

**Exh. DCP-10**  
**Dockets UE-190529/UG-190530 and**  
**UE-190274/UG-190275 (*consolidated*)**  
**Witness: David C. Parcell**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**DOCKETS UE-190529  
and UG-190530 (*consolidated*)**

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**In the Matter of the Petition of**

**PUGET SOUND ENERGY**

**For an Order Authorizing Deferral  
Accounting and Ratemaking Treatment  
for Short-life UT/Technology Investment**

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**DOCKETS UE-190274 and  
UG-190275 (*consolidated*)**

**EXHIBIT TO TESTIMONY OF**

**David C. Parcell**

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

***Proxy Companies DCF Cost Rates***

**November 22, 2019**

## PROXY COMPANIES DIVIDEND YIELD

COMPANY	Qtr DPS	AUGUST - OCTOBER 2019				YIELD
		DPS	HIGH	LOW	AVERAGE	
<b>Parcell Proxy Group</b>						
ALLETE	\$0.588	\$2.35	\$88.60	\$83.38	\$85.99	2.7%
Alliant Energy	\$0.355	\$1.42	\$54.59	\$48.77	\$51.68	2.7%
Avista	\$0.388	\$1.55	\$49.33	\$44.02	\$46.68	3.3%
Black Hills Corp	\$0.505	\$2.02	\$80.61	\$70.15	\$75.38	2.7%
Hawaiian Electric Industries	\$0.320	\$1.28	\$45.96	\$42.72	\$44.34	2.9%
IDACORP	\$0.630	\$2.52	\$114.01	\$101.24	\$107.63	2.3%
MGE Energy	\$0.353	\$1.41	\$80.84	\$71.70	\$76.27	1.8%
Northwestern Corp	\$0.575	\$2.30	\$76.72	\$67.36	\$72.04	3.2%
OGE Energy Corp	\$0.388	\$1.55	\$45.77	\$41.39	\$43.58	3.6%
Otter Tail Corp	\$0.350	\$1.40	\$56.16	\$48.09	\$52.13	2.7%
Pinnacle West Capital Corp	\$0.738	\$2.95	\$98.58	\$90.48	\$94.53	3.1%
Portland General Electric	\$0.385	\$1.54	\$58.43	\$53.47	\$55.95	2.8%
Average						<b>2.8%</b>
<b>Morin Proxy Group</b>						
Alliant Energy	\$0.355	\$1.42	\$54.59	\$48.77	\$51.68	2.7%
Ameren Corp	\$0.475	\$1.90	\$80.85	\$73.31	\$77.08	2.5%
Avista Corp	\$0.388	\$1.55	\$49.33	\$44.02	\$46.68	3.3%
Black Hills Corp	\$0.505	\$2.02	\$80.61	\$70.15	\$75.38	2.7%
CenterPoint Energy	\$0.288	\$1.15	\$30.71	\$27.16	\$28.94	4.0%
Chesapeake Utilities	\$0.405	\$1.62	\$97.00	\$89.44	\$93.22	1.7%
CMS Energy	\$0.383	\$1.53	\$65.31	\$57.43	\$61.37	2.5%
Consolidated Edison	\$0.740	\$2.96	\$94.97	\$84.45	\$89.71	3.3%
Dominion Energy	\$0.918	\$3.67	\$83.23	\$73.76	\$78.50	4.7%
DTE Energy	\$0.945	\$3.78	\$134.37	\$124.93	\$129.65	2.9%
Duke Energy	\$0.945	\$3.78	\$97.37	\$86.31	\$91.84	4.1%
Eversource Energy	\$0.535	\$2.14	\$86.55	\$75.48	\$81.02	2.6%
Exelon Corp	\$0.363	\$1.45	\$49.32	\$43.42	\$46.37	3.1%
Fortis	\$0.339	\$1.36	\$42.80	\$39.16	\$40.98	3.3%
MGE Energy	\$0.353	\$1.41	\$80.84	\$71.70	\$76.27	1.8%
NorthWestern Corp	\$0.575	\$2.30	\$76.72	\$67.36	\$72.04	3.2%
Public Service Enterprise	\$0.470	\$1.88	\$63.88	\$55.27	\$59.58	3.2%
Sempra Energy	\$0.968	\$3.87	\$148.90	\$131.32	\$140.11	2.8%
WEC Energy Group	\$0.590	\$2.36	\$98.19	\$82.16	\$90.18	2.6%
Xcel Energy	\$0.405	\$1.62	\$66.05	\$58.74	\$62.40	2.6%
Average						<b>3.0%</b>

Source: Yahoo! Finance.

