

Exhibit No. \_\_\_ (DCP-10)  
Dockets UE-121697, et al.  
Witness: David C. Parcell

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**DOCKETS UE-121697 and  
UG-121705 (*consolidated*)**

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**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.**

**Respondent.**

**DOCKETS UE-130137 and  
UG-130138 (*consolidated*)**

**EXHIBIT TO  
TESTIMONY OF**

**David C. Parcell**

**ON BEHALF OF THE STAFF OF WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

***Proxy Companies Rates of Return on Average Common Equity  
and Market-to-Book Ratios***

**December 3, 2014**

COMPARISON COMPANIES  
RATES OF RETURN ON AVERAGE COMMON EQUITY

COMPANY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2002-2008		2013	2014	2015-16
												Average	Average			
<b>Parcell Proxy Group</b>																
ALLETE	4.5%	6.7%	12.7%	12.0%	13.2%	13.4%	11.4%	7.3%	8.2%	9.5%	8.7%	12.5%	8.4%	8.0%	8.0%	10.0%
Black Hills Corp	12.1%	8.9%	4.6%	5.6%	8.6%	4.1%	7.6%	8.4%	8.5%	6.6%	6.4%	6.0%	8.0%	8.0%	8.0%	8.0%
Cleco	13.9%	11.5%	12.8%	9.4%	9.6%	10.8%	0.7%	8.4%	5.9%	3.6%	7.1%	6.0%	6.3%	8.0%	10.5%	8.5%
Howe Electric	1.9%	1.2%	1.8%	1.8%	2.2%	2.2%	2.2%	2.2%	2.2%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
NorthWestern Corp	7.1%	4.2%	8.2%	7.5%	8.4%	7.1%	8.0%	9.5%	8.6%	10.5%	9.9%	9.5%	9.9%	9.0%	9.0%	10.0%
Oter Tail Corp	15.2%	12.0%	10.8%	11.6%	6.4%	10.4%	8.4%	3.4%	9.6%	10.9%	9.3%	10.6%	9.6%	9.0%	9.0%	10.0%
Pepco Holdings	9.8%	7.5%	8.3%	8.1%	5.9%	11.6%	11.6%	11.6%	8.0%	8.0%	8.3%	8.0%	7.9%	8.0%	7.0%	8.0%
Portland General Corp	19.5%	-0.7%	9.2%	14.2%	14.7%	14.3%	14.3%	11.4%	11.4%	12.3%	10.5%	11.2%	10.5%	10.0%	12.0%	12.0%
TECO Energy	8.9%	6.1%	7.1%	5.7%	9.1%	10.1%	10.1%	10.2%	9.8%	9.4%	8.2%	8.2%	9.6%	10.0%	9.0%	9.0%
Util. Holdings	5.0%	-0.6%	7.7%	9.6%	11.1%	10.0%	6.7%	6.3%	8.2%	8.2%	9.5%	8.7%	8.2%	8.5%	9.0%	9.0%
Westar Energy	10.2%	7.8%	8.9%	10.1%	9.6%	8.4%	7.7%	7.7%	8.3%	8.5%	8.8%	9.1%	8.3%	8.7%	9.1%	9.6%
