

**Exh. DCP-9
Dockets UE-170033/UG-170034
Witness: David C. Parcell**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**DOCKETS UE-170033 and
UG-170034 (*Consolidated*)**

**EXHIBIT TO
TESTIMONY OF**

David C. Parcell

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

Proxy Companies DCF Cost Rates

June 30, 2017

**PROXY COMPANIES
DIVIDEND YIELD**

COMPANY	Qtr DPS	March - May 2017			YIELD	
		DPS	HIGH	LOW		AVERAGE
Parcell Proxy Group						
ALLETE	\$0.535	\$2.14	\$73.52	\$64.56	\$69.04	3.1%
Alliant Energy	\$0.315	\$1.26	\$41.64	\$38.24	\$39.94	3.2%
Ameren Corp	\$0.440	\$1.76	\$57.09	\$53.48	\$55.29	3.2%
Avista	\$0.358	\$1.43	\$42.74	\$38.35	\$40.55	3.5%
Black Hills Corp	\$0.445	\$1.78	\$69.83	\$62.83	\$66.33	2.7%
El Paso Electric	\$0.310	\$1.24	\$53.95	\$47.35	\$50.65	2.4%
Hawaiian Electric Industries	\$0.310	\$1.24	\$34.08	\$32.01	\$33.05	3.8%
IDACORP	\$0.550	\$2.20	\$86.84	\$79.90	\$83.37	2.6%
Northwestern Corp	\$0.525	\$2.10	\$61.57	\$56.08	\$58.83	3.6%
OGE Energy Corp	\$0.303	\$1.21	\$37.41	\$33.45	\$35.43	3.4%
Otter Tail Corp	\$0.320	\$1.28	\$40.70	\$35.65	\$38.18	3.4%
Pinnacle West Capital Corp	\$0.655	\$2.62	\$87.80	\$80.60	\$84.20	3.1%
Portland General Electric	\$0.320	\$1.28	\$47.18	\$43.83	\$45.51	2.8%
PNM Resources	\$0.243	\$0.97	\$38.39	\$35.65	\$37.02	2.6%
SCANA Corp.	\$0.613	\$2.45	\$70.94	\$64.20	\$67.57	3.6%
Vectren	\$0.420	\$1.68	\$61.87	\$55.06	\$58.47	2.9%
Average						3.1%
Morin Proxy Group						
Alliant Energy	\$0.315	\$1.26	\$41.64	\$38.24	\$39.94	3.2%
Ameren Corp	\$0.440	\$1.76	\$57.09	\$53.48	\$55.29	3.2%
Avista Corp	\$0.358	\$1.43	\$42.74	\$38.35	\$40.55	3.5%
CenterPoint Energy	\$0.268	\$1.07	\$28.86	\$27.05	\$27.96	3.8%
Chesapeake Utilities	\$0.305	\$1.22	\$74.85	\$66.25	\$70.55	1.7%
CMS Energy	\$0.333	\$1.33	\$47.61	\$43.61	\$45.61	2.9%
Consolidated Edison	\$0.690	\$2.76	\$82.40	\$75.11	\$78.76	3.5%
DTE Energy	\$0.825	\$3.30	\$109.49	\$99.45	\$104.47	3.2%
Eversource Energy	\$0.475	\$1.90	\$61.94	\$57.28	\$59.61	3.2%
MGE Energy	\$0.308	\$1.23	\$67.20	\$60.35	\$63.78	1.9%
NorthWestern Corp	\$0.525	\$2.10	\$61.57	\$56.08	\$58.83	3.6%
PG&E Corp	\$0.490	\$1.96	\$68.29	\$65.02	\$66.66	2.9%
Public Service Enterprise	\$0.430	\$1.72	\$46.08	\$42.47	\$44.28	3.9%
SCANA Corp	\$0.613	\$2.45	\$70.94	\$64.20	\$67.57	3.6%
Sempra Energy	\$0.823	\$3.29	\$116.57	\$107.86	\$112.22	2.9%
Vectren Corp	\$0.420	\$1.68	\$61.87	\$55.06	\$58.47	2.9%
WEC Energy Group	\$0.520	\$2.08	\$62.75	\$58.05	\$60.40	3.4%
Xcel Energy	\$0.360	\$1.44	\$47.62	\$42.93	\$45.28	3.2%
Average						3.1%

