

Exhibit No. \_\_\_\_ (DCP-9)  
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 CAPM Cost Rates*

**December 3, 2014**

**COMPARISON COMPANIES  
CAPM COST RATES**

COMPANY	RISK-FREE RATE	BETA	RISK PREMIUM	CAPM RATES
<b>Parcel Proxy Group</b>				
ALLETE	2.75%	0.70	5.50%	6.6%
Avista	2.75%	0.70	5.50%	6.6%
Black Hills Corp	2.75%	0.80	5.50%	7.1%
Cleco	2.75%	0.65	5.50%	6.3%
Hawaiian Electric	2.75%	0.70	5.50%	6.6%
IDACORP	2.75%	0.70	5.50%	6.6%
NorthWestern Corp	2.75%	0.70	5.50%	6.6%
Otter Tail Corp	2.75%	0.90	5.50%	7.7%
Peppo Holdings	2.75%	0.75	5.50%	6.9%
Portland General Corp	2.75%	0.75	5.50%	6.9%
TECO Energy	2.75%	0.85	5.50%	7.4%
UIL Holdings	2.75%	0.70	5.50%	6.6%
Westar Energy	2.75%	0.70	5.50%	6.6%
Mean				<b>6.8%</b>
Median				<b>6.6%</b>
<b>Gorman Proxy Group</b>				
ALLETE	2.75%	0.70	5.50%	6.6%
Alliant Energy Corp	2.75%	0.70	5.50%	6.6%
American Electric Power Co.	2.75%	0.65	5.50%	6.3%
Avista Corp	2.75%	0.70	5.50%	6.6%
Cleco Corp	2.75%	0.65	5.50%	6.3%
CMS Energy	2.75%	0.75	5.50%	6.9%
Consolidated Edison	2.75%	0.60	5.50%	6.0%
DTE Energy	2.75%	0.75	5.50%	6.9%
Edison International	2.75%	0.75	5.50%	6.9%
Great Plains Energy, Inc.	2.75%	0.75	5.50%	6.9%
IDACORP, Inc.	2.75%	0.70	5.50%	6.6%
Integrus Energy Group	2.75%	0.90	5.50%	7.7%
Northeast Utilities	2.75%	0.70	5.50%	6.6%
NorthWestern Corp	2.75%	0.70	5.50%	6.6%
PG&E Corp	2.75%	0.50	5.50%	5.5%
Pinnacle West Capital Corp	2.75%	0.70	5.50%	6.6%
Portland General Electric	2.75%	0.75	5.50%	6.9%
TECO Energy	2.75%	0.85	5.50%	7.4%
UIL Holdings	2.75%	0.70	5.50%	6.6%
Westar Energy	2.75%	0.70	5.50%	6.6%
Wisconsin Energy Corp	2.75%	0.60	5.50%	6.0%
Xcel Energy Inc.	2.75%	0.60	5.50%	6.0%
Mean				<b>6.6%</b>
Median				<b>6.6%</b>

Sources: Value Line Investment Survey, Standard & Poor's Analysts' Handbook, Federal Reserve.

<u>20-year Treasury Bonds</u>	
Month	Rate
January, 2013	2.68%
February, 2013	2.78%
March, 2013	2.78%
Average	2.75%

**COMPARISON COMPANIES  
CAPM COST RATES**

COMPANY	RISK-FREE RATE	BETA	RISK PREMIUM	CAPM RATES
<b>Morin Proxy Group</b>				
Alliant Energy Corp	2.75%	0.70	5.42%	6.5%
Avista Corp	2.75%	0.70	5.42%	6.5%
Black Hills Corp.	2.75%	0.80	5.42%	7.1%
CenterPoint Energy	2.75%	0.80	5.42%	7.1%
CMS Energy	2.75%	0.75	5.42%	6.8%
Consolidated Edison	2.75%	0.60	5.42%	6.0%
Dominion Resources	2.75%	0.65	5.42%	6.3%
DTE Energy	2.75%	0.75	5.42%	6.8%
Duke Energy	2.75%	0.60	5.42%	6.0%
Integrus Energy Group	2.75%	0.90	5.42%	7.6%
MGE Energy	2.75%	0.60	5.42%	6.0%
Northeast Utilities	2.75%	0.70	5.42%	6.5%
NorthWestern Corp	2.75%	0.70	5.42%	6.5%
NV Energy	2.75%	0.85	5.42%	7.4%
OGE Energy	2.75%	0.75	5.42%	6.8%
Pepco Holdings	2.75%	0.75	5.42%	6.8%
PG&E Corp	2.75%	0.50	5.42%	5.5%
SCANA Corp.	2.75%	0.65	5.42%	6.3%
Sempra Energy	2.75%	0.80	5.42%	7.1%
TECO Energy	2.75%	0.85	5.42%	7.4%
UIL Holdings	2.75%	0.70	5.42%	6.5%
UNS Energy	2.75%	0.70	5.42%	6.5%
Vectren Corp.	2.75%	0.70	5.42%	6.5%
Wisconsin Energy Corp	2.75%	0.60	5.42%	6.0%
Xcel Energy Inc.	2.75%	0.60	5.42%	6.0%
<b>Mean</b>				<b>6.6%</b>
<b>Median</b>				<b>6.5%</b>

Sources: Value Line Investment Survey, Standard & Poor's Analysts' Handbook, Federal Reserve.

<u>20-year Treasury Bonds</u>	
Month	Rate
January, 2013	2.68%
February, 2013	2.78%
March, 2013	2.78%
Average	2.75%