<b>Average</b>																
<b>Median</b>																
<b>Gorman Proxy Group</b>																
ALLETE	5.7%	7.6%	12.7%	12.0%	13.2%	13.4%	11.4%	7.3%	8.2%	9.5%	8.7%	12.5%	8.4%	8.0%	8.0%	10.0%
American Electric Power Co.	12.3%	12.4%	12.7%	11.5%	11.5%	11.7%	11.6%	11.0%	10.7%	10.3%	10.7%	10.7%	10.7%	11.0%	11.0%	10.0%
Avista Corp	4.5%	6.7%	4.6%	5.8%	8.9%	4.1%	7.6%	8.4%	8.5%	6.6%	6.4%	6.0%	8.0%	8.0%	8.0%	10.0%
Cleco Corp	13.3%	11.5%	12.8%	9.4%	9.6%	10.8%	0.7%	8.4%	5.9%	3.6%	7.1%	6.0%	6.3%	8.0%	10.5%	8.5%
Howe Electric	1.9%	1.2%	1.8%	1.8%	2.2%	2.2%	2.2%	2.2%	2.2%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
NorthWestern Corp	7.1%	4.2%	8.2%	7.5%	8.4%	7.1%	8.0%	9.5%	8.6%	10.5%	9.9%	9.5%	9.9%	9.0%	9.0%	10.0%
Oter Tail Corp	15.2%	12.0%	10.8%	11.6%	6.4%	10.4%	8.4%	3.4%	9.6%	10.9%	9.3%	10.6%	9.6%	9.0%	9.0%	10.0%
Pepco Holdings	9.8%	7.5%	8.3%	8.1%	5.9%	11.6%	11.6%	11.6%	8.0%	8.0%	8.3%	8.0%	7.9%	8.0%	7.0%	8.0%
Portland General Corp	19.5%	-0.7%	9.2%	14.2%	14.7%	14.3%	14.3%	11.4%	11.4%	12.3%	10.5%	11.2%	10.5%	10.0%	12.0%	12.0%
TECO Energy	8.9%	6.1%	7.1%	5.7%	9.1%	10.1%	10.1%	10.2%	9.8%	9.4%	8.2%	8.2%	9.6%	10.0%	9.0%	9.0%
Util. Holdings	5.0%	-0.6%	7.7%	9.6%	11.1%	10.0%	6.7%	6.3%	8.2%	8.2%	9.5%	8.7%	8.2%	8.5%	9.0%	9.0%
Westar Energy	10.2%	7.8%	8.9%	10.1%	9.6%	8.4%	7.7%	7.7%	8.3%	8.5%	8.8%	9.1%	8.3%	8.7%	9.1%	9.6%
<b>Average</b>																
<b>Median</b>																
<b>Merth Proxy Group</b>																
Alliant Energy Corp	5.7%	7.6%	12.7%	12.0%	13.2%	13.4%	11.4%	7.3%	8.2%	9.5%	8.7%	12.5%	8.4%	8.0%	8.0%	10.0%
Black Hills Corp	12.1%	8.9%	4.6%	5.6%	8.6%	4.1%	7.6%	8.4%	8.5%	6.6%	6.4%	6.0%	8.0%	8.0%	8.0%	10.0%
Cleco	13.9%	11.5%	12.8%	9.4%	9.6%	10.8%	0.7%	8.4%	5.9%	3.6%	7.1%	6.0%	6.3%	8.0%	10.5%	8.5%
Howe Electric	1.9%	1.2%	1.8%	1.8%	2.2%	2.2%	2.2%	2.2%	2.2%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
NorthWestern Corp	7.1%	4.2%	8.2%	7.5%	8.4%	7.1%	8.0%	9.5%	8.6%	10.5%	9.9%	9.5%	9.9%	9.0%	9.0%	10.0%
