

Exhibit No. KGS-28
Docket UE-152253
Witness: Kurt G. Strunk

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFIC POWER & LIGHT
COMPANY,

Respondent.

DOCKET UE-152253

PACIFIC POWER & LIGHT COMPANY

EXHIBIT OF KURT G. STRUNK

S&P 500 Forward Looking Market Risk of Premium

April 2016

Pacific Power & Light Company
S&P 500 Forward Looking Market Risk Premium

Dividend Yield ¹	Growth Rate ²	Risk Free Rate ³	Market Risk Premium
(a)	(b)	(c)	(d) = (a)*[1 + (b)] + (b) - (c)
2.21%	7.29%	2.68%	6.98%

Notes:

¹ Dividend yield calculated as (total dividends) / (12 month average price), March 18, 2016.

Bloomberg Financial, L.P.

² Source: Bloomberg Financial, L.P., Composite of Long-Term EPS Analyst Estimates for the S&P 500, March 18, 2016.

³ Source: Federal Reserve, Constant Maturity 30-year Treasury Yield, March 18, 2016.