

**Exh. DCP-12
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 ROE and M/B

June 30, 2017

PROXY COMPANIES
RATES OF RETURN ON AVERAGE COMMON EQUITY

COMPANY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2002-2008 Average	2009-2016 Average	2017	2018	2020-22
Parcell Proxy Group																				
ALLETE																				
Alliant Energy	5.7%	9.1%	8.5%	12.0%	13.2%	13.4%	11.4%	7.3%	8.2%	9.5%	8.7%	8.4%	8.6%	9.4%	8.3%	9.2%	8.6%	8.5%	8.5%	9.0%
Ameren Corp	10.8%	12.2%	10.0%	10.3%	9.4%	11.5%	10.2%	7.5%	10.8%	10.4%	11.1%	11.4%	11.5%	10.6%	9.9%	9.2%	10.4%	11.5%	12.0%	13.0%
Avista	4.5%	6.7%	4.6%	5.8%	8.8%	4.1%	8.8%	8.4%	8.5%	7.6%	8.0%	7.7%	8.1%	8.5%	9.3%	10.0%	8.4%	9.5%	9.5%	10.0%
Black Hills Corp	12.1%	8.9%	7.9%	9.4%	9.6%	10.9%	0.7%	8.4%	5.9%	3.6%	7.1%	9.1%	9.6%	9.5%	8.9%	6.0%	8.1%	7.5%	7.5%	8.0%
EJ Paso Electric	6.3%	6.5%	6.3%	6.7%	10.5%	11.9%	11.4%	9.4%	11.7%	13.0%	11.4%	10.0%	9.5%	8.2%	9.3%	8.5%	10.3%	11.0%	9.5%	10.5%
Hawaiian Electric Industries	11.9%	11.1%	9.3%	9.7%	9.3%	7.7%	7.0%	5.9%	7.7%	9.1%	10.4%	10.0%	9.5%	8.5%	12.4%	9.2%	9.4%	8.5%	9.0%	9.5%
IDACORP	7.1%	4.2%	6.2%	7.3%	9.4%	7.1%	8.0%	9.3%	9.8%	10.5%	9.9%	10.1%	10.2%	9.7%	9.4%	7.3%	9.9%	9.0%	9.0%	9.0%
Northwestern Corp																				
OGE Energy Corp	11.1%	13.2%	12.7%	12.5%	15.0%	14.7%	13.0%	12.9%	13.5%	14.0%	13.2%	13.2%	12.5%	10.3%	10.0%	13.2%	12.5%	11.5%	11.0%	12.0%
Otter Tail Corp	15.2%	12.0%	10.8%	11.6%	10.4%	10.4%	5.9%	3.7%	2.1%	2.7%	6.9%	9.4%	10.3%	9.9%	9.7%	10.9%	6.8%	9.0%	9.0%	9.5%
Pinnacle West Capital Corp	8.6%	8.3%	8.2%	6.7%	9.2%	8.5%	6.1%	6.8%	9.3%	8.7%	8.6%	9.9%	9.2%	9.7%	9.4%	7.9%	9.1%	9.5%	9.5%	10.0%
Portland General Electric																				
PNM Resources	6.3%	6.7%	7.9%	8.6%	5.9%	11.5%	6.5%	6.2%	8.0%	9.0%	8.3%	7.7%	9.1%	8.2%	8.3%	6.0%	8.1%	8.0%	8.0%	9.5%
SCANA Corp.	11.7%	12.4%	12.6%	12.4%	10.9%	11.0%	11.5%	3.1%	4.8%	5.8%	6.6%	6.9%	6.7%	7.6%	7.9%	6.0%	6.2%	8.0%	8.0%	9.5%
Vedren	13.3%	11.6%	9.9%	12.3%	9.5%	11.6%	9.9%	10.6%	9.4%	9.7%	10.6%	8.9%	10.5%	12.0%	12.2%	11.2%	10.5%	12.0%	10.0%	10.0%
Average	9.6%	9.5%	9.0%	9.7%	9.7%	9.6%	7.9%	8.0%	8.6%	8.8%	9.2%	9.4%	9.7%	9.3%	9.6%	9.2%	9.1%	9.5%	9.4%	10.0%
Median	10.8%	9.1%	8.5%	10.0%	9.4%	10.7%	8.2%	8.4%	8.9%	9.3%	9.6%	9.5%	9.6%	9.5%	9.4%	9.5%	9.3%	9.3%	9.3%	9.5%
Morin Proxy Group																				