**PROXY COMPANIES  
RETENTION GROWTH RATES**

COMPANY	2014	2015	2016	2017	2018	Average	2019	2000	2022-'24	Average
<b>Parcell Proxy Group</b>										
ALLETE	2.5%	3.6%	2.8%	2.4%	2.7%	2.8%	2.5%	3.0%	3.5%	3.0%
Alliant Energy	4.3%	3.6%	2.8%	4.0%	4.3%	3.8%	3.5%	4.0%	4.0%	3.8%
Avista	2.4%	2.3%	3.0%	1.9%	2.2%	2.4%	5.0%	2.0%	2.5%	3.2%
Black Hills Corp	4.3%	3.8%	3.3%	5.3%	3.9%	4.1%	3.5%	3.5%	4.0%	3.7%
Hawaiian Electric Industries	2.3%	1.5%	6.3%	2.1%	3.1%	3.1%	3.5%	3.5%	3.0%	3.3%
IDACORP	5.4%	4.8%	4.3%	4.4%	4.4%	4.7%	4.0%	3.5%	3.5%	3.7%
MGE Energy	6.4%	4.5%	4.7%	4.2%	4.7%	4.9%	5.0%	5.0%	5.0%	5.0%
Northwestern Corp	3.8%	3.0%	4.1%	3.4%	3.2%	3.5%	3.5%	3.0%	3.0%	3.2%
OGE Energy Corp	6.5%	4.0%	3.3%	3.5%	3.8%	4.2%	3.0%	3.0%	3.5%	3.2%
Otter Tail Corp	2.2%	2.0%	2.1%	3.3%	4.0%	2.7%	4.0%	3.5%	3.5%	3.7%
Pinnacle West Capital Corp	3.5%	3.9%	3.5%	4.2%	3.9%	3.8%	3.5%	4.0%	4.0%	3.8%
Portland General Electric	4.6%	3.3%	3.5%	3.6%	3.5%	3.7%	3.0%	3.0%	3.0%	3.0%
Average						<b>3.6%</b>				<b>3.5%</b>
<b>Morin Proxy Group</b>										
Alliant Energy	4.3%	3.6%	2.8%	4.0%	4.3%	3.8%	3.5%	4.0%	4.0%	3.8%
Ameren Corp	2.9%	2.5%	3.3%	3.4%	4.8%	3.4%	4.0%	4.5%	4.0%	4.2%
Avista Corp	2.4%	2.3%	3.0%	1.9%	2.2%	2.4%	5.0%	2.0%	2.5%	3.2%
Black Hills Corp	4.3%	3.8%	3.3%	5.3%	3.9%	4.1%	3.5%	3.5%	4.0%	3.7%
CenterPoint Energy	4.5%	1.1%	0.0%	4.7%	0.0%	2.1%	2.0%	3.0%	4.0%	3.0%
Chesapeake Utilities	7.4%	6.8%	6.1%	4.9%	6.7%	6.4%	5.5%	5.5%	6.0%	5.7%
CMS Energy	5.0%	5.2%	4.8%	5.2%	5.3%	5.1%	5.5%	5.5%	6.0%	5.7%
Consolidated Edison	2.6%	3.5%	3.0%	3.0%	3.5%	3.1%	2.0%	2.5%	2.5%	2.3%
Dominion Energy	3.3%	2.9%	2.7%	1.8%	0.0%	2.1%	0.0%	2.0%	2.5%	1.5%
DTE Energy	5.2%	3.4%	3.7%	4.6%	4.9%	4.4%	3.5%	3.5%	4.0%	3.7%
Duke Energy	1.7%	1.5%	0.6%	1.2%	1.0%	1.2%	2.0%	2.0%	2.5%	2.2%
Eversource Energy	3.5%	3.4%	3.5%	3.5%	3.4%	3.5%	3.5%	3.5%	3.5%	3.5%
Exelon Corp	3.3%	4.5%	1.9%	4.7%	2.2%	3.3%	4.5%	4.5%	4.5%	4.5%
Fortis	1.7%	4.5%	2.1%	5.2%	4.1%	3.5%	4.0%	4.0%	3.5%	3.8%
MGE Energy	6.4%	4.5%	4.7%	4.2%	4.7%	4.9%	5.0%	5.0%	5.0%	5.0%
NorthWestern Corp	3.8%	3.0%	4.1%	3.4%	3.2%	3.5%	3.5%	3.0%	3.0%	3.2%
Public Service Enterprise	6.3%	6.8%	4.6%	4.1%	3.4%	5.0%	6.5%	4.5%	4.5%	5.2%
Sempra Energy	5.0%	5.8%	2.9%	3.3%	4.1%	4.2%	3.0%	4.0%	5.0%	4.0%
WEC Energy Group	5.3%	2.1%	3.5%	3.6%	3.7%	3.6%	3.5%	3.5%	4.0%	3.7%
Xcel Energy	4.5%	4.3%	4.0%	3.9%	4.3%	4.2%	4.0%	4.0%	4.0%	4.0%
Average						<b>3.7%</b>				<b>3.8%</b>