**PROXY COMPANIES
RETENTION GROWTH RATES**

COMPANY	2012	2013	2014	2015	2016	Average	2017	2018	2020-'22	Average
Parcell Proxy Group										
ALLETE	2.3%	2.2%	2.5%	3.6%	2.8%	2.7%	3.0%	3.0%	3.5%	3.2%
Alliant Energy	3.9%	4.9%	4.3%	3.6%	2.8%	3.9%	4.0%	4.5%	5.0%	4.5%
Ameren Corp	3.0%	1.9%	2.9%	2.5%	3.3%	2.7%	3.5%	4.0%	4.0%	3.8%
Avista	0.8%	2.9%	2.4%	2.3%	3.0%	2.3%	2.0%	2.0%	2.5%	2.2%
Black Hills Corp	1.8%	3.7%	4.3%	3.8%	3.3%	3.4%	5.5%	4.5%	5.0%	5.0%
El Paso Electric	6.3%	4.9%	4.8%	3.4%	4.4%	4.8%	4.5%	4.5%	4.0%	4.3%
Hawaiian Electric Industries	4.2%	3.7%	2.3%	1.5%	6.3%	3.6%	2.0%	2.5%	3.0%	2.5%
IDACORP	5.7%	5.6%	5.4%	4.8%	4.3%	5.2%	4.0%	4.0%	3.5%	3.8%
Northwestern Corp	3.2%	3.5%	3.8%	3.0%	4.1%	3.5%	3.5%	3.5%	3.5%	3.5%
OGE Energy Corp	7.2%	7.3%	6.5%	4.0%	3.3%	5.7%	4.5%	4.0%	3.5%	4.0%
Otter Tail Corp	0.0%	1.2%	2.2%	2.0%	2.1%	1.5%	2.0%	2.0%	3.5%	2.5%
Pinnacle West Capital Corp	4.1%	4.1%	3.5%	3.9%	3.5%	3.8%	3.5%	3.5%	4.0%	3.7%
Portland General Electric	3.5%	2.9%	4.6%	3.3%	3.5%	3.6%	3.0%	3.0%	4.0%	3.3%
PNM Resources	3.8%	3.7%	3.2%	4.1%	3.7%	3.7%	3.5%	3.5%	3.5%	3.5%
SCANA Corp.	3.9%	4.1%	4.9%	4.3%	4.7%	4.4%	4.0%	4.0%	4.5%	4.2%
Vectren	2.9%	1.2%	2.9%	4.2%	4.4%	3.1%	4.5%	4.5%	5.5%	4.8%
Average						3.6%				3.7%
Morin Proxy Group										
Alliant Energy	3.9%	4.9%	4.3%	3.6%	2.8%	3.9%	4.0%	4.5%	5.0%	4.5%
Ameren Corp	3.0%	1.9%	2.9%	2.5%	3.3%	2.7%	3.5%	4.0%	4.0%	3.8%
Avista Corp	0.8%	2.9%	2.4%	2.3%	3.0%	2.3%	2.0%	2.0%	2.5%	2.2%
CenterPoint Energy	5.5%	4.2%	4.5%	1.1%	0.0%	3.1%	3.0%	3.5%	4.5%	3.7%
Chesapeake Utilities	6.4%	7.1%	7.4%	6.8%	5.0%	6.5%	5.5%	6.0%	8.0%	6.5%
CMS Energy	5.0%	5.2%	5.0%	5.2%	4.8%	5.0%	5.0%	5.0%	5.0%	5.0%
Consolidated Edison	3.6%	3.6%	2.6%	3.5%	3.0%	3.3%	2.5%	3.0%	3.0%	2.8%
DTE Energy	3.5%	2.7%	5.2%	3.4%	3.7%	3.7%	4.0%	4.0%	3.5%	3.8%
Eversource Energy	1.6%	3.4%	3.5%	3.4%	3.5%	3.1%	3.5%	3.5%	4.5%	3.8%
MGE Energy	4.9%	6.1%	6.4%	4.5%	4.7%	5.3%	5.0%	5.0%	7.0%	5.7%
NorthWestern Corp	3.2%	3.5%	3.8%	3.0%	4.1%	3.5%	3.5%	3.5%	3.5%	3.5%
PG&E Corp	1.0%	0.2%	3.9%	0.7%	2.8%	1.7%	4.0%	4.0%	4.0%	4.0%
Public Service Enterprise	4.8%	4.4%	6.3%	6.8%	4.6%	5.4%	4.5%	4.0%	4.5%	4.3%
SCANA Corp	3.9%	4.1%	4.9%	4.3%	4.7%	4.4%	4.0%	4.0%	4.5%	4.2%
Sempra Energy	5.1%	4.1%	5.0%	5.8%	2.9%	4.6%	3.5%	3.5%	5.0%	4.0%
Vectren Corp	2.9%	1.2%	2.9%	4.2%	4.4%	3.1%	4.5%	4.5%	5.5%	4.8%
WEC Energy Group	6.5%	5.9%	5.3%	2.1%	3.5%	4.7%	3.5%	3.5%	3.5%	3.5%
Xcel Energy	4.7%	4.5%	4.5%	4.3%	4.0%	4.4%	4.0%	4.0%	3.5%	3.8%
Average						3.9%				4.1%