Alliant Energy	5.7%	9.1%	8.5%	10.3%	9.4%	11.5%	10.2%	7.5%	10.8%	10.4%	11.1%	11.4%	11.5%	10.6%	9.9%	9.2%	10.4%	11.5%	12.0%	13.0%
Ameren Corp	10.8%	12.2%	10.0%	10.3%	8.5%	9.3%	8.8%	8.4%	8.5%	7.6%	8.0%	7.7%	8.8%	8.5%	9.3%	10.0%	8.4%	9.5%	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%	8.1%	7.8%	8.6%	6.0%	8.1%	7.5%	7.5%	8.0%
CenterPoint Energy	9.6%	26.1%	13.1%	17.2%	29.1%	22.1%	22.6%	16.0%	15.0%	14.6%	13.5%	12.3%	13.7%	11.6%	12.4%	20.0%	13.6%	15.5%	16.5%	17.0%
Chesapeake Utilities	8.5%	14.1%	12.3%	12.6%	11.1%	11.3%	11.7%	10.6%	11.8%	11.7%	11.5%	12.2%	12.4%	12.2%	10.8%	11.7%	11.7%	10.5%	10.5%	13.0%
CMS Energy	nmf	7.2%	10.4%	10.4%	6.2%	6.6%	12.1%	8.3%	11.8%	12.5%	12.7%	13.2%	13.2%	13.7%	13.5%	8.5%	12.4%	13.5%	13.5%	13.5%
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%	8.5%	9.3%	8.6%	10.0%	9.1%	8.5%	8.5%	8.5%
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%	11.1%	9.3%	9.7%	9.2%	9.4%	10.0%	10.5%	10.5%
Eversource Energy	6.4%	7.1%	5.1%	5.4%	4.5%	8.6%	4.8%	9.6%	4.9%	10.0%	7.3%	8.3%	8.3%	8.6%	8.9%	6.7%	8.2%	9.0%	9.0%	10.0%
MGE Energy	13.2%	12.5%	11.4%	9.4%	11.8%	12.1%	11.6%	10.4%	11.3%	10.0%	11.4%	12.5%	12.6%	10.6%	10.7%	11.7%	11.4%	11.0%	11.0%	12.5%
Northwestern Corp																				
PG&E Corp	nmf																			
Public Service Enterprise	19.9%	18.3%	12.8%	11.7%	13.2%	11.9%	12.8%	11.3%	10.0%	10.9%	9.3%	9.5%	9.5%	9.0%	10.0%	9.8%	9.8%	9.5%	9.5%	9.5%
SCANA Corp	11.7%	12.4%	12.6%	14.9%	12.2%	19.2%	19.5%	18.8%	16.9%	15.8%	11.7%	11.1%	12.7%	13.2%	10.9%	16.7%	13.9%	11.0%	10.5%	11.0%
Sempra Energy	20.7%	19.4%	20.7%	15.7%	16.1%	14.1%	13.7%	13.8%	10.9%	11.4%	10.2%	10.5%	11.1%	10.4%	10.6%	11.8%	10.5%	10.0%	10.0%	10.0%
Vectren Corp	13.3%	11.8%	9.9%	12.3%	9.5%	11.6%	9.9%	10.6%	9.4%	9.7%	10.6%	8.9%	10.5%	12.0%	12.2%	11.2%	10.8%	12.0%	10.0%	13.0%
WEC Energy Group	12.8%	11.8%	9.0%	11.6%	11.1%	11.1%	11.0%	10.8%	12.2%	13.0%	13.3%	13.6%	13.5%	10.0%	10.8%	11.2%	12.1%	10.5%	10.5%	11.0%
Xcel Energy	2.8%	10.0%	9.8%	9.1%	9.8%	9.3%	9.7%	9.5%	9.5%	10.1%	10.4%	10.2%	10.3%	10.2%	10.4%	8.6%	10.1%	10.5%	10.5%	10.5%
Average	11.0%	12.7%	10.4%	11.1%	10.9%	11.1%	11.6%	10.5%	10.6%	10.9%	10.2%	10.2%	10.9%	10.2%	10.2%	11.3%	10.5%	10.5%	10.6%	11.3%
Median	11.5%	11.8%	9.9%	10.4%	9.8%	11.1%	10.6%	10.0%	10.3%	10.3%	10.4%	10.0%	10.8%	10.3%	10.2%	10.7%	10.3%	10.3%	10.5%	10.8%