Source: Value Line Investment Survey.

## PROXY COMPANIES PER SHARE GROWTH RATES

COMPANY	5-Year Historic Growth Rates				Est'd '16-'18 to '22-'24 Growth Rates			
	EPS	DPS	BVPS	Average	EPS	DPS	BVPS	Average
<b>Parcell Proxy Group</b>								
ALLETE	4.0%	3.0%	5.5%	4.2%	6.0%	5.0%	3.5%	4.8%
Alliant Energy	4.5%	7.0%	4.5%	5.3%	6.5%	5.5%	7.5%	6.5%
Avista	5.0%	4.5%	4.5%	4.7%	3.5%	4.0%	3.5%	3.7%
Black Hills Corp	11.0%	4.0%	3.0%	6.0%	5.0%	6.5%	5.5%	5.7%
Hawaiian Electric Industries	4.0%	0.0%	3.5%	2.5%	2.5%	3.0%	4.0%	3.2%
IDACORP	4.0%	10.0%	5.0%	6.3%	3.5%	7.0%	4.0%	4.8%
MGE Energy	3.5%	4.0%	6.0%	4.5%	6.0%	5.0%	5.5%	5.5%
Northwestern Corp	7.0%	7.0%	8.0%	7.3%	3.0%	4.5%	3.5%	3.7%
OGE Energy Corp	1.0%	9.5%	6.0%	5.5%	6.5%	7.0%	3.5%	5.7%
Otter Tail Corp	14.0%	1.5%	3.5%	6.3%	5.0%	4.0%	4.5%	4.5%
Pinnacle West Capital Corp	5.0%	3.0%	4.5%	4.2%	5.0%	6.0%	3.5%	4.8%
Portland General Electric	4.0%	4.5%	3.5%	4.0%	4.5%	6.5%	3.0%	4.7%
Average				<b>5.1%</b>				<b>4.8%</b>
<b>Morin Proxy Group</b>								
Alliant Energy	4.5%	7.0%	4.5%	5.3%	6.5%	5.5%	7.5%	6.5%
Ameren Corp	4.5%	2.5%	0.5%	2.5%	6.5%	6.0%	5.0%	5.8%
Avista Corp	5.0%	4.5%	4.5%	4.7%	3.5%	4.0%	3.5%	3.7%
Black Hills Corp	11.0%	4.0%	3.0%	6.0%	5.0%	6.5%	5.5%	5.7%
CenterPoint Energy	-3.0%	7.5%	1.0%	1.8%	12.5%	2.5%	13.5%	9.5%
Chesapeake Utilities	8.0%	6.0%	10.5%	8.2%	9.0%	9.0%	9.0%	9.0%
CMS Energy	7.0%	7.0%	5.5%	6.5%	7.0%	7.0%	7.5%	7.2%
Consolidated Edison	2.0%	2.5%	4.0%	2.8%	3.0%	3.5%	3.0%	3.2%
Dominion Energy	3.5%	7.5%	6.5%	5.8%	6.5%	5.0%	7.0%	6.2%
DTE Energy	8.0%	6.5%	4.5%	6.3%	5.5%	6.0%	5.5%	5.7%
Duke Energy	0.5%	3.0%	1.5%	1.7%	6.0%	2.5%	2.5%	3.7%
Eversource Energy	7.0%	8.0%	5.0%	6.7%	5.5%	5.5%	4.5%	5.2%
Exelon Corp	-3.5%	-7.0%	4.5%	neg	9.0%	5.5%	5.0%	6.5%
Fortis	7.0%	6.5%	9.0%	7.5%	4.0%	6.0%	5.0%	5.0%
MGE Energy	3.5%	4.0%	6.0%	4.5%	6.0%	5.0%	5.5%	5.5%
NorthWestern Corp	7.0%	7.0%	8.0%	7.3%	3.0%	4.5%	3.5%	3.7%
Public Service Enterprise	1.0%	4.0%	5.0%	3.3%	6.0%	5.0%	4.5%	5.2%
Sempra Energy	2.0%	7.5%	4.0%	4.5%	11.0%	8.0%	6.5%	8.5%
WEC Energy Group	6.0%	11.0%	10.5%	9.2%	6.0%	6.0%	3.5%	5.2%
Xcel Energy	5.0%	6.0%	4.5%	5.2%	5.5%	6.0%	5.0%	5.5%
Average				<b>5.3%</b>				<b>5.8%</b>

