose from 1.34% to 5.11%. Gas Utilities (GICS: 551020), Water Utilities (GICS: 551040) and Independent Power Producers & Energy Traders (GICS: 551050) on the other hand, finished the rolling 12-months ended December 2008 with lower median free cash margin compared to December 2007 with Gas Utilities falling from 3.22% to 0.35%, Water Utilities from 10.66% to 6.84% and finally, Independent Power Producers & Energy Traders from 17.94% to 6.19%.

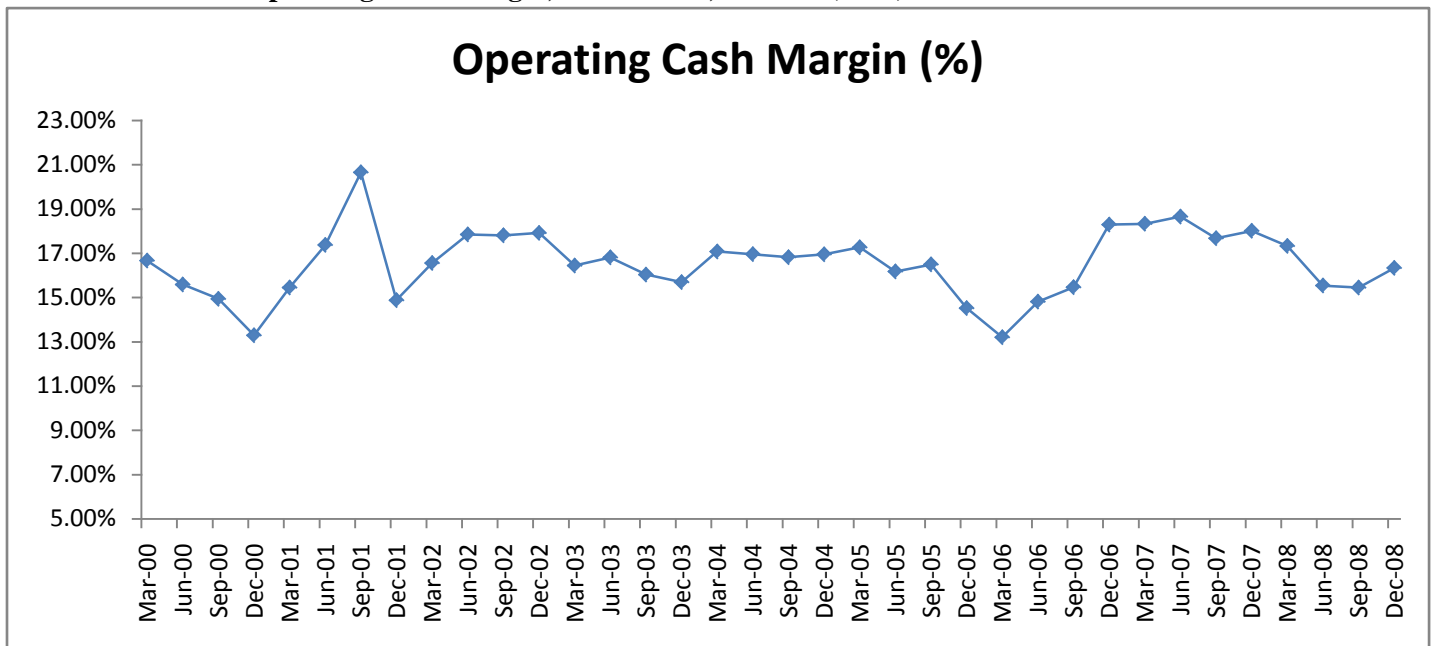
### Cash Flow Margins

**Exhibit 1: Median Free Cash Margin, 2000 – 2008, Utilities (5510)**



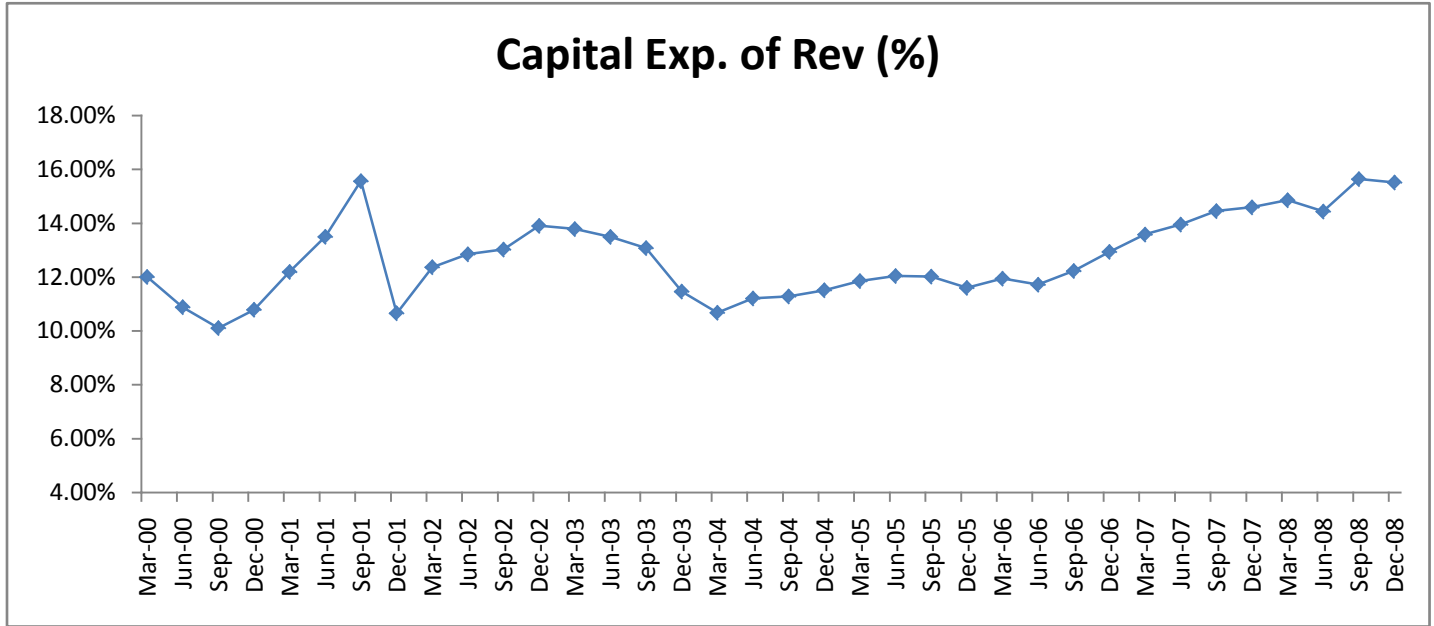
Refer to Table 1 for data supporting the graph.

**Exhibit 2: Median Operating Cash Margin, 2000 – 2008, Utilities (5510)**



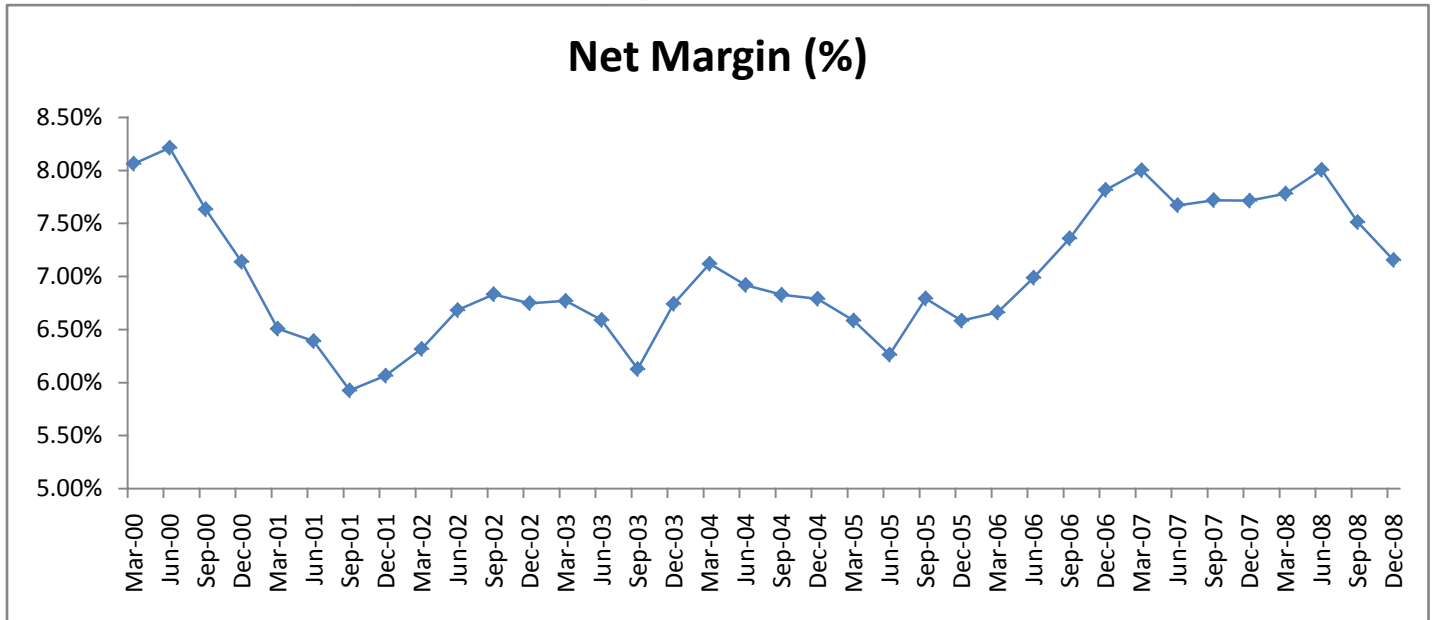
Refer to Table 1 for data supporting the graph.

**Exhibit 3: Capital Expenditure as a percentage of Revenue, 2000 – 2008, Utilities (5510)**



Refer to Table 1 for data supporting the graph.

