

Exhibit No. ____ (DCP-12)
Dockets UE-140762, et al.
Witness: David C. Parcell
REVISED

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFIC POWER & LIGHT
COMPANY,

Respondent.

UE-140762 and UE-140617
(consolidated)

In the Matter of the Petition of

PACIFIC POWER & LIGHT
COMPANY,

For an Order Approving Deferral of
Costs Related to Colstrip Outage.

DOCKET UE-131384 *(consolidated)*

In the Matter of the Petition of

PACIFIC POWER & LIGHT
COMPANY,

For an Order Approving Deferral of
Costs Related to Declining Hydro
Generation.

DOCKET UE-140094 *(consolidated)*

EXHIBIT TO TESTIMONY OF

David C. Parcell

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

Proxy Companies Rates of Return on Average Common Equity

October 10, 2014

Revised December 15, 2014

PROXY COMPANIES
RATES OF RETURN ON AVERAGE COMMON EQUITY

COMPANY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2002-2008 Average	2009-2013 Average	2014	2015	2017-19
Parcell Proxy Group																	
Alliant Energy	5.7%	7.6%	8.5%	10.3%	9.4%	11.4%	10.2%	7.5%	10.8%	10.3%	11.0%	11.4%	9.0%	10.2%	11.5%	11.5%	12.0%
DTE Energy	13.7%	9.7%	8.1%	10.2%	7.5%	7.7%	7.5%	8.7%	9.6%	9.1%	9.2%	8.6%	9.2%	9.0%	10.0%	9.5%	10.0%
Northeast Utilities	6.4%	7.1%	5.1%	5.4%	4.5%	8.6%	9.8%	9.8%	4.9%	10.0%	7.3%	8.3%	6.7%	8.0%	8.5%	8.5%	9.5%
OGE Energy	11.1%	13.2%	12.7%	12.5%	15.0%	14.7%	13.0%	12.9%	13.5%	14.0%	13.2%	13.2%	13.2%	13.4%	12.0%	12.0%	12.0%
Pinnacle West Capital	8.6%	8.3%	8.2%	6.7%	9.2%	8.5%	6.1%	6.8%	9.3%	8.7%	9.8%	9.9%	7.9%	8.9%	9.5%	9.5%	9.5%
Westar Energy	5.0%	10.6%	7.7%	9.6%	11.1%	10.0%	6.7%	6.3%	8.6%	8.2%	9.5%	9.8%	8.7%	8.5%	9.5%	9.5%	9.5%
Wisconsin Energy	12.8%	11.8%	9.0%	11.6%	11.1%	11.1%	11.0%	10.8%	12.2%	13.0%	13.3%	13.6%	11.2%	12.6%	13.5%	13.0%	15.0%
Average	9.0%	9.8%	8.5%	9.5%	9.7%	10.3%	9.2%	8.9%	9.8%	10.5%	10.5%	10.7%	9.4%	10.1%	10.6%	10.5%	11.1%
Median	8.6%	9.7%	8.2%	10.2%	9.4%	10.0%	9.8%	8.7%	9.6%	10.0%	9.8%	9.9%	9.4%	9.6%	10.0%	9.5%	10.0%
Strunk Proxy Group																	
Alliant Energy	5.7%	7.6%	8.5%	10.3%	9.4%	11.4%	10.2%	7.5%	10.8%	10.3%	11.0%	11.4%	9.0%	10.2%	11.5%	11.5%	12.0%
American Electric Power	12.3%	12.4%	12.7%	11.9%	12.2%	11.7%	11.6%	11.0%	9.3%	10.7%	9.7%	9.9%	12.1%	10.1%	10.0%	9.5%	10.0%
Avista Corp.	4.5%	6.7%	4.6%	5.8%	8.8%	4.1%	7.6%	8.4%	8.5%	8.6%	6.4%	8.7%	6.0%	8.1%	7.5%	8.0%	8.5%