Oter Tail Corp	15.2%	12.0%	10.8%	11.6%	6.4%	10.4%	8.4%	3.4%	9.6%	10.9%	9.3%	10.6%	9.6%	9.0%	9.0%	10.0%
Pepco Holdings	9.8%	7.5%	8.3%	8.1%	5.9%	11.6%	11.6%	11.6%	8.0%	8.0%	8.3%	8.0%	7.9%	8.0%	7.0%	8.0%
Portland General Corp	19.5%	-0.7%	9.2%	14.2%	14.7%	14.3%	14.3%	11.4%	11.4%	12.3%	10.5%	11.2%	10.5%	10.0%	12.0%	12.0%
TECO Energy	8.9%	6.1%	7.1%	5.7%	9.1%	10.1%	10.1%	10.2%	9.8%	9.4%	8.2%	8.2%	9.6%	10.0%	9.0%	9.0%
Util. Holdings	5.0%	-0.6%	7.7%	9.6%	11.1%	10.0%	6.7%	6.3%	8.2%	8.2%	9.5%	8.7%	8.2%	8.5%	9.0%	9.0%
Westar Energy	10.2%	7.8%	8.9%	10.1%	9.6%	8.4%	7.7%	7.7%	8.3%	8.5%	8.8%	9.1%	8.3%	8.7%	9.1%	9.6%
<b>Average</b>																
<b>Median</b>																
<b>Merth Proxy Group</b>																
Alliant Energy Corp	5.7%	7.6%	12.7%	12.0%	13.2%	13.4%	11.4%	7.3%	8.2%	9.5%	8.7%	12.5%	8.4%	8.0%	8.0%	10.0%
Black Hills Corp	12.1%	8.9%	4.6%	5.6%	8.6%	4.1%	7.6%	8.4%	8.5%	6.6%	6.4%	6.0%	8.0%	8.0%	8.0%	10.0%
Cleco	13.9%	11.5%	12.8%	9.4%	9.6%	10.8%	0.7%	8.4%	5.9%	3.6%	7.1%	6.0%	6.3%	8.0%	10.5%	8.5%
Howe Electric	1.9%	1.2%	1.8%	1.8%	2.2%	2.2%	2.2%	2.2%	2.2%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
NorthWestern Corp	7.1%	4.2%	8.2%	7.5%	8.4%	7.1%	8.0%	9.5%	8.6%	10.5%	9.9%	9.5%	9.9%	9.0%	9.0%	10.0%
Oter Tail Corp	15.2%	12.0%	10.8%	11.6%	6.4%	10.4%	8.4%	3.4%	9.6%	10.9%	9.3%	10.6%	9.6%	9.0%	9.0%	10.0%
Pepco Holdings	9.8%	7.5%	8.3%	8.1%	5.9%	11.6%	11.6%	11.6%	8.0%	8.0%	8.3%	8.0%	7.9%	8.0%	7.0%	8.0%
Portland General Corp	19.5%	-0.7%	9.2%	14.2%	14.7%	14.3%	14.3%	11.4%	11.4%	12.3%	10.5%	11.2%	10.5%	10.0%	12.0%	12.0%
TECO Energy	8.9%	6.1%	7.1%	5.7%	9.1%	10.1%	10.1%	10.2%	9.8%	9.4%	8.2%	8.2%	9.6%	10.0%	9.0%	9.0%
Util. Holdings	5.0%	-0.6%	7.7%	9.6%	11.1%	10.0%	6.7%	6.3%	8.2%	8.2%	9.5%	8.7%	8.2%	8.5%	9.0%	9.0%
Westar Energy	10.2%	7.8%	8.9%	10.1%	9.6%	8.4%	7.7%	7.7%	8.3%	8.5%	8.8%	9.1%	8.3%	8.7%	9.1%	9.6%
<b>Average</b>																
<b>Median</b>																