**Exhibit 4: Median Net Margin from Continuing Operations, 2000 – 2008, Utilities (5510)**



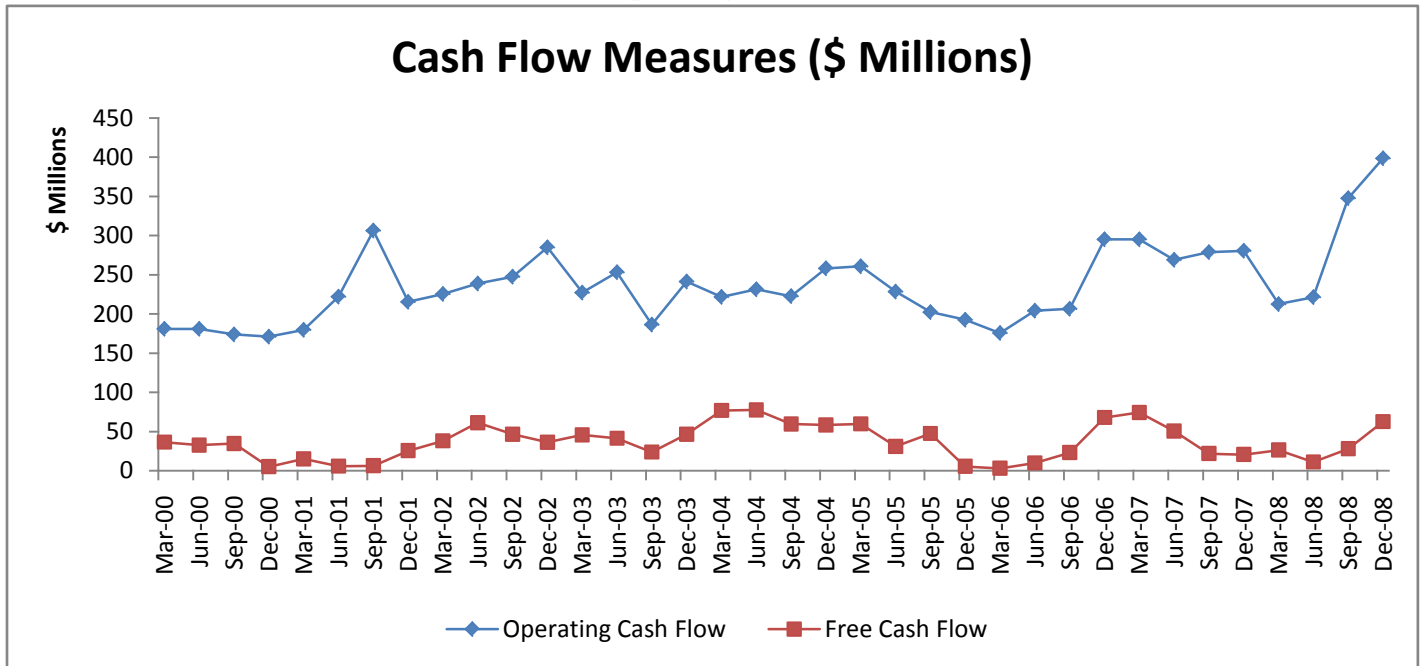
Refer to Table 1 for data supporting the graph.

**Table 1: Median Margins, 2000 – 2008, Utilities (5510)**

Date	Operating Cash Margin (%)	Free Cash Margin (%)	Net Margin (%)	Capital Exp. to Rev (%)
Mar-00	16.67%	3.21%	8.06%	12.00%
Jun-00	15.59%	2.84%	8.21%	10.88%
Sep-00	14.94%	2.78%	7.63%	10.11%
Dec-00	13.30%	0.34%	7.14%	10.79%
Mar-01	15.45%	0.99%	6.51%	12.19%
Jun-01	17.38%	0.39%	6.39%	13.50%
Sep-01	20.66%	0.44%	5.92%	15.56%
Dec-01	14.88%	1.49%	6.06%	10.66%
Mar-02	16.56%	2.48%	6.32%	12.37%
Jun-02	17.85%	4.00%	6.68%	12.85%
Sep-02	17.81%	2.92%	6.83%	13.02%
Dec-02	17.92%	2.64%	6.75%	13.90%
Mar-03	16.45%	2.96%	6.77%	13.78%
Jun-03	16.82%	2.70%	6.59%	13.49%
Sep-03	16.04%	1.69%	6.13%	13.08%
Dec-03	15.70%	2.98%	6.74%	11.46%
Mar-04	17.08%	4.96%	7.12%	10.67%
Jun-04	16.96%	5.25%	6.92%	11.21%
Sep-04	16.82%	3.76%	6.83%	11.28%
Dec-04	16.95%	3.54%	6.79%	11.51%
Mar-05	17.27%	3.54%	6.58%	11.85%
Jun-05	16.18%	1.83%	6.26%	12.04%
Sep-05	16.50%	2.68%	6.79%	12.02%
Dec-05	14.52%	0.30%	6.58%	11.60%
Mar-06	13.21%	0.15%	6.66%	11.94%
Jun-06	14.82%	0.50%	6.99%	11.72%
Sep-06	15.47%	1.16%	7.36%	12.23%
Dec-06	18.30%	3.37%	7.82%	12.94%
Mar-07	18.33%	3.75%	8.00%	13.58%
Jun-07	18.66%	2.71%	7.67%	13.95%
Sep-07	17.68%	1.11%	7.72%	14.45%
Dec-07	18.02%	1.00%	7.71%	14.59%
Mar-08	17.33%	1.26%	7.78%	14.85%
Jun-08	15.54%	0.51%	8.00%	14.43%
Sep-08	15.45%	1.25%	7.51%	15.64%
Dec-08	16.34%	2.57%	7.15%	15.51%

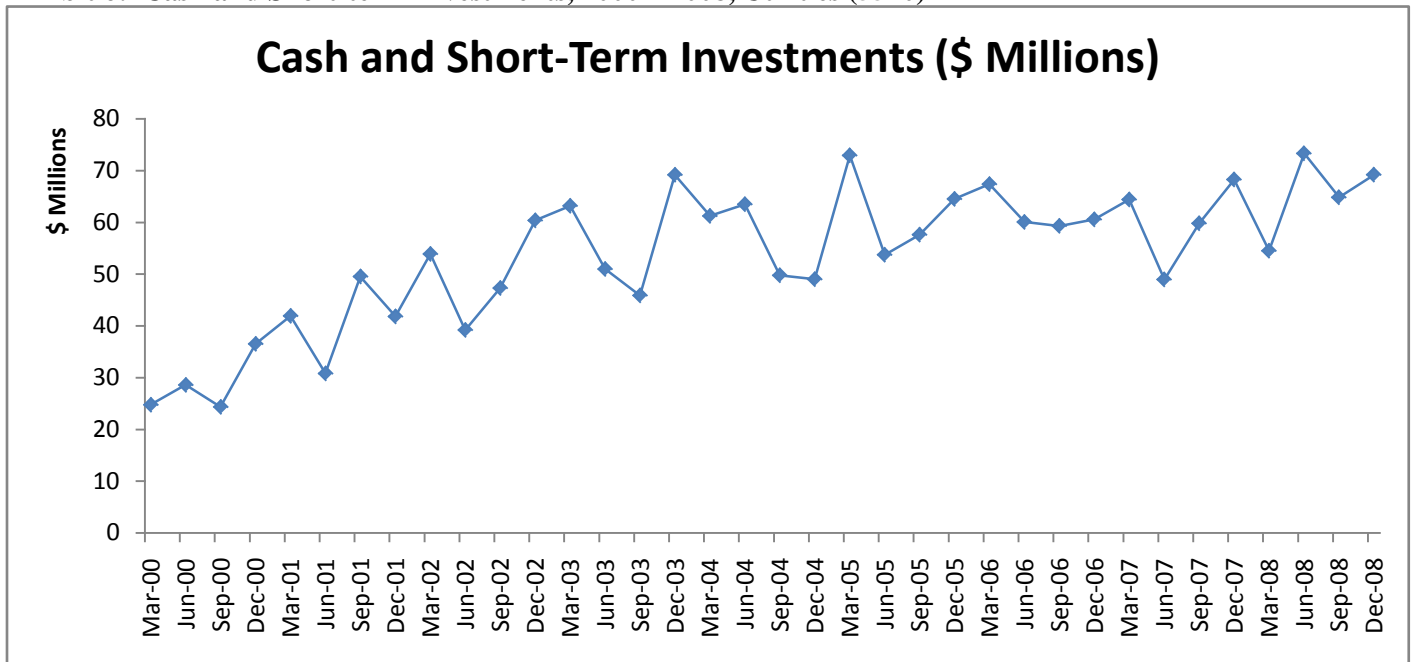
**Cash Flow Measures**

**Exhibit 5: Median Free Cash Flow and Median Operating Cash Flow, 2000 – 2008, Utilities (5510)**



Refer to Table 2 for data supporting the graph.

**Exhibit 6: Cash and Short-term Investments, 2000 – 2008, Utilities (5510)**



Refer to Table 2 for data supporting the graph.