Black Hills Corp.	12.1%	8.9%	7.9%	9.4%	9.8%	10.8%	0.7%	8.4%	5.9%	3.6%	7.1%	9.1%	8.5%	6.8%	9.0%	9.0%	9.0%
CenterPoint Energy	9.6%	26.1%	13.1%	17.2%	29.1%	22.1%	22.6%	16.0%	15.0%	14.8%	13.5%	12.3%	20.0%	14.3%	12.0%	11.5%	14.5%
Cleco Corp.	13.5%	11.5%	12.6%	11.6%	9.4%	8.2%	9.9%	9.7%	11.4%	11.4%	11.2%	10.4%	11.0%	11.0%	10.8%	10.0%	10.5%
Consolidated Edison	11.5%	10.0%	8.0%	10.2%	9.7%	10.9%	9.9%	8.7%	9.3%	9.3%	9.7%	9.5%	10.0%	9.3%	9.0%	9.0%	9.0%
Dominion Resources	14.9%	12.0%	12.9%	9.4%	14.3%	12.2%	18.1%	14.7%	14.7%	13.0%	14.3%	14.3%	16.1%	13.4%	14.7%	17.0%	14.0%
DTE Energy	13.7%	9.7%	8.1%	10.2%	7.5%	7.7%	7.5%	8.7%	9.6%	9.1%	9.2%	8.6%	8.6%	8.4%	7.3%	7.5%	8.0%
Duke Energy	8.9%	0.6%	8.6%	9.5%	4.8%	6.4%	6.1%	6.8%	8.0%	8.1%	9.2%	8.6%	8.5%	8.5%	9.0%	10.0%	10.0%
El Paso Electric	6.3%	6.5%	6.3%	6.7%	10.5%	11.9%	11.4%	9.4%	9.4%	11.7%	13.0%	11.4%	10.0%	8.5%	11.1%	9.5%	9.0%
IDACORP	7.1%	4.2%	8.2%	7.3%	9.4%	7.1%	8.9%	9.3%	9.8%	10.5%	9.9%	10.1%	7.3%	9.9%	9.8%	10.5%	8.5%
NextEra Energy	11.6%	13.5%	12.6%	11.1%	14.0%	12.9%	14.8%	13.3%	14.4%	13.7%	12.4%	12.2%	12.9%	13.2%	10.5%	11.0%	12.0%
Northeast Utilities	6.4%	7.1%	5.1%	5.4%	4.5%	8.6%	9.8%	9.6%	4.9%	10.0%	7.3%	8.3%	6.7%	8.0%	8.5%	8.5%	9.5%
NorthWestern Corp.				16.6%	8.4%	8.9%	8.4%	9.4%	9.5%	10.9%	9.3%	9.5%	9.6%	9.7%	9.0%	9.5%	9.5%
OGE Energy	11.1%	13.2%	12.7%	12.5%	15.0%	14.7%	13.0%	12.9%	13.5%	14.0%	13.2%	13.2%	13.2%	13.4%	12.0%	12.0%	12.0%
Pinnacle West Capital	8.6%	8.3%	8.2%	6.7%	5.9%	11.5%	6.5%	6.2%	8.0%	9.0%	8.3%	7.7%	8.0%	7.8%	9.0%	8.0%	8.5%
Portland General Electric																	
SCANA Corp.	11.7%	12.4%	12.6%	12.4%	10.9%	11.0%	11.5%	10.7%	10.5%	10.0%	10.2%	10.5%	11.8%	10.4%	11.0%	10.0%	10.0%
Southern Company	15.7%	15.6%	15.2%	15.0%	14.2%	14.5%	13.5%	13.2%	12.6%	12.9%	12.9%	12.7%	14.8%	12.9%	12.5%	12.5%	12.5%
Westar Energy	5.0%	10.8%	7.7%	9.6%	11.1%	10.0%	6.7%	6.3%	8.6%	8.2%	9.5%	9.8%	8.7%	8.5%	9.5%	9.5%	9.5%
Wisconsin Energy	12.8%	11.8%	9.0%	11.6%	11.1%	11.1%	11.0%	10.8%	12.2%	13.0%	13.3%	13.6%	11.2%	12.6%	13.5%	13.0%	15.0%
Xcel Energy Inc.	2.8%	10.0%	9.8%	9.1%	9.8%	9.3%	9.7%	9.5%	9.5%	10.1%	10.4%	10.2%	8.6%	9.9%	9.5%	9.5%	10.5%
Average	9.8%	10.4%	9.7%	10.4%	10.7%	10.6%	10.2%	9.9%	10.3%	10.6%	10.3%	10.5%	10.2%	10.3%	10.3%	10.2%	10.5%
Median	11.1%	10.0%	8.6%	10.2%	9.7%	10.9%	9.9%	9.4%	9.6%	10.3%	9.9%	10.0%	10.1%	9.8%	9.5%	9.5%	10.0%