Source: Value Line Investment Survey.

**PROXY COMPANIES
PER SHARE GROWTH RATES**

COMPANY	5-Year Historic Growth Rates				Est'd '14-'16 to '20-'22 Growth Rates			
	EPS	DPS	BVPS	Average	EPS	DPS	BVPS	Average
Parcell Proxy Group								
ALLETE	7.0%	2.5%	6.0%	5.2%	5.0%	4.0%	4.5%	4.5%
Alliant Energy	7.0%	6.5%	4.0%	5.8%	6.0%	4.5%	4.0%	4.8%
Ameren Corp	-1.5%	1.5%	-2.5%	neg	6.0%	4.5%	3.5%	4.7%
Avista	3.5%	6.5%	4.5%	4.8%	2.5%	4.0%	2.5%	3.0%
Black Hills Corp	11.0%	2.5%	1.5%	5.0%	7.5%	5.0%	5.5%	6.0%
El Paso Electric	2.0%		7.0%	4.5%	5.0%	7.0%	4.0%	5.3%
Hawaiian Electric Industries	9.0%	0.0%	3.0%	4.0%	1.5%	2.0%	3.5%	2.3%
IDACORP	5.5%	10.0%	5.5%	7.0%	3.5%	7.0%	4.0%	4.8%
Northwestern Corp	7.0%	6.0%	8.0%	7.0%	4.5%	5.0%	3.5%	4.3%
OGE Energy Corp	3.5%	7.5%	7.5%	6.2%	5.5%	9.0%	3.5%	6.0%
Otter Tail Corp	25.0%	0.5%	-1.5%	8.0%	5.0%	1.5%	4.5%	3.7%
Pinnacle West Capital Corp	6.5%	3.0%	4.0%	4.5%	5.5%	5.0%	4.0%	4.8%
Portland General Electric	5.5%	3.0%	3.5%	4.0%	6.0%	6.0%	3.5%	5.2%
PNM Resources	13.5%	10.0%	2.5%	8.7%	9.0%	10.0%	3.5%	7.5%
SCANA Corp.	6.0%	3.0%	5.5%	4.8%	4.0%	5.0%	5.0%	4.7%
Vectren	6.0%	2.5%	3.0%	3.8%	7.0%	4.5%	5.0%	5.5%
Average				5.6%				4.8%
Morin Proxy Group								
Alliant Energy	7.0%	6.5%	4.0%	5.8%	6.0%	4.5%	4.0%	4.8%
Ameren Corp	-1.5%	1.5%	-2.5%	neg	6.0%	4.5%	3.5%	4.7%
Avista Corp	3.5%	6.5%	4.5%	4.8%	2.5%	4.0%	2.5%	3.0%
CenterPoint Energy	1.0%	5.0%	2.0%	2.7%	6.0%	3.5%	1.5%	3.7%
Chesapeake Utilities	10.0%	5.0%	8.0%	7.7%	8.0%	5.5%	6.5%	6.7%
CMS Energy	8.5%	11.5%	4.5%	8.2%	6.5%	6.5%	6.5%	6.5%
Consolidated Edison	2.5%	2.0%	3.5%	2.7%	2.5%	3.0%	3.5%	3.0%
DTE Energy	6.0%	5.5%	4.0%	5.2%	5.0%	7.0%	4.0%	5.3%
Eversource Energy	6.0%	10.5%	8.5%	8.3%	6.5%	5.5%	4.0%	5.3%
MGE Energy	6.0%	3.0%	5.5%	4.8%	7.0%	3.0%	4.5%	4.8%
NorthWestern Corp	7.0%	6.0%	8.0%	7.0%	4.5%	5.0%	3.5%	4.3%
PG&E Corp	-2.0%	1.0%	3.5%	0.8%	9.5%	7.5%	5.0%	7.3%
Public Service Enterprise	-0.5%	3.0%	6.0%	2.8%	2.5%	5.0%	3.5%	3.7%
SCANA Corp	6.0%	3.0%	5.5%	4.8%	4.0%	5.0%	5.0%	4.7%
Sempra Energy	1.0%	11.0%	5.0%	5.7%	8.0%	8.5%	3.0%	6.5%
Vectren Corp	6.0%	2.5%	3.0%	3.8%	7.0%	4.5%	5.0%	5.5%
WEC Energy Group	6.5%	16.0%	9.0%	10.5%	6.0%	6.0%	5.0%	5.7%
Xcel Energy	6.0%	5.0%	4.5%	5.2%	4.5%	6.0%	4.0%	4.8%
Average				5.3%				5.0%

Source: Value Line Investment Survey.