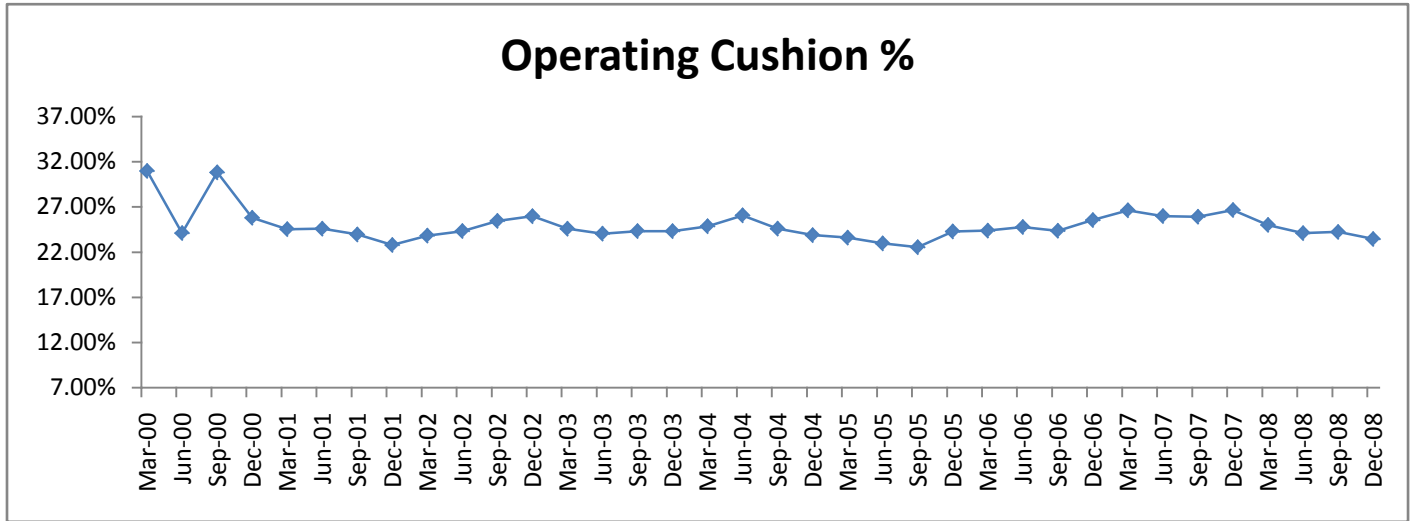
**Table 2: Cash Flow Measures, 2000 – 2008, Utilities (5510)**

Date	Operating Cash Flow	% Change	Free Cash Flow	% Change	Cash and Short-Term Investments	% Change
Mar-00	180,960,000		36,504,398		24,747,500	
Jun-00	180,960,000	0.00%	32,722,845	-10.36%	28,582,000	15.49%
Sep-00	173,800,000	-3.96%	34,850,948	6.50%	24,336,000	-14.86%
Dec-00	170,975,000	-1.63%	5,279,494	-84.85%	36,512,000	50.03%
Mar-01	179,669,500	5.09%	15,199,432	187.90%	41,920,000	14.81%
Jun-01	221,986,000	23.55%	5,880,174	-61.31%	30,799,000	-26.53%
Sep-01	306,352,000	38.01%	6,418,088	9.15%	49,527,000	60.81%
Dec-01	215,379,000	-29.70%	25,719,155	300.73%	41,811,000	-15.58%
Mar-02	225,456,500	4.68%	38,207,525	48.56%	53,881,000	28.87%
Jun-02	238,733,500	5.89%	61,356,662	60.59%	39,200,000	-27.25%
Sep-02	247,500,000	3.67%	46,656,926	-23.96%	47,300,000	20.66%
Dec-02	284,900,000	15.11%	36,458,471	-21.86%	60,364,000	27.62%
Mar-03	227,168,000	-20.26%	45,793,586	25.60%	63,178,000	4.66%
Jun-03	253,181,000	11.45%	41,414,193	-9.56%	50,971,000	-19.32%
Sep-03	186,350,000	-26.40%	23,839,967	-42.44%	45,872,000	-10.00%
Dec-03	241,313,500	29.49%	46,693,900	95.86%	69,172,000	50.79%
Mar-04	221,689,000	-8.13%	77,196,060	65.32%	61,225,000	-11.49%
Jun-04	231,375,000	4.37%	77,826,031	0.82%	63,485,000	3.69%
Sep-04	222,633,500	-3.78%	59,726,415	-23.26%	49,758,000	-21.62%
Dec-04	258,179,000	15.97%	58,554,396	-1.96%	49,000,000	-1.52%
Mar-05	260,720,500	0.98%	59,837,556	2.19%	72,925,000	48.83%
Jun-05	228,450,500	-12.38%	31,129,354	-47.98%	53,729,500	-26.32%
Sep-05	202,295,000	-11.45%	47,694,009	53.21%	57,607,000	7.22%
Dec-05	192,502,000	-4.84%	5,708,333	-88.03%	64,509,000	11.98%
Mar-06	175,663,500	-8.75%	3,125,436	-45.25%	67,368,000	4.43%
Jun-06	204,096,500	16.19%	9,990,252	219.64%	60,059,500	-10.85%
Sep-06	206,480,500	1.17%	23,287,665	133.10%	59,301,500	-1.26%
Dec-06	295,191,000	42.96%	68,123,831	192.53%	60,556,000	2.12%
Mar-07	295,134,000	-0.02%	74,404,280	9.22%	64,400,000	6.35%
Jun-07	269,050,000	-8.84%	50,686,984	-31.88%	48,956,000	-23.98%
Sep-07	278,800,000	3.62%	22,056,311	-56.49%	59,800,000	22.15%
Dec-07	280,562,500	0.63%	20,729,779	-6.01%	68,265,000	14.16%
Mar-08	212,493,000	-24.26%	26,469,881	27.69%	54,500,000	-20.16%
Jun-08	221,404,000	4.19%	11,248,787	-57.50%	73,311,000	34.52%
Sep-08	347,643,886	57.02%	28,212,881	150.81%	64,822,500	-11.58%
Dec-08	398,550,038	14.64%	62,762,057	122.46%	69,195,000	6.75%

**Cash Flow Drivers**

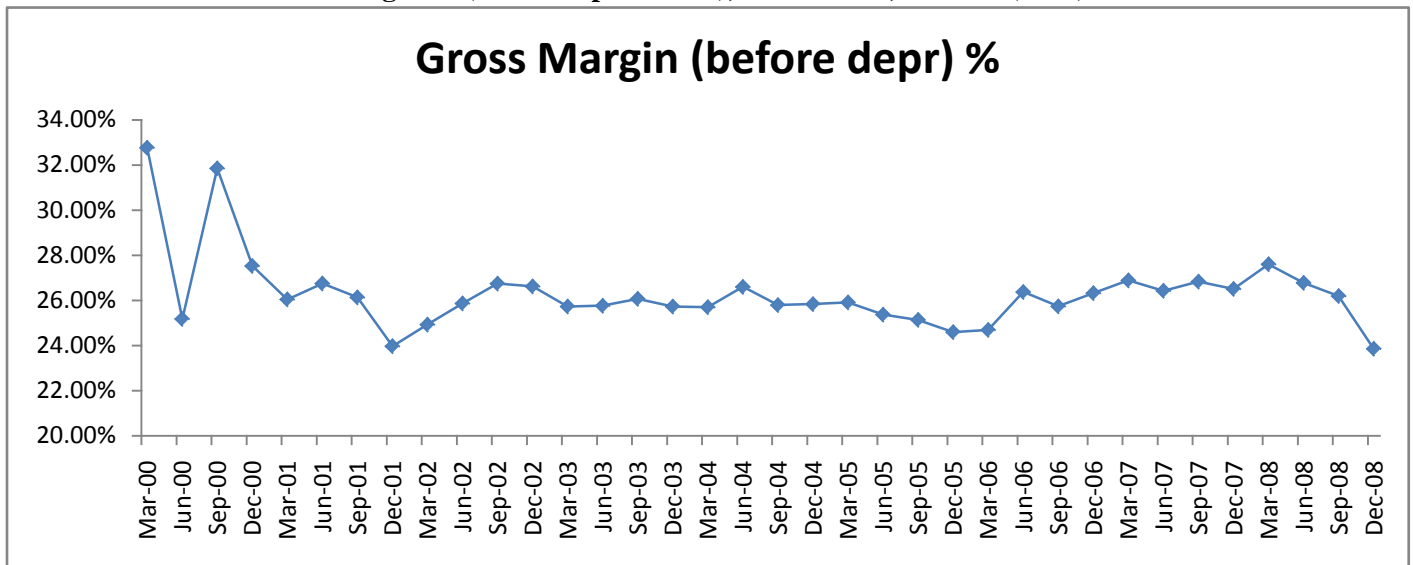
**Profitability**

**Exhibit 7: Median Operating Cushion, 2000 – 2008, Utilities (5510)**



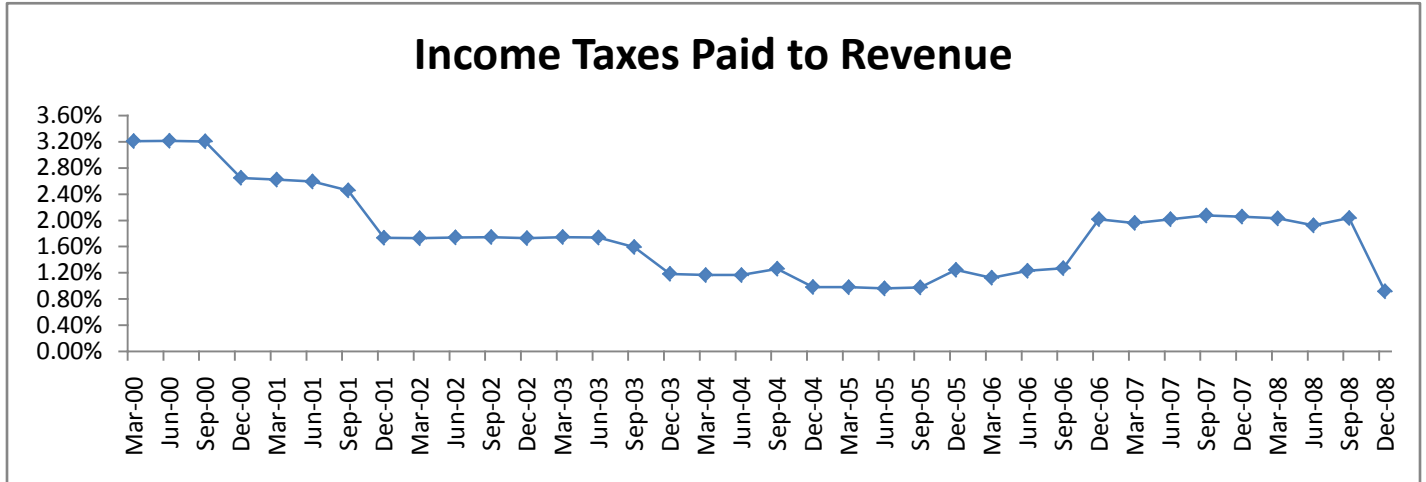
Refer to Table 3 for data supporting the graph.

