

**Exh. DCP-15
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**

Risk Premium Analysis

July 28, 2022

**RISK PREMIUM ANALYSIS
CALCULATION OF RISK PREMIUMS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2012-19 Average	2012-21 Average
Average Authorized ROE General Rate Cases	10.02%	9.82%	9.76%	9.60%	9.60%	9.68%	9.56%	9.65%	9.39%	9.39%	9.71%	9.65%
Annual Average Yields on A rated Utility Bonds												
No Lag	4.13%	4.48%	4.28%	4.12%	3.93%	4.00%	4.25%	3.77%	3.02%	3.11%	4.12%	3.93%
3 Months Lag	4.24%	4.27%	4.46%	4.04%	4.01%	4.05%	4.10%	4.03%	3.15%	3.06%	4.15%	3.96%
6 Months Lag	4.45%	4.08%	4.59%	4.00%	4.19%	3.97%	4.00%	4.24%	3.32%	3.01%	4.19%	4.00%
9 Months Lag	4.74%	4.08%	4.57%	4.05%	4.24%	3.93%	3.96%	4.31%	3.53%	2.98%	4.24%	4.06%
12 Months Lag	5.04%	4.13%	4.48%	4.28%	4.12%	3.93%	4.00%	4.25%	3.77%	3.02%	4.28%	4.12%
Risk Premiums of ROEs vs A rated Utility Bonds												
No Lag	5.89%	5.34%	5.48%	5.49%	5.67%	5.68%	5.31%	5.88%	6.38%	6.28%	5.59%	5.73%
3 Months Lag	5.78%	5.55%	5.30%	5.56%	5.59%	5.63%	5.46%	5.62%	6.24%	6.34%	5.56%	5.69%
6 Months Lag	5.57%	5.74%	5.17%	5.60%	5.41%	5.71%	5.56%	5.41%	6.07%	6.38%	5.52%	5.65%
9 Months Lag	5.28%	5.74%	5.19%	5.55%	5.36%	5.75%	5.60%	5.34%	5.86%	6.41%	5.48%	5.60%
12 Months Lag	4.98%	5.69%	5.28%	5.32%	5.49%	5.75%	5.56%	5.40%	5.62%	6.38%	5.43%	5.54%

Sources: S&P Global Intelligence, provided in response to Staff DR-013 in Dockets UE-220053/UG-220054; Mergent Bond Record.