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

**PROXY COMPANIES
MARKET TO BOOK RATIOS**

COMPANY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2002-2008 Average	2009-2013 Average
Parcell Proxy Group														
Alliant Energy	110%	97%	120%	131%	155%	173%	131%	102%	131%	147%	162%	170%	131%	142%
DTE Energy	145%	142%	132%	140%	134%	143%	101%	91%	116%	121%	137%	153%	134%	124%
Northeast Utilities	99%	95%	106%	108%	131%	163%	128%	114%	136%	150%	143%	141%	119%	137%
OGE Energy	147%	154%	178%	187%	205%	197%	145%	139%	180%	197%	204%	231%	173%	190%
Pinnacle West Capital	118%	114%	130%	130%	129%	127%	100%	90%	113%	125%	141%	153%	121%	124%
Westar Energy	67%	109%	132%	142%	139%	140%	107%	91%	111%	119%	133%	138%	118%	118%
Wisconsin Energy	129%	147%	156%	168%	182%	179%	153%	147%	171%	186%	213%	223%	159%	188%
Average	116%	123%	136%	144%	154%	160%	124%	111%	137%	149%	162%	173%	137%	146%
Median	116%	114%	132%	140%	139%	163%	128%	102%	131%	147%	143%	153%	133%	135%
Strunk Proxy Group														
Alliant Energy	110%	97%	120%	131%	155%	173%	131%	102%	131%	147%	162%	170%	131%	142%
American Electric Power	138%	124%	155%	165%	161%	190%	145%	112%	118%	128%	134%	145%	143% <u>154%</u>	127%
Avista Corp.	85%	94%	111%	115%	135%	127%	110%	94%	106%	119%	123%	125%	112% <u>111%</u>	113%
Black Hills Corp	143%	134%	34%	165%	153%	164%	127%	77%	108%	109%	121%	161%	125% <u>131%</u>	115%
CenterPoint Energy	116%	142%	236%	329%	312%	330%	224%	187%	158%	210%	200%	223%	222% <u>241%</u>	196%
Cleco Corp	154%	134%	177%	177%	162%	162%	132%	129%	139%	151%	168%	178%	155% <u>157%</u>	153%
Consolidated Edison	144%	146%	143%	154%	149%	151%	123%	110%	124%	145%	150%	144%	140% <u>144%</u>	135%
Dominion Resources	158%	180%	196%	242%	229%	256%	238%	186%	207%	235%	272%	312%	226% <u>214%</u>	242%
DTE Energy	145%	142%	132%	140%	134%	143%	101%	91%	116%	121%	137%	153%	134%	124%
Duke Energy	171%	106%	139%	157%	153%	102%	102%	90%	101%	115%	120%	120%	123% <u>133%</u>	109%
El Paso Electric	140%	120%	148%	176%	179%	179%	134%	102%	134%	164%	163%	161%	150% <u>154%</u>	145%
IDACORP	134%	112%	125%	122%	139%	132%	104%	94%	113%	119%	123%	136%	124% <u>124%</u>	117%
NextEra Energy	160%	167%	174%	201%	203%	249%	196%	170%	155%	157%	177%	201%	184% <u>193%</u>	172%
Northeast Utilities	99%	95%	106%	108%	131%	163%	128%	114%	136%	150%	143%	141%	119%	137%
NorthWestern Corp			282%	160%	147%	109%	105%	122%	138%	146%	159%	159%	152% <u>175%</u>	134%
OGE Energy	147%	154%	178%	187%	205%	197%	145%	139%	180%	197%	204%	231%	173%	190%
Pinnacle West Capital	116%	114%	130%	130%	129%	127%	100%	90%	113%	125%	141%	153%	121%	124%
Portland General Electric			153%	140%	101%	83%	97%	109%	117%	131%	131%	146%	131% <u>131%</u>	107%
SCANA Corp	137%	158%	171%	179%	167%	158%	141%	121%	134%	135%	152%	154%	154% <u>159%</u>	139%
Southern Company	230%	233%	227%	236%	229%	230%	211%	182%	186%	208%	218%	209%	217% <u>228%</u>	201%
Westar Energy	67%	109%	132%	142%	139%	140%	107%	91%	111%	119%	133%	138%	119%	118%
Wisconsin Energy	129%	147%	156%	168%	182%	179%	153%	147%	171%	186%	213%	223%	159%	188%
Xcel Energy Inc.	113%	113%	132%	139%	150%	154%	127%	121%	135%	143%	156%	157%	137% <u>133%</u>	142%
Average	135%	134%	149%	175%	170%	174%	139%	119%	135%	149%	160%	171%	137% <u>154%</u>	147%
Median	138%	134%	143%	165%	155%	162%	128%	110%	131%	143%	150%	157%	146%	138%

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