**Exhibit 8: Median Gross Margin % (before depreciation), 2000 – 2008, Utilities (5510)**



Refer to Table 3 for data supporting the graph.

**Exhibit 9: Median Income Taxes Paid % (before depreciation), 2000 – 2008, Utilities (5510)**



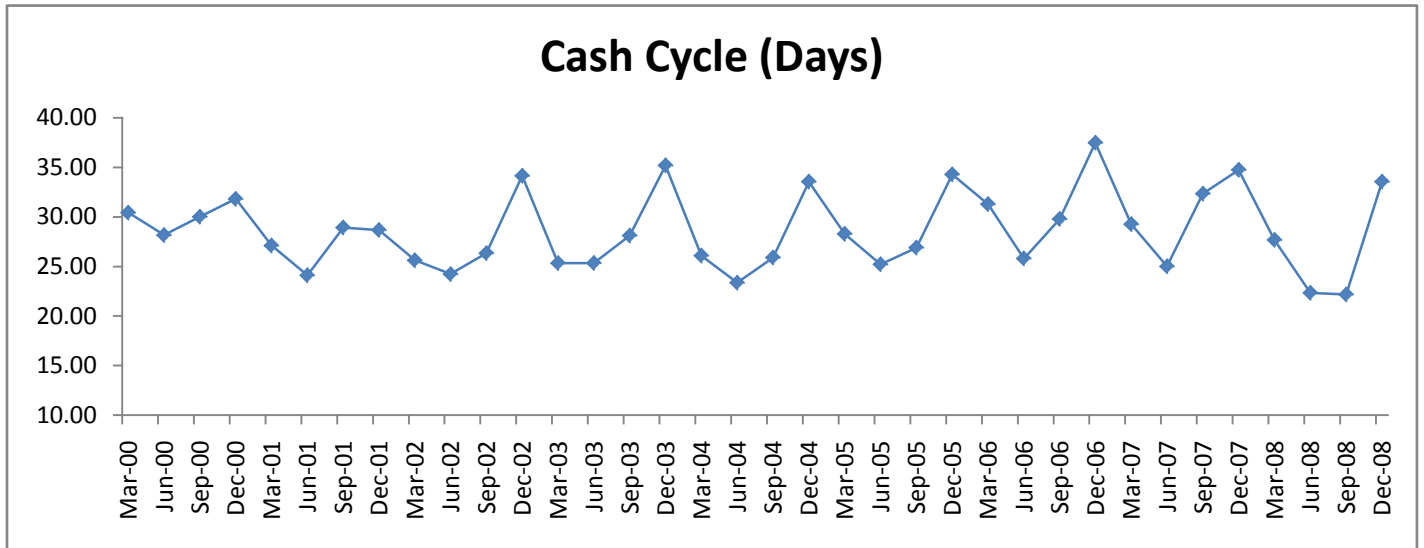
Refer to Table 3 for data supporting the graph.

**Table 3: Profitability, 2000 – 2008, Utilities (5510)**

Date	Operating Cushion %	Gross Margin (before depr) %	SG&A (before depr.) %	Revenue	% Change	Income Taxes Paid to Revenue
Mar-00	30.97%	32.77%	0.00%	1,138,627,500		3.21%
Jun-00	24.10%	25.18%	0.00%	1,151,402,000	1.12%	3.21%
Sep-00	30.81%	31.85%	0.00%	1,255,890,000	9.07%	3.20%
Dec-00	25.79%	27.53%	0.00%	1,539,211,000	22.56%	2.65%
Mar-01	24.53%	26.05%	0.00%	1,539,962,750	0.05%	2.62%
Jun-01	24.58%	26.75%	0.00%	1,527,318,000	-0.82%	2.59%
Sep-01	23.94%	26.13%	0.00%	1,468,670,000	-3.84%	2.46%
Dec-01	22.78%	23.97%	0.00%	1,727,277,000	17.61%	1.73%
Mar-02	23.82%	24.93%	0.00%	1,540,626,000	-10.81%	1.73%
Jun-02	24.33%	25.87%	0.00%	1,535,452,000	-0.34%	1.74%
Sep-02	25.44%	26.75%	0.00%	1,596,200,000	3.96%	1.75%
Dec-02	25.97%	26.62%	0.00%	1,381,526,000	-13.45%	1.73%
Mar-03	24.58%	25.73%	0.00%	1,546,036,000	11.91%	1.75%
Jun-03	24.04%	25.76%	0.00%	1,533,859,000	-0.79%	1.74%
Sep-03	24.32%	26.07%	0.00%	1,407,318,000	-8.25%	1.59%
Dec-03	24.32%	25.73%	0.00%	1,565,858,500	11.27%	1.18%
Mar-04	24.86%	25.70%	0.00%	1,557,000,000	-0.57%	1.17%
Jun-04	26.06%	26.60%	0.00%	1,482,683,000	-4.77%	1.17%
Sep-04	24.59%	25.79%	0.00%	1,587,624,000	7.08%	1.26%
Dec-04	23.87%	25.84%	0.00%	1,653,145,000	4.13%	0.98%
Mar-05	23.60%	25.91%	0.00%	1,689,372,000	2.19%	0.98%
Jun-05	22.96%	25.37%	0.00%	1,705,718,000	0.97%	0.96%
Sep-05	22.54%	25.14%	0.00%	1,776,975,000	4.18%	0.98%
Dec-05	24.28%	24.60%	0.00%	1,928,491,000	8.53%	1.25%
Mar-06	24.37%	24.69%	0.03%	2,029,504,000	5.24%	1.13%
Jun-06	24.77%	26.37%	0.05%	1,986,133,500	-2.14%	1.23%
Sep-06	24.35%	25.74%	0.08%	2,000,658,500	0.73%	1.27%
Dec-06	25.53%	26.32%	0.07%	2,020,879,000	1.01%	2.02%
Mar-07	26.62%	26.89%	0.08%	1,982,000,000	-1.92%	1.96%
Jun-07	25.98%	26.43%	0.06%	1,869,678,500	-5.67%	2.02%
Sep-07	25.90%	26.83%	0.04%	1,992,440,000	6.57%	2.07%
Dec-07	26.65%	26.51%	0.10%	2,079,215,500	4.36%	2.06%
Mar-08	25.00%	27.60%	0.11%	2,105,798,000	1.28%	2.03%
Jun-08	24.09%	26.78%	0.09%	2,192,746,000	4.13%	1.92%
Sep-08	24.22%	26.19%	0.08%	2,249,831,000	2.60%	2.04%
Dec-08	23.44%	23.86%	0.11%	2,439,256,000	8.42%	0.92%