**PROXY COMPANIES
DCF COST RATES**

COMPANY	ADJUSTED YIELD	HISTORIC RETENTION GROWTH	PROSPECTIVE RETENTION GROWTH	HISTORIC PER SHARE GROWTH	PROSPECTIVE PER SHARE GROWTH	FIRST CALL EPS GROWTH	AVERAGE GROWTH	DCF RATES
Parcell Proxy Group								
ALLETE	3.2%	2.7%	3.2%	5.2%	4.5%	5.0%	4.1%	7.3%
Alliant Energy	3.2%	3.9%	4.5%	5.8%	4.8%	6.4%	5.1%	8.3%
Ameren Corp	3.3%	2.7%	3.8%	neg	4.7%	6.1%	4.3%	7.6%
Avista	3.6%	2.3%	2.2%	4.8%	3.0%	5.7%	3.6%	7.2%
Black Hills Corp	2.8%	3.4%	5.0%	5.0%	6.0%	12.0%	6.3%	9.0%
El Paso Electric	2.5%	4.8%	4.3%	4.5%	5.3%	6.5%	5.1%	7.6%
Hawaiian Electric Industries	3.8%	3.6%	2.5%	4.0%	2.3%	2.7%	3.0%	6.8%
IDACORP	2.7%	5.2%	3.8%	7.0%	4.8%	4.0%	5.0%	7.7%
Northwestern Corp	3.6%	3.5%	3.5%	7.0%	4.3%	3.4%	4.3%	8.0%
OGE Energy Corp	3.5%	5.7%	4.0%	6.2%	6.0%	6.1%	5.6%	9.1%
Otter Tail Corp	3.4%	1.5%	2.5%	8.0%	3.7%	5.2%	4.2%	7.6%
Pinnacle West Capital Corp	3.2%	3.8%	3.7%	4.5%	4.8%	6.1%	4.6%	7.8%
Portland General Electric	2.9%	3.6%	3.3%	4.0%	5.2%	5.6%	4.3%	7.2%
PNM Resources	2.7%	3.7%	3.5%	8.7%	7.5%	7.0%	6.1%	8.8%
SCANA Corp.	3.7%	4.4%	4.2%	4.8%	4.7%	5.8%	4.8%	8.5%
Vectren	2.9%	3.1%	4.8%	3.8%	5.5%	5.5%	4.6%	7.5%
Mean	3.2%	3.6%	3.7%	5.6%	4.8%	5.8%	4.7%	7.9%
Median	3.2%	3.6%	3.8%	5.0%	4.8%	5.7%	4.6%	7.6%
Composite - Mean		6.8%	6.9%	8.7%	8.0%	9.0%	7.9%	
Composite - Median		6.8%	7.0%	8.2%	8.0%	8.9%	7.8%	
