

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
RESPONSE TO DATA REQUEST

DATE PREPARED:	November 14, 2014	WITNESS:	David Parcell
DOCKET:	UE-140762, et al.	RESPONDER:	David Parcell
REQUESTER:	Pacific Power	TELEPHONE:	(360) 664-1307 (Tom Schooley)

37. Refer to page 4, lines 1-5, which states, "I conclude that the cost of common equity for PacifiCorp is within a range of 9.0 percent to 9.50 percent (9.25 percent mid-point). This range incorporates the respective mid-points of the DCF and CE analyses. I recommend a return at the low end of this range, or 9.0 percent, to reflect the lower risk of PacifiCorp relative to the two proxy groups."
- a. Please explain on what grounds Mr. Parcell believes PacifiCorp has a lower risk profile than the two proxy groups.
 - b. Please explain whether Mr. Parcell has made this comparison for PacifiCorp's regulated electricity operations in Washington or for all of PacifiCorp's operations, including those outside of Washington.

RESPONSE:

- a. Please see pages 38 and 39 of Exhibit No. DCP-1T, where this is addressed by Mr. Parcell.
- b. This statement is made based, in part, on the consolidated operations of PacifiCorp for the first item cited by Mr. Parcell on page 39 (i.e., PacifiCorp has above-average debt ratings) and, in part, on the regulated electricity operations of PacifiCorp in Washington (i.e., Mr. Parcell's DCF and CE conclusions focus on the highest results and the possible implementation of a PCAM).