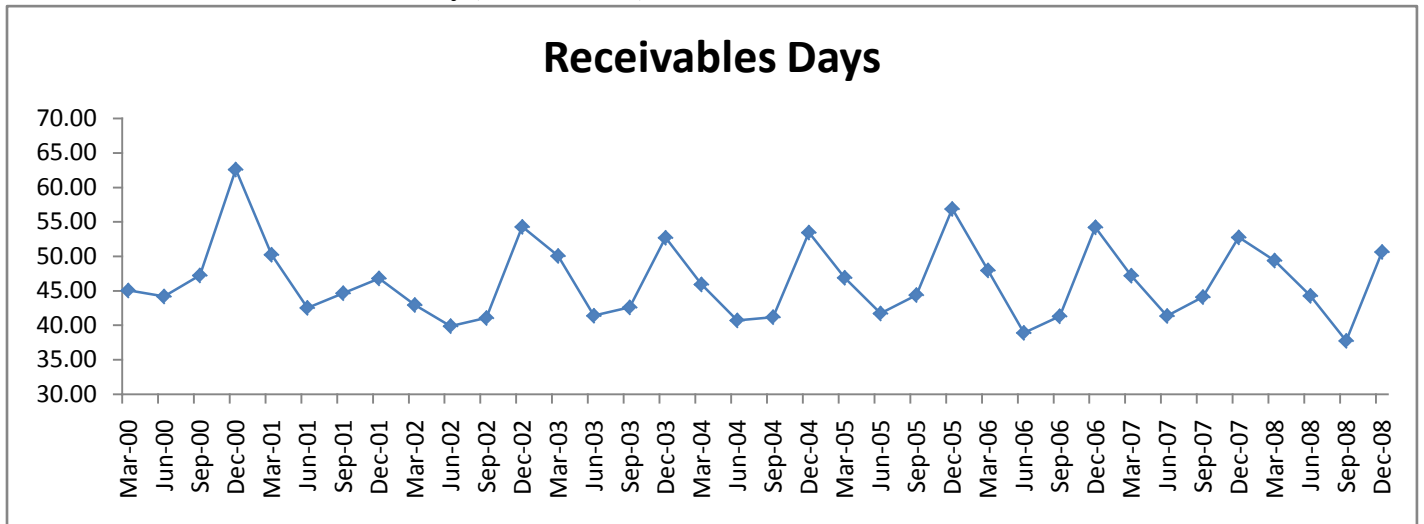
**Efficiency**

**Exhibit 10: Median Cash Cycle, 2000 – 2008, Utilities (5510)**



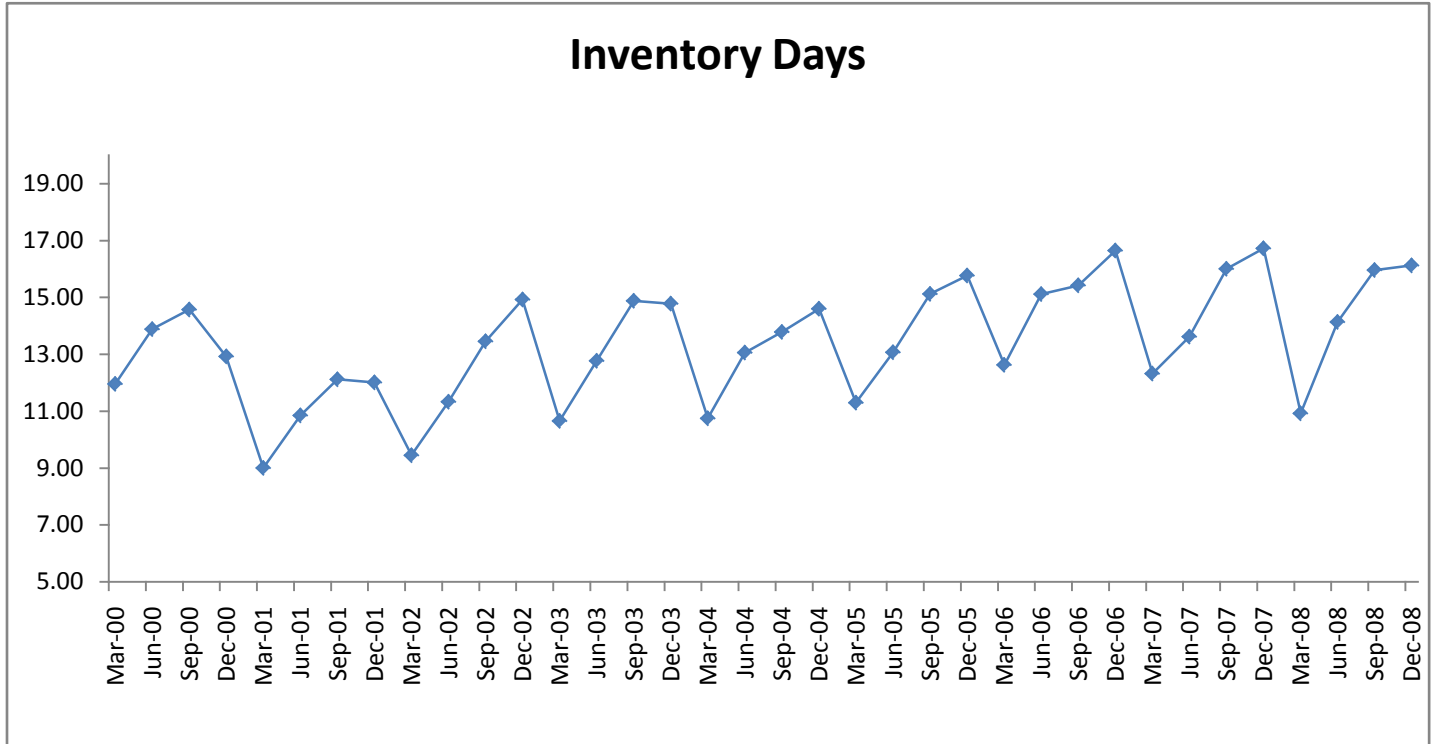
Refer to Table 4 for data supporting the graph.

**Exhibit 11: Median Receivables Days, 2000 – 2008, Utilities (5510)**



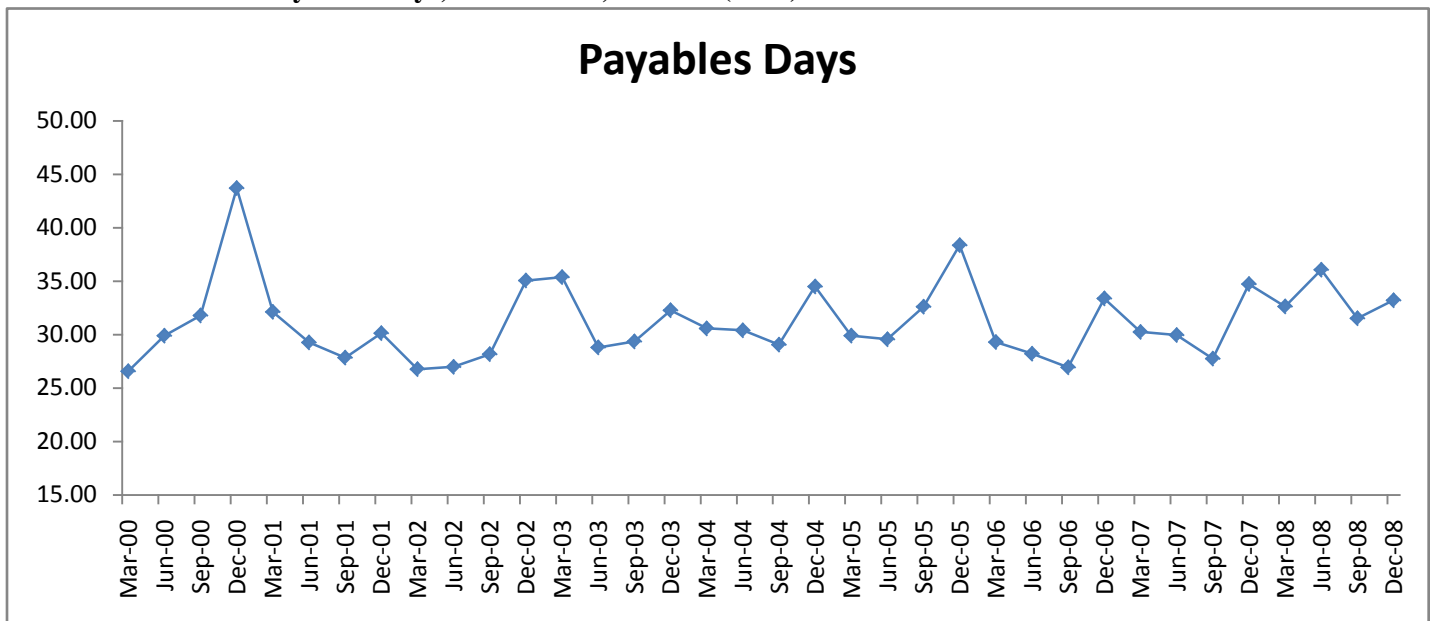
Refer to Table 4 for data supporting the graph.

**Exhibit 12: Median Inventory Days, 2000 – 2008, Utilities (5510)**



Refer to Table 4 for data supporting the graph.

**Exhibit 13: Median Payables Days, 2000 – 2008, Utilities (5510)**



Refer to Table 4 for data supporting the graph.

**Table 4: Efficiency, 2000 – 2008, Utilities (5510)**

Date	Cash Cycle (Days)	Receivables Days	Inventory Days	Payables Days
Mar-00	30.42	45.04	11.96	26.57
Jun-00	28.16	44.17	13.88	29.89
Sep-00	30.01	47.23	14.57	31.79
Dec-00	31.81	62.59	12.92	43.70
Mar-01	27.10	50.23	9.00	32.12
Jun-01	24.10	42.52	10.85	29.27
Sep-01	28.92	44.65	12.12	27.84
Dec-01	28.67	46.79	12.01	30.13
Mar-02	25.62	42.94	9.45	26.77
Jun-02	24.22	39.87	11.33	26.98
Sep-02	26.34	41.05	13.46	28.17
Dec-02	34.14	54.27	14.93	35.06
Mar-03	25.33	50.05	10.65	35.37
Jun-03	25.35	41.38	12.77	28.80
Sep-03	28.11	42.59	14.88	29.36
Dec-03	35.20	52.69	14.78	32.28
Mar-04	26.09	45.92	10.75	30.57
Jun-04	23.36	40.70	13.06	30.40
Sep-04	25.90	41.17	13.79	29.06
Dec-04	33.55	53.45	14.60	34.50
Mar-05	28.29	46.89	11.30	29.90
Jun-05	25.21	41.70	13.07	29.56
Sep-05	26.90	44.38	15.12	32.61
Dec-05	34.28	56.87	15.77	38.36
Mar-06	31.28	47.96	12.63	29.30
Jun-06	25.80	38.89	15.12	28.21
Sep-06	29.79	41.30	15.42	26.94
Dec-06	37.48	54.21	16.65	33.38
Mar-07	29.26	47.19	12.32	30.24
Jun-07	25.01	41.34	13.62	29.96
Sep-07	32.34	44.08	16.01	27.75
Dec-07	34.75	52.75	16.73	34.73
Mar-08	27.68	49.39	10.92	32.63
Jun-08	22.34	44.26	14.14	36.06
Sep-08	22.17	37.73	15.96	31.53
Dec-08	33.55	50.63	16.13	33.21

## Electric Utilities (551010)

Exhibit 15: Median Free Cash Margin, 2000 – 2008, Electric Utilities (551010)

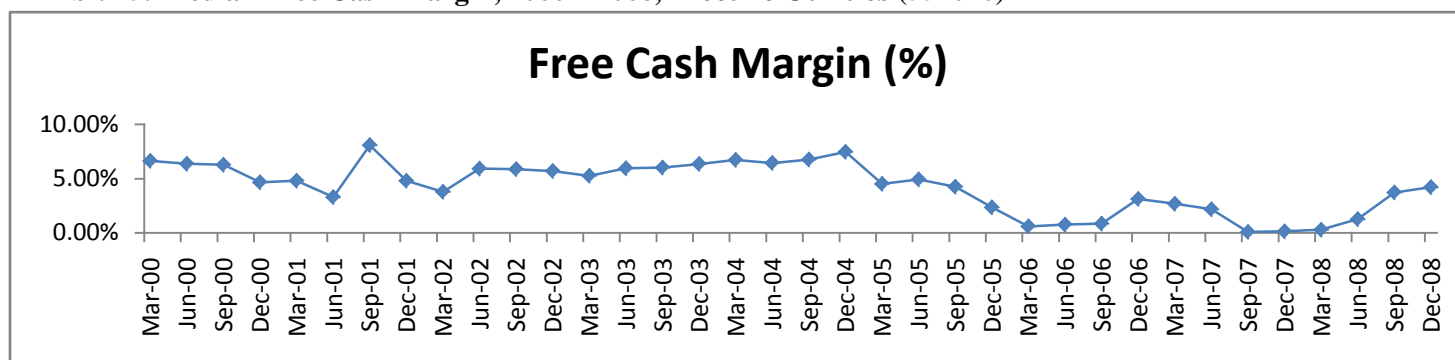


Table 5: 2000 – 2008, Electric Utilities (551010)