Source: Calculations made from data contained in Value Line Investment Survey.

COMPARISON COMPANIES  
 MARKET TO BOOK RATIOS

COMPANY	2002-2008										2009-2012		Average	
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average		
<b>Parcell Proxy Group</b>														
ALLETE	85%	64%	322%	212%	215%	185%	156%	113%	127%	138%	135%	221%	128%	
Avista	143%	134%	111%	115%	135%	127%	110%	94%	109%	118%	123%	111%	111%	
Black Hills Corp.	118%	142%	174%	153%	133%	164%	132%	129%	138%	151%	168%	147%	147%	
CenterPoint Energy	144%	146%	179%	181%	152%	166%	163%	113%	140%	150%	164%	157%	157%	
CMS Energy	144%	146%	179%	181%	152%	166%	163%	113%	140%	150%	164%	157%	157%	
Domination Resources	159%	180%	195%	242%	225%	255%	238%	166%	207%	238%	214%	226%	226%	
Duke Energy	145%	142%	132%	140%	134%	143%	101%	116%	116%	121%	137%	134%	116%	
Integrus Energy Group	171%	109%	139%	157%	155%	102%	80%	101%	101%	122%	147%	147%	121%	
Northwestern Energy	214%	223%	207%	207%	191%	178%	158%	154%	171%	153%	203%	197%	178%	
Northwestern Corp.	59%	55%	106%	103%	131%	163%	128%	114%	136%	150%	143%	119%	135%	
NV Energy	72%	41%	69%	282%	160%	147%	159%	105%	122%	139%	146%	175%	128%	
OCG Energy	147%	154%	178%	159%	138%	137%	91%	77%	80%	101%	117%	128%	128%	
Power Holdings	149%	149%	155%	132%	122%	141%	115%	75%	92%	98%	101%	118%	82%	
PG&E	149%	203%	195%	179%	201%	203%	144%	148%	148%	146%	162%	147%	147%	
SCANA Corp.	137%	156%	171%	179%	167%	159%	141%	121%	134%	135%	152%	159%	136%	
Sempra Energy	155%	172%	178%	186%	190%	194%	151%	135%	130%	129%	153%	175%	138%	
TECO Energy	135%	111%	174%	243%	202%	188%	171%	131%	164%	172%	169%	175%	159%	
UHL Holdings	120%	111%	133%	131%	145%	138%	131%	131%	131%	152%	152%	149%	144%	
UHL Energy	120%	111%	133%	131%	145%	138%	131%	131%	131%	152%	152%	149%	144%	
UHL Holdings	174%	170%	175%	165%	175%	175%	157%	143%	142%	153%	159%	157%	151%	
UHL Energy	129%	147%	156%	168%	182%	179%	153%	127%	171%	185%	213%	159%	179%	
Wisconsin Energy Corp.	113%	113%	132%	139%	150%	154%	127%	121%	135%	143%	156%	133%	138%	
Xcel Energy Inc.	133%	133%	132%	139%	150%	154%	127%	121%	135%	143%	156%	133%	138%	
<b>Average</b>	135%	127%	162%	173%	164%	161%	133%	103%	121%	130%	139%	163%	124%	
<b>Median</b>	135%	113%	134%	171%	160%	162%	124%	165%	120%	123%	136%	143%	121%	
<b>Goeman Proxy Group</b>														
ALLETE	110%	97%	322%	212%	215%	185%	156%	113%	127%	138%	135%	221%	128%	
Alliant Energy Corp.	136%	124%	151%	155%	131%	173%	131%	102%	131%	147%	152%	131%	138%	
American Electric Power Co.	136%	124%	151%	155%	131%	173%	131%	102%	131%	147%	152%	131%	138%	
Avista	154%	134%	177%	177%	162%	162%	112%	94%	108%	115%	123%	111%	111%	
Black Hills Corp.	137%	80%	125%	142%	142%	151%	123%	117%	148%	170%	182%	157%	147%	
CMS Energy	144%	146%	174%	154%	149%	151%	123%	110%	124%	145%	150%	144%	132%	
DTE Energy	145%	142%	132%	140%	134%	143%	101%	91%	116%	111%	146%	162%	115%	
Edison International	133%	133%	133%	133%	133%	133%	133%	133%	133%	133%	133%	133%	133%	
Edison International	133%	133%	133%	133%	133%	133%	133%	133%	133%	133%	133%	133%	133%	
