

**Exh. DCP-9
Dockets UE-220066, UG-220067,
UG-210918
Witness: David C. Parcell**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**DOCKETS UE-220066, UG-220067,
UG-210918 (consolidated)**

In the Matter of the Petition of

PUGET SOUND ENERGY

**For an Order Authorizing Deferred
Accounting Treatment for Puget Sound
Energy's Share of Costs Associated with
the Tacoma LNG Facility**

EXHIBIT TO TESTIMONY OF

DAVID C. PARCELL

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

Proxy Companies - DCF Cost Rates

July 28, 2022

PROXY COMPANIES DIVIDEND YIELD

COMPANY	Qtr DPS	March - May 2022			YIELD	
		DPS	HIGH	LOW		
Proxy Group						
ALLETE	\$0.650	\$2.60	\$68.46	\$57.86	\$63.16	4.1%
Avista Corp.	\$0.440	\$1.76	\$46.90	\$39.42	\$43.16	4.1%
Black Hills Corp	\$0.595	\$2.38	\$80.95	\$67.67	\$74.31	3.2%
IDACORP	\$0.750	\$3.00	\$118.92	\$101.44	\$110.18	2.7%
NorthWestern Corp	\$0.630	\$2.52	\$63.06	\$54.93	\$59.00	4.3%
OGE Energy	\$0.410	\$1.64	\$42.74	\$37.19	\$39.97	4.1%
Otter Tail Corp	\$0.413	\$1.65	\$66.72	\$57.59	\$62.16	2.7%
Portland General Electric	\$0.430	\$1.72	\$57.03	\$45.98	\$51.51	3.3%
Average						3.6%

Source: Yahoo! Finance.

**PROXY COMPANIES
RETENTION GROWTH RATES**

COMPANY	2017	2018	2019	2020	2021	Average	2022	2023	2025-2027	Average
Proxy Group										
ALLETE	2.4%	2.7%	2.3%	2.0%	1.5%	2.2%	2.5%	2.5%	3.5%	2.8%
Avista Corp.	1.9%	2.2%	4.9%	0.9%	1.4%	2.3%	0.5%	2.0%	2.0%	1.5%
Black Hills Corp	5.3%	3.9%	3.8%	3.8%	3.3%	4.0%	3.5%	3.5%	4.0%	3.7%
IDACORP	4.4%	4.4%	4.2%	3.9%	3.7%	4.1%	3.5%	3.5%	3.0%	3.3%
NorthWestern Corp	3.4%	3.2%	3.1%	1.7%	2.5%	2.8%	1.5%	2.0%	2.5%	2.0%
OGE Energy	3.5%	3.8%	3.6%	2.8%	3.6%	3.5%	4.0%	4.5%	5.5%	4.7%
Otter Tail Corp	3.3%	4.0%	4.0%	4.1%	11.3%	5.3%	13.5%	7.5%	5.0%	8.7%
Portland General Electric	3.6%	3.5%	3.1%	0.6%	3.5%	2.9%	3.5%	3.5%	3.5%	3.5%
Average						3.4%				3.8%

Source: Value Line Investment Survey.

**PROXY COMPANIES
PER SHARE GROWTH RATES**

COMPANY	5-Year Historic Growth Rates				Est'd '19-'21 to '25-'27 Growth Rates			
	EPS	DPS	BVPS	Average	EPS	DPS	BVPS	Average
Proxy Group								
ALLETE	1.0%	4.0%	3.5%	2.8%	6.0%	3.5%	3.5%	4.3%
Avista Corp.	3.5%	4.0%	3.5%	3.7%	3.0%	4.0%	3.0%	3.3%
Black Hills Corp	5.5%	6.0%	6.5%	6.0%	5.5%	5.5%	5.0%	5.3%
IDACORP	4.0%	7.0%	4.5%	5.2%	4.0%	6.5%	4.0%	4.8%
NorthWestern Corp	2.0%	5.5%	4.5%	4.0%	3.0%	2.0%	3.0%	2.7%
OGE Energy	4.5%	8.5%	3.5%	5.5%	6.5%	3.0%	5.5%	5.0%
Otter Tail Corp	13.0%	4.0%	6.0%	7.7%	4.5%	7.0%	8.0%	6.5%
Portland General Electric	1.5%	6.0%	3.0%	3.5%	7.5%	6.0%	3.5%	5.7%
Average				4.8%				4.7%

Source: Value Line Investment Survey.

**PROXY COMPANIES
CONSENSUS PROJECTIONS OF EARNINGS PER SHARE GROWTH**

Proxy Group	First Call	Zack's	Average
ALLETE	8.70%	8.74%	8.72%
Avista Corp.	5.80%	5.79%	5.80%
Black Hills Corp	4.67%	6.27%	5.20%
IDACORP	2.80%	2.82%	2.81%
NorthWestern Corp	4.50%	2.73%	3.62%
OGE Energy	1.90%	3.47%	2.69%
Otter Tail Corp	9.00%	NA	9.00%
Portland General Electric	3.30%	4.39%	3.85%
Average			5.21%

Sources: First Call and Zacks websites.

**PROXY COMPANIES
DCF COST RATES**

COMPANY	ADJUSTED YIELD	HISTORIC RETENTION GROWTH	PROSPECTIVE RETENTION GROWTH	HISTORIC PER SHARE GROWTH	PROSPECTIVE PER SHARE GROWTH	CONSENSUS EPS GROWTH	AVERAGE GROWTH	DCF RATES
Proxy Group								
ALLETE	4.2%	2.2%	2.8%	2.8%	4.3%	8.72%	4.2%	8.4%
Avista Corp.	4.1%	2.3%	1.5%	3.7%	3.3%	5.80%	3.3%	7.5%
Black Hills Corp	3.3%	4.0%	3.7%	6.0%	5.3%	5.20%	4.8%	8.1%
IDACORP	2.8%	4.1%	3.3%	5.2%	4.8%	2.81%	4.1%	6.8%
NorthWestern Corp	4.3%	2.8%	2.0%	4.0%	2.7%	3.62%	3.0%	7.3%
OGE Energy	4.2%	3.5%	4.7%	5.5%	5.0%	2.69%	4.3%	8.5%
Otter Tail Corp	2.8%	5.3%	8.7%	7.7%	6.5%	9.00%	7.4%	10.2%
Portland General Electric	3.4%	2.9%	3.5%	3.5%	5.7%	3.85%	3.9%	7.3%
Mean	3.6%	3.4%	3.8%	4.8%	4.7%	5.2%	4.4%	8.0%
Median	3.8%	3.2%	3.4%	4.6%	4.9%	4.5%	4.1%	7.8%
Composite - Mean		7.0%	7.4%	8.4%	8.3%	8.8%	8.0%	
Composite - Median		6.9%	7.2%	8.4%	8.7%	8.3%	7.9%	

Note: negative values not used in calculations.

Sources: Prior pages of this exhibit.