Date	Free Cash Margin (%)	Operating Cash Margin (%)	Capital Exp. to Rev (%)	Net Margin (%)	Operating Cushion (%)	Income taxes paid to revenue (%)	Cash Cycle	Cash and Short-Term Investments
Mar-00	6.61%	17.96%	11.33%	8.00%	35.64%	5.05%	26.95	50,870,000
Jun-00	6.34%	17.35%	10.77%	8.64%	28.93%	5.05%	28.14	62,941,000
Sep-00	6.25%	17.54%	10.06%	8.97%	39.45%	5.05%	32.84	67,213,000
Dec-00	4.64%	15.78%	11.98%	8.07%	28.70%	4.22%	33.27	101,546,000
Mar-01	4.78%	19.64%	13.64%	7.43%	28.08%	4.26%	25.54	79,830,000
Jun-01	3.27%	22.48%	15.32%	7.20%	31.63%	4.22%	22.89	73,218,500
Sep-01	8.07%	26.71%	16.42%	7.46%	28.52%	4.26%	30.83	116,600,000
Dec-01	4.77%	15.93%	10.14%	6.61%	25.39%	2.20%	28.69	76,689,000
Mar-02	3.77%	15.11%	11.76%	6.04%	26.39%	2.34%	18.03	112,000,000
Jun-02	5.90%	17.71%	11.88%	5.94%	26.51%	2.34%	21.50	82,277,000
Sep-02	5.85%	18.19%	12.22%	6.67%	26.94%	2.63%	24.86	106,867,500
Dec-02	5.68%	20.16%	13.67%	7.20%	26.62%	2.19%	31.40	108,803,000
Mar-03	5.24%	17.52%	13.58%	6.92%	25.47%	2.19%	24.54	154,514,000
Jun-03	5.93%	20.59%	13.74%	6.67%	26.05%	2.19%	27.06	138,000,000
Sep-03	5.99%	18.06%	13.95%	6.18%	26.55%	2.19%	30.87	171,125,000
Dec-03	6.33%	18.94%	12.36%	7.15%	27.71%	1.97%	31.70	129,000,000
Mar-04	6.70%	20.28%	11.97%	7.43%	26.71%	1.97%	21.45	96,000,000
Jun-04	6.42%	19.85%	12.11%	7.11%	28.59%	1.90%	21.60	112,875,000
Sep-04	6.73%	19.20%	12.26%	6.94%	27.83%	1.97%	28.12	135,300,000
Dec-04	7.44%	21.27%	12.95%	7.04%	27.06%	0.99%	36.67	154,028,000
Mar-05	4.50%	17.90%	13.40%	7.08%	26.14%	0.99%	28.28	175,000,000
Jun-05	4.91%	18.52%	14.01%	7.27%	26.30%	0.99%	28.15	153,000,000
Sep-05	4.23%	19.11%	14.09%	7.45%	27.22%	0.99%	33.62	103,290,000
Dec-05	2.33%	16.02%	13.90%	7.43%	26.88%	1.96%	37.98	171,501,500
Mar-06	0.58%	16.25%	14.34%	6.93%	26.03%	1.81%	29.56	142,714,500
Jun-06	0.73%	17.44%	15.17%	7.45%	27.89%	1.81%	25.60	134,649,000
Sep-06	0.83%	16.18%	16.13%	7.99%	25.82%	1.96%	31.66	159,000,000
Dec-06	3.10%	18.93%	16.50%	8.35%	27.48%	3.18%	36.54	158,150,000
Mar-07	2.65%	18.33%	16.83%	8.50%	27.19%	3.18%	26.52	102,600,000
Jun-07	2.15%	19.12%	17.58%	8.78%	27.62%	3.18%	23.54	101,115,000
Sep-07	0.06%	18.97%	20.79%	9.13%	27.69%	3.25%	29.98	99,200,000
Dec-07	0.11%	20.78%	20.91%	8.52%	28.25%	2.64%	29.20	129,140,000
Mar-08	0.26%	19.32%	21.38%	8.47%	28.05%	2.89%	21.15	119,268,000
Jun-08	1.24%	20.65%	22.13%	8.42%	27.84%	2.89%	15.71	158,207,000
Sep-08	3.70%	17.32%	20.26%	8.60%	25.79%	2.76%	21.89	151,972,000
Dec-08	4.19%	16.38%	19.79%	8.72%	24.43%	0.98%	28.03	174,134,000

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## Gas Utilities (551020)

Exhibit 16: Median Free Cash Margin, 2000 – 2008, Gas Utilities (551020)

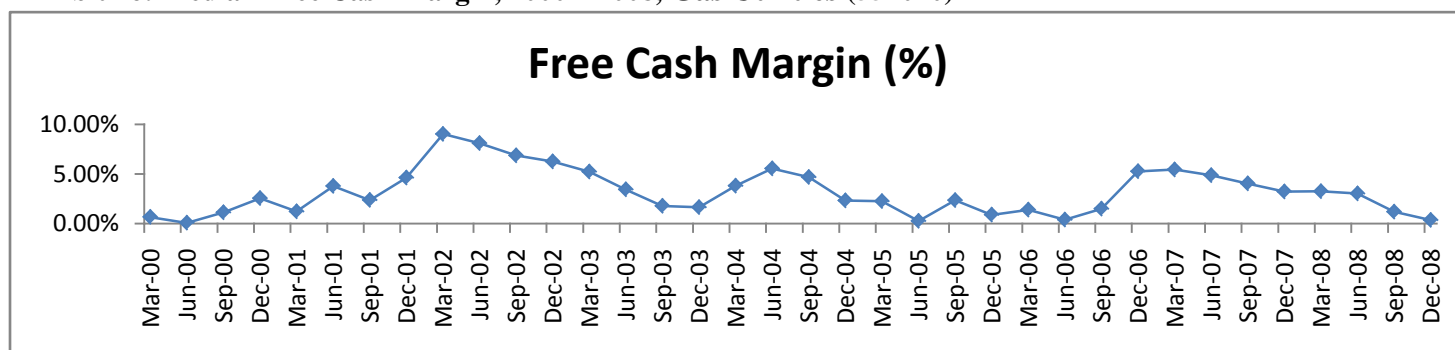
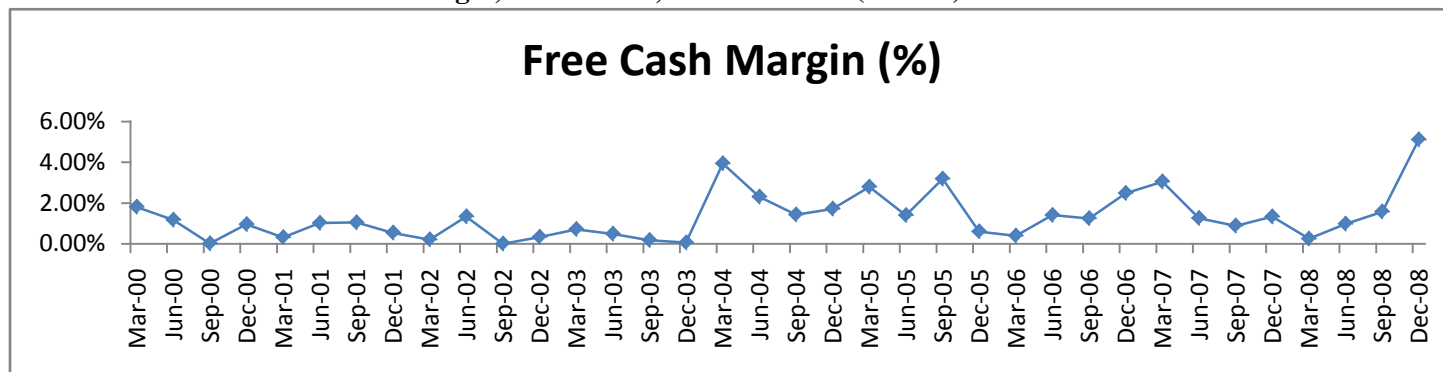


Table 6: 2000 – 2008, Gas Utilities (551020)