Integrus Energy Group	154%	165%	165%	174%	155%	139%	108%	82%	126%	129%	147%	151%	121%	
Northwestern Energy	95%	95%	105%	108%	131%	153%	114%	114%	130%	150%	143%	115%	138%	
Northwestern Corp.	169%	203%	169%	175%	201%	203%	146%	146%	146%	146%	146%	162%	147%	
Power Holdings	165%	114%	130%	130%	128%	127%	103%	90%	113%	125%	141%	117%	117%	
Portland General Electric	135%	111%	174%	243%	202%	188%	171%	131%	164%	172%	169%	152%	102%	
TECO Energy	126%	113%	133%	135%	174%	188%	172%	131%	164%	172%	169%	152%	102%	
UHL Holdings	125%	147%	156%	165%	182%	179%	153%	147%	171%	185%	213%	159%	175%	
UHL Energy	125%	147%	156%	165%	182%	179%	153%	147%	171%	185%	213%	159%	175%	
Xcel Energy Inc.	113%	113%	132%	139%	150%	154%	127%	121%	135%	143%	156%	133%	138%	
<b>Average</b>	127%	128%	154%	164%	161%	164%	128%	108%	128%	137%	147%	148%	100%	
<b>Median</b>	134%	113%	136%	154%	155%	163%	127%	106%	125%	138%	146%	141%	123%	
<b>Moith Proxy Group</b>														
Alliant Energy Corp.	110%	97%	322%	212%	215%	185%	156%	113%	127%	138%	135%	221%	128%	
Avista	85%	64%	111%	115%	135%	127%	110%	94%	109%	118%	123%	111%	111%	
Black Hills Corp.	143%	134%	174%	153%	133%	164%	132%	129%	138%	151%	168%	147%	147%	
CenterPoint Energy	144%	146%	179%	181%	152%	166%	163%	113%	140%	150%	164%	157%	157%	
CMS Energy	144%	146%	179%	181%	152%	166%	163%	113%	140%	150%	164%	157%	157%	
Domination Resources	159%	180%	195%	242%	225%	255%	238%	166%	207%	238%	214%	226%	226%	
Duke Energy	145%	142%	132%	140%	134%	143%	101%	116%	116%	121%	137%	134%	116%	
Integrus Energy Group	171%	109%	139%	157%	155%	102%	80%	101%	101%	122%	147%	147%	121%	
Northwestern Energy	214%	223%	207%	207%	191%	178%	158%	154%	171%	153%	203%	197%	178%	
Northwestern Corp.	59%	55%	106%	103%	131%	163%	128%	114%	136%	150%	143%	119%	135%	
NV Energy	72%	41%	69%	282%	160%	147%	159%	105%	122%	139%	146%	175%	128%	
OCG Energy	147%	154%	178%	159%	138%	137%	91%	77%	80%	101%	117%	128%	128%	
Power Holdings	149%	149%	155%	132%	122%	141%	115%	75%	92%	98%	101%	118%	82%	
PG&E	149%	203%	195%	179%	201%	203%	144%	148%	148%	146%	162%	147%	147%	
SCANA Corp.	137%	156%	171%	179%	167%	159%	141%	121%	134%	135%	152%	159%	136%	
Sempra Energy	155%	172%	178%	186%	190%	194%	151%	135%	130%	129%	153%	175%	138%	
TECO Energy	135%	111%	174%	243%	202%	188%	171%	131%	164%	172%	169%	152%	102%	
UHL Holdings	120%	111%	133%	131%	145%	138%	131%	131%	131%	152%	152%	149%	144%	
UHL Energy	120%	111%	133%	131%	145%	138%	131%	131%	131%	152%	152%	149%	144%	
UHL Holdings	174%	170%	175%	165%	175%	175%	157%	143%	142%	153%	159%	157%	151%	
UHL Energy	129%	147%	156%	168%	182%	179%	153%	127%	171%	185%	213%	159%	179%	
Wisconsin Energy Corp.	113%	113%	132%	139%	150%	154%	127%	121%	135%	143%	156%	133%	138%	
Xcel Energy Inc.	133%	133%	132%	139%	150%	154%	127%	121%	135%	143%	156%	133%	138%	
<b>Average</b>	135%	127%	162%	173%	164%	161%	133%	103%	121%	130%	139%	163%	124%	
<b>Median</b>	137%	142%	144%	169%	160%	173%	146%	121%	136%	146%	153%	151%	139%	

Source: Calculations made from data contained in Value Line Investment Survey.