nmf – not meaningful, as ROEs are negative or large positive following negative.
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	2014	2015	2016	2002-2008 Average	2009-2016 Average
	Parcell Proxy Group																
ALLETE	110%	97%	120%	212%	219%	195%	156%	113%	127%	138%	136%	152%	151%	146%	153%	140%	140%
Alliant Energy	163%	162%	161%	131%	155%	173%	131%	103%	131%	147%	161%	169%	197%	196%	214%	131%	165%
Ameren Corp	85%	94%	111%	172%	164%	159%	122%	83%	81%	92%	106%	125%	152%	149%	165%	158%	119%
Avista	85%	94%	111%	115%	135%	127%	110%	94%	106%	119%	123%	125%	143%	141%	168%	111%	126%
Black Hills Corp	143%	134%	134%	165%	153%	164%	124%	77%	108%	109%	121%	161%	181%	152%	186%	145%	137%
El Paso Electric	140%	120%	148%	176%	179%	179%	134%	102%	134%	164%	163%	161%	158%	152%	167%	154%	150%
Hawaiian Electric Industries	153%	151%	179%	181%	192%	166%	166%	113%	140%	150%	164%	156%	167%	175%	169%	170%	154%
IDACORP	134%	112%	125%	122%	139%	132%	104%	94%	113%	119%	123%	136%	159%	156%	177%	124%	135%
Northwestern Corp	147%	154%	178%	187%	160%	147%	109%	105%	122%	138%	146%	159%	174%	167%	171%	148%	148%
OGE Energy Corp	245%	209%	185%	183%	205%	200%	167%	139%	180%	197%	204%	231%	228%	184%	170%	173%	192%
Oter Tail Corp	116%	114%	130%	130%	129%	127%	100%	90%	120%	125%	152%	196%	198%	186%	207%	195%	161%
Pinnacle West Capital Corp																	
Portland General Electric																	
PNM Resources	95%	93%	124%	147%	134%	140%	72%	50%	68%	86%	100%	109%	127%	129%	155%	113%	103%
SCANA Corp.	137%	158%	171%	179%	167%	158%	141%	121%	134%	135%	152%	154%	160%	158%	174%	159%	149%
Vectren	174%	170%	175%	185%	179%	175%	157%	133%	142%	153%	160%	180%	216%	218%	222%	174%	178%
Average	142%	136%	149%	163%	165%	160%	127%	101%	120%	132%	142%	156%	170%	154%	176%	148%	145%
Median	140%	134%	148%	174%	162%	162%	128%	103%	121%	130%	144%	155%	160%	158%	171%	150%	143%
Motin Proxy Group																	
Alliant Energy	110%	97%	120%	131%	155%	173%	131%	103%	131%	147%	161%	169%	197%	196%	214%	131%	165%
Ameren Corp	163%	162%	161%	172%	164%	159%	122%	83%	81%	92%	106%	125%	152%	149%	165%	158%	119%
Avista Corp	85%	94%	111%	115%	135%	127%	110%	94%	106%	119%	123%	125%	143%	141%	158%	111%	126%
CenterPoint Energy	116%	142%	236%	329%	312%	330%	224%	187%	158%	210%	200%	223%	227%	213%	257%	241%	209%
Chesapeake Utilities	158%	181%	181%	212%	205%	190%	159%	141%	152%	165%	171%	192%	226%	240%	240%	184%	191%
CMS Energy	137%	80%	90%	125%	142%	177%	127%	117%	148%	170%	192%	218%	239%	254%	276%	125%	202%
Consolidated Edison	144%	146%	143%	154%	149%	151%	123%	110%	124%	145%	150%	144%	143%	148%	159%	144%	140%
DTE Energy	145%	142%	132%	140%	134%	143%	101%	91%	116%	121%	137%	153%	170%	173%	180%	134%	143%
Eversource Energy	99%	95%	106%	108%	131%	163%	128%	114%	136%	150%	143%	141%	158%	158%	166%	119%	146%
MGE Energy	214%	223%	207%	207%	191%	178%	159%	154%	171%	182%	203%	214%	227%	217%	205%	197%	205%
NorthWestern Corp																	
PG&E Corp	149%	203%	196%	179%	160%	147%	109%	105%	122%	138%	146%	159%	174%	167%	171%	148%	148%
Public Service Enterprise	178%	186%	191%	245%	267%	304%	250%	149%	148%	161%	145%	143%	147%	161%	168%	182%	151%
SCANA Corp	137%	158%	171%	179%	167%	158%	141%	121%	134%	136%	152%	154%	160%	158%	174%	159%	149%
Sempra Energy	155%	172%	178%	186%	190%	194%	151%	135%	138%	128%	153%	187%	223%	220%	203%	175%	173%
Vectren Corp	174%	170%	175%	185%	179%	185%	157%	133%	142%	153%	160%	180%	216%	218%	222%	174%	178%
WEC Energy Group	129%	147%	156%	166%	182%	179%	153%	147%	171%	186%	213%	223%	249%	219%	209%	159%	202%
Xcel Energy	113%	113%	132%	139%	150%	154%	127%	121%	135%	149%	156%	157%	165%	171%	189%	133%	155%
Average	142%	148%	158%	175%	179%	184%	145%	127%	138%	150%	159%	170%	188%	187%	199%	162%	165%
Median	144%	147%	161%	172%	166%	174%	136%	121%	136%	147%	154%	158%	172%	172%	185%	157%	155%

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