Date	Free Cash Margin (%)	Operating Cash Margin (%)	Capital Exp. to Rev (%)	Net Margin (%)	Operating Cushion (%)	Income taxes paid to revenue (%)	Cash Cycle	Cash and Short-Term Investments
Mar-00	0.66%	12.11%	9.44%	5.60%	21.74%	1.84%	41.65	12,786,000
Jun-00	0.07%	11.13%	9.01%	5.43%	19.25%	1.81%	25.89	11,759,000
Sep-00	1.12%	8.59%	8.89%	4.61%	22.00%	1.24%	23.47	10,795,000
Dec-00	2.55%	6.58%	8.32%	4.64%	17.60%	0.96%	37.42	15,184,000
Mar-01	1.21%	10.01%	8.82%	4.70%	15.43%	1.06%	36.23	16,996,000
Jun-01	3.78%	10.52%	10.35%	4.50%	15.67%	0.95%	19.76	12,076,500
Sep-01	2.37%	9.67%	9.22%	4.47%	15.12%	1.06%	25.83	13,330,000
Dec-01	4.62%	11.86%	8.12%	5.14%	17.17%	1.02%	36.26	14,077,000
Mar-02	9.02%	18.61%	9.82%	5.01%	19.46%	1.09%	33.59	24,680,000
Jun-02	8.10%	18.29%	10.41%	5.25%	19.72%	1.17%	23.82	14,601,000
Sep-02	6.86%	17.42%	10.36%	6.28%	21.02%	1.35%	23.45	11,272,500
Dec-02	6.25%	16.81%	10.34%	5.90%	20.53%	1.69%	40.06	13,822,000
Mar-03	5.22%	15.34%	9.81%	6.33%	20.86%	1.69%	34.94	30,386,000
Jun-03	3.43%	13.49%	8.49%	5.99%	19.42%	1.64%	19.79	16,165,500
Sep-03	1.77%	11.05%	7.06%	5.63%	18.03%	1.20%	18.36	10,111,000
Dec-03	1.64%	11.75%	7.07%	5.47%	18.57%	0.49%	47.80	16,500,000
Mar-04	3.80%	10.95%	6.88%	5.65%	17.92%	0.49%	31.48	25,194,000
Jun-04	5.54%	13.20%	7.17%	5.05%	17.98%	0.49%	23.21	21,027,000
Sep-04	4.68%	12.69%	7.65%	5.06%	17.63%	1.02%	19.15	15,428,000
Dec-04	2.32%	11.60%	7.60%	5.25%	16.78%	1.02%	51.06	15,102,000
Mar-05	2.25%	9.81%	7.65%	5.21%	16.02%	1.02%	35.24	24,000,000
Jun-05	0.25%	8.76%	7.87%	5.10%	15.64%	0.89%	21.62	26,000,000
Sep-05	2.34%	9.97%	7.55%	4.84%	15.16%	0.89%	17.76	20,505,000
Dec-05	0.88%	5.96%	7.26%	4.73%	14.79%	1.32%	47.20	25,179,500
Mar-06	1.39%	6.20%	6.56%	3.90%	13.59%	1.12%	34.13	18,000,000
Jun-06	0.38%	6.51%	6.93%	4.40%	14.24%	1.52%	28.63	31,906,000
Sep-06	1.49%	7.98%	7.25%	4.46%	13.99%	1.64%	27.58	16,525,000
Dec-06	5.26%	13.51%	7.90%	4.55%	14.83%	1.75%	41.51	23,666,000
Mar-07	5.43%	13.55%	7.48%	5.71%	16.84%	1.75%	38.85	35,494,000
Jun-07	4.86%	13.28%	6.87%	5.69%	17.18%	1.77%	22.06	22,005,000
Sep-07	4.03%	11.52%	6.66%	5.18%	17.33%	1.77%	28.15	23,686,000
Dec-07	3.22%	8.94%	6.56%	5.15%	16.09%	1.77%	43.53	18,029,000
Mar-08	3.24%	11.03%	6.50%	6.36%	16.36%	1.80%	38.39	19,688,000
Jun-08	3.02%	9.80%	6.60%	5.26%	15.31%	1.77%	16.78	21,078,000
Sep-08	1.18%	6.99%	6.54%	5.61%	15.02%	2.09%	23.41	14,899,000
Dec-08	0.35%	7.61%	6.58%	5.27%	15.03%	1.05%	42.22	23,900,000

## Multi-Utilities (551030)

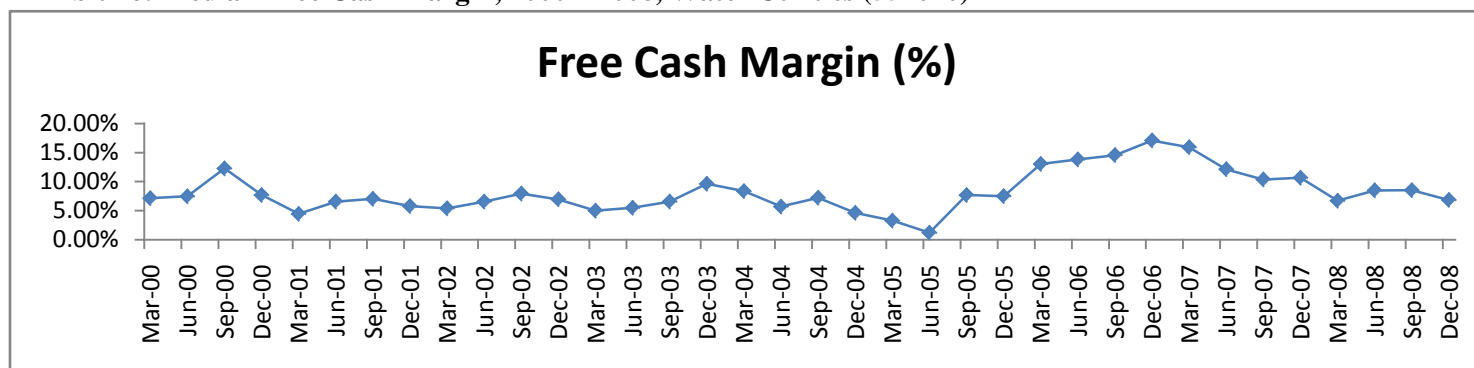
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**Exhibit 16: Median Free Cash Margin, 2000 – 2008, Multi-Utilities (551030)****Table 6: 2000 – 2008, Multi-Utilities (551030)**

Date	Free Cash Margin (%)	Operating Cash Margin (%)	Capital Exp. to Rev (%)	Net Margin (%)	Operating Cushion (%)	Income taxes paid to revenue (%)	Cash Cycle	Cash and Short-Term Investments
Mar-00	1.81%	14.34%	10.75%	8.13%	31.08%	3.21%	32.35	92,000,000
Jun-00	1.18%	12.76%	8.49%	6.73%	21.11%	3.21%	29.28	63,970,000
Sep-00	0.02%	11.58%	8.30%	5.82%	30.81%	3.21%	37.19	78,490,000
Dec-00	0.96%	10.18%	10.79%	4.63%	20.86%	2.31%	39.79	125,968,000
Mar-01	0.32%	11.26%	11.44%	5.08%	20.62%	2.31%	26.85	198,000,000
Jun-01	1.02%	13.60%	13.95%	5.32%	21.47%	2.31%	21.42	176,000,000
Sep-01	1.05%	18.11%	16.53%	4.81%	21.10%	2.31%	22.23	164,930,000
Dec-01	0.55%	13.67%	12.79%	5.15%	19.58%	1.98%	28.76	169,000,000
Mar-02	0.21%	15.62%	14.43%	6.06%	23.05%	1.87%	24.70	141,463,000
Jun-02	1.34%	15.21%	14.64%	5.15%	23.03%	2.02%	22.95	146,237,500
Sep-02	0.01%	14.33%	14.87%	5.96%	23.35%	2.02%	28.29	138,669,500
Dec-02	0.34%	16.61%	14.99%	5.10%	24.17%	1.83%	33.63	363,202,000
Mar-03	0.72%	15.20%	14.98%	6.18%	23.85%	1.83%	21.99	222,071,000
Jun-03	0.49%	14.06%	13.28%	6.36%	22.94%	2.22%	26.08	101,000,000
Sep-03	0.18%	13.82%	12.67%	6.05%	22.28%	2.22%	30.55	103,173,000
Dec-03	0.06%	13.02%	12.56%	5.65%	22.06%	1.02%	36.98	159,600,000
Mar-04	3.94%	15.61%	12.91%	6.52%	23.88%	0.92%	23.04	188,043,000
Jun-04	2.31%	15.06%	12.24%	6.39%	22.99%	1.02%	21.17	184,263,000
Sep-04	1.43%	15.46%	11.75%	6.51%	21.86%	0.97%	25.06	138,697,500
Dec-04	1.72%	14.24%	11.46%	5.95%	20.21%	1.01%	30.88	116,804,500
Mar-05	2.80%	15.81%	11.91%	6.18%	21.26%	0.98%	21.11	271,000,000
Jun-05	1.40%	12.89%	11.74%	5.80%	20.98%	1.04%	23.48	146,000,000
Sep-05	3.19%	13.68%	11.73%	5.58%	20.54%	1.01%	22.73	150,066,000
Dec-05	0.60%	10.13%	10.68%	5.56%	19.19%	1.28%	35.59	96,000,000
Mar-06	0.40%	10.19%	12.28%	6.16%	19.57%	1.31%	26.48	109,374,500
Jun-06	1.41%	12.41%	11.48%	5.49%	18.52%	1.64%	25.13	81,000,000
Sep-06	1.25%	12.35%	11.79%	5.81%	19.87%	1.34%	28.28	126,000,000
Dec-06	2.49%	15.25%	11.54%	5.83%	19.89%	2.45%	37.30	138,000,000
Mar-07	3.05%	16.08%	13.43%	6.84%	20.55%	2.32%	29.48	135,600,000
Jun-07	1.26%	14.60%	12.70%	6.77%	20.09%	2.45%	27.96	106,923,000
Sep-07	0.89%	14.09%	14.29%	7.33%	19.90%	2.45%	32.17	173,500,000
Dec-07	1.34%	13.26%	14.66%	7.13%	19.65%	2.28%	41.33	211,000,000
Mar-08	0.25%	14.15%	14.55%	7.40%	19.91%	2.13%	28.72	145,000,000
Jun-08	0.98%	13.73%	14.43%	7.18%	19.77%	2.21%	24.66	188,850,000
Sep-08	1.58%	13.54%	16.05%	7.03%	19.99%	2.21%	28.54	198,950,000
Dec-08	5.11%	15.71%	15.74%	6.45%	20.29%	0.68%	38.19	246,600,000

