

EXHIBIT No.____(KGS-8)
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

Electric Utility Return on Equity Data

May 2014

Pacific Power & Light Company
Proxy Group
BR + SV

Company	Ticker	R ¹ Estimated Return on Common Equity	D _e Estimated Dividend per Share	V _e Estimated Book Value/Share	V Book Value/Share	R _{av} ² Return on Average Equity	B ³	B*R ⁴	S*V ⁵	B*R+S*V
		(a)	(b)	(c)	(d)	(e)	(g)	(h)	(i)	(j)
Electric Proxy Group										
1 Alliant Energy Corporation	LNT	11.5%	\$2.20	\$34.80	\$29.75	11.8%	0.45	5.3%	0.1%	5.36%
2 American Electric Power Company, Inc.	AEP	10.5%	\$2.30	\$38.50	\$32.35	10.7%	0.43	4.6%	1.5%	6.08%
3 Avista Corporation	AVA	8.5%	\$1.40	\$24.00	\$21.65	8.6%	0.31	2.7%	0.7%	3.38%
4 Black Hills Corporation	BKH	9.0%	\$1.70	\$33.25	\$28.85	9.2%	0.43	4.0%	1.6%	5.54%
5 CenterPoint Energy, Inc.	CNP	14.5%	\$1.00	\$12.25	\$9.95	14.4%	0.44	6.3%	3.4%	9.65%
6 Cleco Corporation	CNL	11.0%	\$2.00	\$31.50	\$25.95	11.2%	0.42	4.8%	0.1%	4.82%
7 Consolidated Edison, Inc.	ED	9.0%	\$2.62	\$47.75	\$41.50	9.1%	0.39	3.6%	0.4%	3.93%
8 Dominion Resources, Inc.	D	15.0%	\$2.70	\$26.00	\$19.50	15.5%	0.31	4.8%	0.0%	4.75%
9 DTE Energy Company	DTE	9.5%	\$3.15	\$53.25	\$44.85	9.7%	0.38	3.7%	0.4%	4.08%
10 Duke Energy Corporation	DUK	8.0%	\$3.35	\$64.75	\$58.60	8.0%	0.35	2.8%	2.3%	5.15%
11 El Paso Electric Company	EE	10.5%	\$1.30	\$26.50	\$21.85	10.8%	0.53	5.8%	-1.0%	4.80%
12 IDACORP, Inc.	IDA	8.5%	\$1.90	\$43.35	\$36.75	8.7%	0.48	4.2%	0.7%	4.94%
13 NextEra Energy, Inc.	NEE	12.5%	\$3.60	\$53.25	\$40.25	12.9%	0.46	5.9%	0.5%	6.39%
14 Northeast Utilities	NU	9.5%	\$1.80	\$34.50	\$29.75	9.6%	0.45	4.3%	6.0%	10.35%
15 NorthWestern Corporation	NWE	9.5%	\$1.80	\$31.25	\$26.50	9.8%	0.39	3.8%	-0.4%	3.47%
16 OGE Energy Corp.	OGE	12.0%	\$1.25	\$19.25	\$15.00	12.4%	0.46	5.7%	0.9%	6.59%
17 Pepco Holdings, Inc.	POM	8.0%	\$1.16	\$21.50	\$19.00	7.9%	0.33	2.6%	0.1%	2.66%
18 Pinnacle West Capital Corporation	PNW	10.0%	\$2.60	\$43.50	\$37.45	10.2%	0.40	4.1%	0.6%	4.68%
19 Portland General Electric Company	POR	8.0%	\$1.25	\$26.50	\$23.10	8.0%	0.41	3.3%	1.0%	4.28%
20 SCANA Corporation	SCG	9.5%	\$2.25	\$41.00	\$33.20	9.8%	0.42	4.2%	0.8%	4.98%
21 The Southern Company	SO	12.0%	\$2.30	\$25.50	\$21.35	12.1%	0.25	3.0%	1.3%	4.29%
22 Westar Energy, Inc.	WR	9.5%	\$1.52	\$29.65	\$24.10	9.7%	0.46	4.5%	1.9%	6.36%
23 Wisconsin Energy Corporation	WEC	15.5%	\$2.10	\$21.00	\$18.75	15.8%	0.35	5.6%	-0.2%	5.36%
24 Xcel Energy Inc.	XEL	10.0%	\$1.35	\$23.00	\$19.30	10.3%	0.41	4.3%	1.0%	5.24%
Average		10.48%	\$2.03	\$33.58	\$28.30	10.67%	0.41	4.32%	0.98%	5.30%

Notes:

¹ Estimated future return on common equity, dividends per share, and book value per share as reported in *The Value Line Investment Survey: Dec. 20, 2013, Nov. 22, 2013, Nov. 11, 2013.*
² $R_{av} = R * (2 * V_{13}) / (V_{13} + V_{12})$. This formula transforms the end-of-year projected *Value Line* return on equity into a mid-year return on equity.

³ $B = 1 - (D_e / (R * V_e))$.

⁴ $B * R = B * R_{av} = (R_{av} - D_e / V_e)$.

⁵ $S * V$ equals the five year average of S , multiplied by current V , where S = annual growth rate of common shares outstanding and V = fraction of new funds provided that accrues to original shareholders.