

**Exh. DCP-11
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 CAPM Cost Rates

June 30, 2017

**PROXY COMPANIES
CAPM COST RATES**

COMPANY	RISK-FREE RATE	BETA	RISK PREMIUM	CAPM RATES
Parcel Proxy Group				
ALLETE	2.73%	0.80	5.8%	7.4%
Alliant Energy	2.73%	0.70	5.8%	6.8%
Ameren Corp	2.73%	0.70	5.8%	6.8%
Avista	2.73%	0.70	5.8%	6.8%
Black Hills Corp	2.73%	0.85	5.8%	7.7%
EI Paso Electric	2.73%	0.75	5.8%	7.1%
Hawaiian Electric Industries	2.73%	0.70	5.8%	6.8%
IDACORP	2.73%	0.75	5.8%	7.1%
Northwestern Corp	2.73%	0.65	5.8%	6.5%
OGE Energy Corp	2.73%	0.95	5.8%	8.2%
Otter Tail Corp	2.73%	0.85	5.8%	7.7%
Pinnacle West Capital Corp	2.73%	0.70	5.8%	6.8%
Portland General Electric	2.73%	0.70	5.8%	6.8%
PNM Resources	2.73%	0.70	5.8%	6.8%
SCANA Corp.	2.73%	0.65	5.8%	6.5%
Vectren	2.73%	0.75	5.8%	7.1%
Mean				7.0%
Median				6.8%
Morin Proxy Group				
Alliant Energy	2.73%	0.70	5.8%	6.8%
Ameren Corp	2.73%	0.70	5.8%	6.8%
Avista Corp	2.73%	0.70	5.8%	6.8%
CenterPoint Energy	2.73%	0.85	5.8%	7.7%
Chesapeake Utilities	2.73%	0.70	5.8%	6.8%
CMS Energy	2.73%	0.65	5.8%	6.5%
Consolidated Edison	2.73%	0.50	5.8%	5.6%
DTE Energy	2.73%	0.65	5.8%	6.5%
Eversource Energy	2.73%	0.65	5.8%	6.5%
MGE Energy	2.73%	0.70	5.8%	6.8%
NorthWestern Corp	2.73%	0.65	5.8%	6.5%
PG&E Corp	2.73%	0.65	5.8%	6.5%
Public Service Enterprise	2.73%	0.65	5.8%	6.5%
SCANA Corp	2.73%	0.65	5.8%	6.5%
Sempra Energy	2.73%	0.80	5.8%	7.4%
Vectren Corp	2.73%	0.75	5.8%	7.1%
WEC Energy Group	2.73%	0.60	5.8%	6.2%
Xcel Energy	2.73%	0.60	5.8%	6.2%
Mean				6.6%
Median				6.5%

Sources: Value Line Investment Survey, Standard & Poor's Analysts' Handbook, Federal Reserve.
20-year Treasury Bonds

Month	Rate
March 2017	2.83%
April 2017	2.67%
May 2017	2.70%
Average	2.73%