**Water Utilities (551040)**

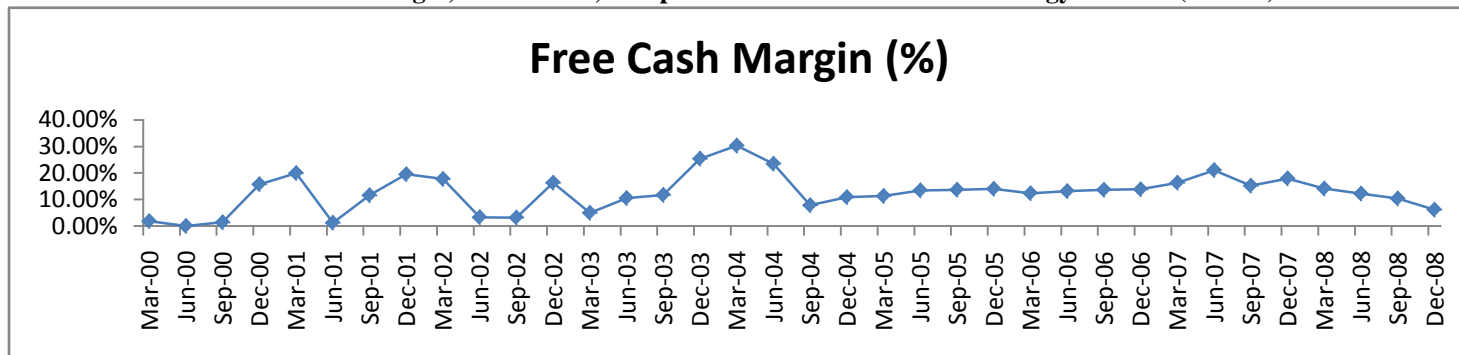
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**Exhibit 16: Median Free Cash Margin, 2000 – 2008, Water Utilities (551040)****Table 6: 2000 – 2008, Water Utilities (551040)**

Date	Free Cash Margin (%)	Operating Cash Margin (%)	Capital Exp. to Rev (%)	Net Margin (%)	Operating Cushion (%)	Income taxes paid to revenue (%)	Cash Cycle	Cash and Short-Term Investments
Mar-00	7.13%	20.07%	28.28%	11.68%	33.17%	5.04%	34.02	938,500
Jun-00	7.46%	20.71%	27.88%	11.46%	33.09%	4.82%	43.19	954,000
Sep-00	12.26%	21.19%	27.62%	9.75%	31.85%	4.82%	45.48	821,000
Dec-00	7.68%	18.35%	25.00%	9.74%	33.81%	4.81%	32.34	1,379,000
Mar-01	4.43%	18.88%	26.47%	9.67%	34.84%	4.81%	38.71	1,243,000
Jun-01	6.55%	19.83%	25.19%	10.24%	33.02%	4.81%	44.32	792,000
Sep-01	7.02%	20.66%	26.22%	10.65%	36.08%	4.81%	48.47	1,023,000
Dec-01	5.77%	24.24%	25.14%	10.38%	35.32%	3.08%	25.70	1,010,000
Mar-02	5.39%	23.52%	27.55%	10.98%	35.31%	3.08%	37.18	1,177,000
Jun-02	6.55%	23.23%	29.37%	10.65%	35.58%	3.08%	38.94	1,185,000
Sep-02	7.93%	19.09%	28.46%	9.93%	34.47%	2.80%	48.32	2,432,500
Dec-02	6.95%	16.98%	26.54%	9.88%	35.37%	3.32%	37.58	1,334,500
Mar-03	4.99%	13.75%	25.47%	10.71%	35.55%	3.32%	38.97	2,244,500
Jun-03	5.49%	21.64%	28.12%	12.52%	33.00%	3.32%	39.73	988,500
Sep-03	6.56%	18.42%	28.02%	12.12%	35.34%	3.32%	47.11	6,827,000
Dec-03	9.62%	25.13%	28.72%	11.63%	37.76%	1.48%	27.51	3,214,000
Mar-04	8.35%	26.64%	29.02%	10.25%	35.91%	1.48%	33.55	2,326,500
Jun-04	5.69%	23.13%	30.65%	9.71%	37.53%	1.48%	35.05	2,947,500
Sep-04	7.22%	26.87%	30.96%	10.67%	33.24%	1.48%	37.86	4,666,500
Dec-04	4.61%	26.80%	26.16%	11.83%	36.69%	2.67%	31.71	4,872,500
Mar-05	3.27%	25.01%	27.15%	12.23%	36.17%	2.67%	30.44	5,557,000
Jun-05	1.19%	25.82%	29.83%	12.52%	36.36%	2.67%	34.31	5,234,500
Sep-05	7.68%	25.10%	35.29%	13.04%	37.23%	2.67%	38.57	7,190,000
Dec-05	7.49%	26.70%	33.81%	11.74%	34.96%	2.15%	27.87	9,465,500
Mar-06	13.03%	25.49%	33.70%	12.32%	34.29%	2.15%	33.16	4,959,000
Jun-06	13.81%	25.06%	35.16%	12.88%	35.42%	2.15%	35.14	3,713,000
Sep-06	14.56%	23.51%	35.16%	12.96%	34.43%	2.15%	38.87	3,516,000
Dec-06	17.08%	22.16%	36.43%	13.49%	34.73%	3.30%	39.46	5,060,000
Mar-07	15.91%	21.55%	35.97%	12.90%	34.47%	3.30%	42.39	4,125,500
Jun-07	12.13%	23.01%	33.01%	13.19%	33.47%	3.30%	37.13	5,483,500
Sep-07	10.36%	24.81%	31.87%	13.46%	35.61%	3.30%	43.14	5,264,500
Dec-07	10.66%	21.99%	29.41%	12.94%	37.59%	5.26%	29.74	6,661,000
Mar-08	6.70%	25.21%	31.66%	14.38%	37.69%	4.39%	33.28	4,705,500
Jun-08	8.49%	23.08%	31.62%	12.78%	35.04%	2.58%	43.82	5,918,000
Sep-08	8.51%	21.77%	34.50%	14.19%	36.40%	3.52%	37.48	3,883,000
Dec-08	6.84%	23.51%	27.74%	10.98%	32.10%	4.56%	35.98	6,514,000

**Independent Power Producers & Energy Traders (551050)**

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**Exhibit 16: Median Free Cash Margin, 2000 – 2008, Independent Power Producers & Energy Traders (551050)****Table 7: 2000 – 2008, Independent Power Producers & Energy Traders (551050)**

Date	Free Cash Margin (%)	Operating Cash Margin (%)	Capital Exp. to Rev (%)	Net Margin (%)	Operating Cushion (%)	Income taxes paid to revenue (%)	Cash Cycle	Cash and Short-Term Investments
Mar-00	1.88%	16.73%	14.99%	12.34%	45.41%	0.00%	18.71	10,095,000
Jun-00	0.06%	28.36%	16.91%	14.55%	39.18%	0.05%	14.63	42,409,500
Sep-00	1.45%	16.36%	14.67%	10.99%	47.69%	0.01%	-18.55	269,000
Dec-00	15.77%	26.37%	3.55%	14.17%	46.90%	0.18%	40.40	27,886,500
Mar-01	19.96%	27.81%	7.55%	14.58%	47.28%	0.14%	32.65	13,814,000
Jun-01	1.29%	31.14%	7.26%	6.86%	47.87%	0.23%	10.98	27,540,000
Sep-01	11.62%	22.24%	7.67%	9.62%	41.19%	0.18%	19.83	29,861,000
Dec-01	19.51%	34.35%	6.58%	15.26%	46.14%	0.43%	20.54	139,349,000
Mar-02	17.73%	21.25%	4.38%	8.17%	44.12%	0.43%	16.27	23,937,000
Jun-02	3.34%	20.86%	8.49%	16.86%	44.15%	0.43%	16.57	26,686,000
Sep-02	3.23%	21.60%	8.47%	14.90%	52.43%	0.43%	6.85	18,988,000
Dec-02	16.33%	34.66%	12.30%	10.09%	46.90%	0.21%	19.63	80,273,500
Mar-03	5.02%	24.12%	18.58%	1.24%	44.22%	0.22%	5.81	35,718,000
Jun-03	10.54%	28.34%	8.83%	2.75%	45.25%	0.45%	25.10	96,018,500
Sep-03	11.75%	26.03%	7.79%	3.92%	40.68%	0.21%	14.86	28,295,500
Dec-03	25.37%	30.43%	6.78%	12.43%	42.19%	0.21%	30.39	155,000,000
Mar-04	30.29%	30.78%	4.58%	12.50%	42.28%	0.30%	22.53	34,043,500
Jun-04	23.45%	24.77%	6.70%	16.45%	43.60%	0.11%	18.01	89,678,000
Sep-04	7.86%	22.73%	9.11%	15.05%	43.00%	0.11%	21.60	29,363,000
Dec-04	10.90%	27.10%	9.93%	12.24%	38.82%	0.09%	22.12	34,197,000
Mar-05	11.34%	23.52%	9.49%	8.44%	35.92%	0.09%	21.00	43,922,000
Jun-05	13.44%	23.97%	10.22%	8.05%	39.01%	0.08%	29.02	45,450,000
Sep-05	13.68%	27.36%	8.34%	7.24%	38.37%	0.09%	21.92	56,000,000
Dec-05	14.03%	22.47%	8.46%	10.73%	37.07%	0.40%	13.84	80,805,000
Mar-06	12.36%	24.86%	6.65%	8.37%	40.33%	0.43%	28.43	67,733,000
Jun-06	13.15%	29.40%	4.44%	9.32%	41.54%	0.43%	25.62	65,164,000
Sep-06	13.67%	25.26%	5.84%	13.96%	42.35%	0.43%	29.10	77,079,000
Dec-06	13.86%	26.60%	5.50%	13.78%	39.76%	0.29%	26.06	63,634,500
Mar-07	16.34%	28.75%	7.17%	13.51%	37.50%	0.29%	33.93	63,384,000
Jun-07	21.06%	28.45%	9.68%	0.14%	37.58%	0.32%	12.59	53,100,000
Sep-07	15.20%	26.43%	10.65%	3.10%	38.33%	0.32%	28.93	59,800,000
Dec-07	17.94%	26.48%	8.03%	7.29%	35.81%	0.50%	31.79	65,047,500
Mar-08	14.14%	25.59%	8.98%	4.21%	37.97%	0.50%	31.10	53,157,500
Jun-08	12.24%	25.97%	11.79%	11.46%	37.80%	0.50%	18.97	67,430,500
Sep-08	10.40%	29.49%	11.51%	9.40%	38.40%	0.50%	27.67	58,727,500
Dec-08	6.19%	30.74%	8.01%	5.84%	36.73%	0.81%	18.57	58,412,000