**RISK PREMIUM ANALYSIS
YIELDS ON A RATED PUBLIC UTILITY BONDS**

Year/Month	Yield	Annual Average Yield	3-Month Lagged Average Yield	6-Month Lagged Average Yield	9-Month Lagged Average Yield	12-Month Lagged Average Yield	Yield	Annual Average Yield	3-Month Lagged Average Yield	6-Month Lagged Average Yield	9-Month Lagged Average Yield	12-Month Lagged Average Yield	
2011							2017						
Jan	5.57%						Jan	4.14%					
Feb	5.68%						Feb	4.18%					
Mar	5.56%						Mar	4.23%					
Apr	5.55%						Apr	4.12%					
May	5.32%						May	4.12%					
Jun	5.26%						Jun	3.94%					
Jul	5.27%						Jul	3.99%					
Aug	4.69%						Aug	3.86%					
Sep	4.48%						Sep	3.87%					
Oct	4.52%						Oct	3.91%					
Nov	4.25%						Nov	3.83%					
Dec	4.33%	5.04%					Dec	3.79%	4.00%	4.05%	3.97%	3.93%	3.93%
2012							2018						
Jan	4.34%						Jan	3.86%					
Feb	4.36%						Feb	4.09%					
Mar	4.48%						Mar	4.13%					
Apr	4.40%						Apr	4.17%					
May	4.20%						May	4.28%					
Jun	4.08%						Jun	4.27%					
Jul	3.93%						Jul	4.27%					
Aug	4.00%						Aug	4.26%					
Sep	4.02%						Sep	4.32%					
Oct	3.91%						Oct	4.45%					
Nov	3.84%						Nov	4.52%					
Dec	4.00%	4.13%	4.24%	4.45%	4.74%	5.04%	Dec	4.37%	4.25%	4.10%	4.00%	3.96%	4.00%
2013							2019						
Jan	4.15%						Jan	4.35%					
Feb	4.18%						Feb	4.25%					
Mar	4.20%						Mar	4.16%					
Apr	4.00%						Apr	4.08%					
May	4.17%						May	3.98%					
Jun	4.53%						Jun	3.82%					
Jul	4.68%						Jul	3.69%					
Aug	4.73%						Aug	3.29%					
Sep	4.80%						Sep	3.37%					
Oct	4.70%						Oct	3.39%					
Nov	4.77%						Nov	3.43%					
Dec	4.81%	4.48%	4.27%	4.08%	4.08%	4.13%	Dec	3.40%	3.77%	4.03%	4.24%	4.31%	4.25%
2014							2020						
Jan	4.63%						Jan	3.29%					
Feb	4.53%						Feb	3.11%					
Mar	4.51%						Mar	3.50%					
Apr	4.41%						Apr	3.19%					
May	4.26%						May	3.14%					
Jun	4.29%						Jun	3.07%					
Jul	4.23%						Jul	2.74%					
Aug	4.13%						Aug	2.73%					
Sep	4.24%						Sep	2.84%					
Oct	4.06%						Oct	2.95%					
Nov	4.09%						Nov	2.85%					
Dec	3.95%	4.28%	4.46%	4.59%	4.57%	4.48%	Dec	2.77%	3.02%	3.15%	3.32%	3.53%	3.77%
2015							2021						
Jan	3.58%						Jan	2.91%					
Feb	3.67%						Feb	3.09%					
Mar	3.74%						Mar	3.44%					
Apr	3.75%						Apr	3.30%					
May	4.17%						May	3.33%					
Jun	4.39%						Jun	3.16%					
Jul	4.40%						Jul	2.95%					
Aug	4.25%						Aug	2.95%					
Sep	4.39%						Sep	2.96%					
Oct	4.29%						Oct	3.09%					
Nov	4.40%						Nov	3.02%					
Dec	4.35%	4.12%	4.04%	4.00%	4.05%	4.28%	Dec	3.13%	3.11%	3.06%	3.01%	2.98%	3.02%
2016													
Jan	4.27%												
Feb	4.11%												
Mar	4.16%												
Apr	4.00%												
May	3.93%												
Jun	3.78%												
Jul	3.57%												
Aug	3.59%												
Sep	3.66%												
Oct	3.77%												
Nov	4.08%												
Dec	4.27%	3.93%	4.01%	4.19%	4.24%	4.12%							

Source: Mergent Bond Record.

**RISK PREMIUM ANALYSIS
CALCULATION OF RISK PREMIUMS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2012-19 Average	2012-21 Average
Average Authorized ROE General Rate Cases	10.02%	9.82%	9.76%	9.60%	9.60%	9.68%	9.56%	9.65%	9.39%	9.39%	9.71%	9.65%
Annual Average Yields on Baa rated Utility Bonds												
No Lag	4.86%	4.98%	4.80%	5.03%	4.68%	4.38%	4.67%	4.19%	3.39%	3.36%	4.70%	4.46%
3 Months Lag	5.00%	4.81%	4.93%	4.82%	4.91%	4.48%	4.48%	4.50%	3.53%	3.33%	4.74%	4.50%
6 Months Lag	5.12%	4.70%	5.07%	4.68%	5.18%	4.46%	4.38%	4.71%	3.71%	3.30%	4.79%	4.55%
9 Months Lag	5.32%	4.76%	5.07%	4.65%	5.24%	4.50%	4.32%	4.77%	3.92%	3.33%	4.83%	4.61%
12 Months Lag	5.57%	4.86%	4.98%	4.80%	5.03%	4.68%	4.38%	4.67%	4.19%	3.39%	4.87%	4.67%
Risk Premiums of ROEs vs A rated Utility Bonds												
No Lag	5.17%	4.84%	4.96%	4.57%	4.92%	5.30%	4.89%	5.46%	6.00%	6.03%	5.01%	5.20%
3 Months Lag	5.02%	5.02%	4.83%	4.78%	4.69%	5.20%	5.08%	5.15%	5.86%	6.07%	4.97%	5.15%
6 Months Lag	4.90%	5.12%	4.69%	4.92%	4.42%	5.22%	5.18%	4.94%	5.68%	6.09%	4.92%	5.10%
9 Months Lag	4.70%	5.06%	4.70%	4.95%	4.36%	5.18%	5.24%	4.88%	5.47%	6.06%	4.88%	5.04%
12 Months Lag	4.45%	4.97%	4.78%	4.80%	4.57%	5.00%	5.18%	4.98%	5.20%	6.00%	4.84%	4.98%