Morin Proxy Group								
Alliant Energy	3.2%	3.9%	4.5%	5.8%	4.8%	6.4%	5.1%	8.3%
Ameren Corp	3.3%	2.7%	3.8%	neg	4.7%	6.1%	4.3%	7.6%
Avista Corp	3.6%	2.3%	2.2%	4.8%	3.0%	5.7%	3.6%	7.2%
CenterPoint Energy	3.9%	3.1%	3.7%	2.7%	3.7%	5.9%	3.8%	7.7%
Chesapeake Utilities	1.8%	6.5%	6.5%	7.7%	6.7%	7.1%	6.9%	8.7%
CMS Energy	3.0%	5.0%	5.0%	8.2%	6.5%	7.5%	6.4%	9.5%
Consolidated Edison	3.6%	3.3%	2.8%	2.7%	3.0%	4.0%	3.1%	6.7%
DTE Energy	3.2%	3.7%	3.8%	5.2%	5.3%	4.6%	4.5%	7.8%
Eversource Energy	3.3%	3.1%	3.8%	8.3%	5.3%	6.0%	5.3%	8.6%
MGE Energy	2.0%	5.3%	5.7%	4.8%	4.8%	4.0%	4.9%	6.9%
NorthWestern Corp	3.6%	3.5%	3.5%	7.0%	4.3%	3.4%	4.3%	8.0%
PG&E Corp	3.0%	1.7%	4.0%	0.8%	7.3%	4.2%	3.6%	6.6%
Public Service Enterprise	4.0%	5.4%	4.3%	2.8%	3.7%	0.9%	3.4%	7.4%
SCANA Corp	3.7%	4.4%	4.2%	4.8%	4.7%	5.8%	4.8%	8.5%
Sempra Energy	3.0%	4.6%	4.0%	5.7%	6.5%	9.9%	6.1%	9.2%
Vectren Corp	2.9%	3.1%	4.8%	3.8%	5.5%	5.5%	4.6%	7.5%
WEC Energy Group	3.5%	4.7%	3.5%	10.5%	5.7%	5.6%	6.0%	9.5%
Xcel Energy	3.3%	4.4%	3.8%	5.2%	4.8%	na	4.6%	7.8%
Mean	3.2%	3.9%	4.1%	5.3%	5.0%	5.4%	4.7%	8.0%
Median	3.3%	3.8%	3.9%	5.2%	4.8%	5.7%	4.6%	7.8%
Composite - Mean		7.1%	7.3%	8.6%	8.2%	8.7%	8.0%	
Composite - Median		7.1%	7.2%	8.4%	8.1%	8.9%	7.8%	

Note: Negative values not used in calculations.

Sources: Prior pages of this exhibit.