

Exhibit No.____(KGS-10)
Docket UE-14____
Witness: Kurt G. Strunk

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFIC POWER & LIGHT COMPANY,
a division of PacifiCorp

Respondent.

Docket UE-14____

PACIFIC POWER & LIGHT COMPANY

EXHIBIT OF KURT G. STRUNK

DCF Analysis

May 2014

Pacific Power & Light Company
Proxy Groups
DCF Analysis

Company	Ticker	Thomson Reuters ⁴	Growth Rate ("g") ⁵	BR+SV ⁵	Dividend Yield ¹	Adjusted Dividend Yield ²	Return on Equity ³
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
		Thomson Reuters Five Year Growth Rate	B+R+S+V	12 month Dividend Yield	$((c)+(d))/2+1$ * (e)	$((c)+(d))/2+(f)$	
Electric Proxy Group							
1 Alliant Energy Corporation	LNT	4.80%	5.36%	3.78%	3.97%	9.05%	
2 American Electric Power Company, Inc.	AEP	4.23%	6.08%	4.26%	4.48%	9.64%	
3 Avista Corporation	AVA	5.00%	3.38%	4.45%	4.64%	8.83%	
4 Black Hills Corporation	BKH	4.00%	5.54%	3.12%	3.27%	8.04%	
5 CenterPoint Energy, Inc.	CNP	3.77%	9.65%	3.65%	3.90%	10.61%	
6 Cleco Corporation	CNL	8.00%	4.82%	3.13%	3.33%	9.74%	
7 Consolidated Edison, Inc.	ED	2.07%	3.93%	4.30%	4.43%	7.43%	
8 Dominion Resources, Inc.	D	6.77%	4.75%	3.70%	3.91%	9.67%	
9 DTE Energy Company	DTE	5.28%	4.08%	3.81%	3.99%	8.67%	
10 Duke Energy Corporation	DUK	2.96%	5.15%	4.46%	4.64%	8.70%	
11 El Paso Electric Company	EE	3.70%	4.80%	2.97%	3.09%	7.35%	
12 IDACORP, Inc.	IDA	4.00%	4.94%	3.27%	3.41%	7.88%	
13 NextEra Energy, Inc.	NEE	6.48%	6.39%	3.23%	3.44%	9.87%	
14 Northeast Utilities	NU	6.81%	10.35%	3.46%	3.76%	12.34%	
15 NorthWestern Corporation	NWE	7.00%	3.47%	3.60%	3.78%	9.02%	
16 OGE Energy Corp.	OGE	5.00%	6.59%	2.44%	2.59%	8.38%	
17 Pepco Holdings, Inc.	POM	6.17%	2.66%	5.43%	5.67%	10.09%	
18 Primacole West Capital Corporation	PNW	4.23%	4.68%	3.98%	4.16%	8.62%	
19 Portland General Electric Company	POR	13.84%	4.28%	3.65%	3.98%	13.04%	
20 SCANA Corporation	SCG	4.20%	4.98%	4.16%	4.35%	8.93%	
21 The Southern Company	SO	3.53%	4.29%	4.68%	4.86%	8.77%	
22 Westar Energy, Inc.	WR	2.90%	6.36%	4.23%	4.43%	9.06%	
23 Wisconsin Energy Corporation	WEC	4.86%	5.36%	3.58%	3.77%	8.88%	
24 Xcel Energy Inc.	XEL	4.62%	5.24%	3.85%	4.04%	8.97%	
Average						9.23%	

Notes:

¹ Dividend yield calculated as (last 4 quarterly dividends) / (12 month average price), FactSet Research Systems, February 12, 2014.

² Adjusted Dividend Yield = Dividend Yield multiplied by (1 + g).

³ Return on Equity = Average Growth Rate + Adjusted Dividend Yield.

⁴ Source: Thomson Reuters 5 Year Growth Rate, Yahoo! Finance, accessed February 13, 2014.

⁵ Source: Exhibit No. (KGS-8).