Sources: S&P Global Intelligence, provided in response to Staff DR-013 in Dockets UE-220053/UG-220054; Mergent Bond Record.

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2011						2017							
Jan	6.06%						Jan	4.62%					
Feb	6.10%						Feb	4.58%					
Mar	5.97%						Mar	4.62%					
Apr	5.98%						Apr	4.51%					
May	5.74%						May	4.50%					
Jun	5.67%						Jun	4.32%					
Jul	5.70%						Jul	4.36%					
Aug	5.22%						Aug	4.23%					
Sep	5.11%						Sep	4.24%					
Oct	5.24%						Oct	4.26%					
Nov	4.93%						Nov	4.16%					
Dec	5.07%	5.57%					Dec	4.14%	4.38%	4.48%	4.46%	4.50%	4.68%
2012						2018							
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Feb	5.02%						Feb	4.42%					
Mar	5.13%						Mar	4.52%					
Apr	5.11%						Apr	4.58%					
May	4.97%						May	4.71%					
Jun	4.91%						Jun	4.71%					
Jul	4.85%						Jul	4.67%					
Aug	4.88%						Aug	4.64%					
Sep	4.81%						Sep	4.74%					
Oct	4.54%						Oct	4.91%					
Nov	4.42%						Nov	5.03%					
Dec	4.56%	4.86%	5.00%	5.12%	5.32%	5.57%	Dec	4.92%	4.67%	4.48%	4.38%	4.32%	4.38%
2013						2019							
Jan	4.66%						Jan	4.91%					
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May	4.65%						May	4.47%					
Jun	5.08%						Jun	4.31%					
Jul	5.21%						Jul	4.13%					
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2014						2020							
Jan	5.09%						Jan	3.60%					
Feb	5.01%						Feb	3.42%					
Mar	5.00%						Mar	3.96%					
Apr	4.85%						Apr	3.82%					
May	4.69%						May	3.63%					
Jun	4.73%						Jun	3.44%					
Jul	4.66%						Jul	3.09%					
Aug	4.65%						Aug	3.06%					
Sep	4.79%						Sep	3.17%					
Oct	4.67%						Oct	3.27%					
Nov	4.75%						Nov	3.17%					
Dec	4.70%	4.80%	4.93%	5.07%	5.07%	4.98%	Dec	3.05%	3.39%	3.53%	3.71%	3.92%	4.19%
2015						2021							
Jan	4.39%						Jan	3.18%					
Feb	4.44%						Feb	3.37%					
Mar	4.51%						Mar	3.72%					
Apr	4.51%						Apr	3.57%					
May	4.91%						May	3.58%					
Jun	5.13%						Jun	3.41%					
Jul	5.22%						Jul	3.20%					
Aug	5.23%						Aug	3.19%					
Sep	5.42%						Sep	3.19%					
Oct	5.47%						Oct	3.32%					
Nov	5.57%						Nov	3.25%					
Dec	5.55%	5.03%	4.82%	4.68%	4.65%	4.80%	Dec	3.36%	3.36%	3.33%	3.30%	3.33%	3.39%
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Source: Mergent Bond Record.