

Results of Preliminary Econometric Transmission Cost Model

Legend

Variable	Definition
Constant	Intercept
YNR	Total Retail Customers
YMTX	Transmission Line Miles (Route Miles)
GCAP	Total Generation Capacity (MW)
W	Input Price Index
TREND	Time trend

Variable	Coefficient	T-Stat	P-Value
YNR	0.356	15.9	<.001
YMTX	0.542	35.0	<.001
GCAP	0.193	9.4	<.001
W	1.002	64.8	<.001
YNR^2	0.344	13.5	<.001
YMTX^2	-0.041	-1.3	0.196
GCAP^2	0.089	8.3	<.001
W^2	-0.030	-0.6	0.569
YNR*YMTX	-0.145	-7.7	<.001
YNR*GCAP	-0.224	-10.5	<.001
YNR*W	-0.002	-0.1	0.906
YMTX*GCAP	0.200	11.1	<.001
YMTX*W	0.008	0.5	0.653
GCAP*W	0.021	1.6	0.101
Constant	18.441	1157.2	<.001
TREND	0.007	4.3	<.001

Further Information

Companies:	37
Sample Period:	2003-2013
Observations:	407
Wald statistic:	25881
Pr(>Chisq(10)):	<.001
Pseudo R-Squared	0.97