Source: Value Line Investment Survey.

**PROXY COMPANIES  
DCF COST RATES**

COMPANY	ADJUSTED YIELD	HISTORIC RETENTION GROWTH	PROSPECTIVE RETENTION GROWTH	HISTORIC PER SHARE GROWTH	PROSPECTIVE PER SHARE GROWTH	FIRST CALL EPS GROWTH	AVERAGE GROWTH	DCF RATES
<b>Parcell Proxy Group</b>								
ALLETE	2.8%	2.8%	3.0%	4.2%	4.8%	7.0%	4.4%	7.2%
Alliant Energy	2.8%	3.8%	3.8%	5.3%	6.5%	5.2%	4.9%	7.7%
Avista	3.4%	2.4%	3.2%	4.7%	3.7%	3.3%	3.4%	6.8%
Black Hills Corp	2.7%	4.1%	3.7%	6.0%	5.7%	3.0%	4.5%	7.2%
Hawaiian Electric Industries	2.9%	3.1%	3.3%	2.5%	3.2%	3.4%	3.1%	6.0%
IDACORP	2.4%	4.7%	3.7%	6.3%	4.8%	2.5%	4.4%	6.8%
MGE Energy	1.9%	4.9%	5.0%	4.5%	5.5%	4.0%	4.8%	6.7%
Northwestern Corp	3.3%	3.5%	3.2%	7.3%	3.7%	3.1%	4.2%	7.4%
OGE Energy Corp	3.6%	4.2%	3.2%	5.5%	5.7%	3.4%	4.4%	8.0%
Otter Tail Corp	2.8%	2.7%	3.7%	6.3%	4.5%	9.0%	5.2%	8.0%
Pinnacle West Capital Corp	3.2%	3.8%	3.8%	4.2%	4.8%	5.1%	4.3%	7.5%
Portland General Electric	2.8%	3.7%	3.0%	4.0%	4.7%	4.4%	4.0%	6.8%
Mean	2.9%	3.6%	3.5%	5.1%	4.8%	4.4%	4.3%	<b>7.2%</b>
Median	2.8%	3.8%	3.5%	5.0%	4.8%	3.7%	4.4%	<b>7.2%</b>
Composite - Mean		6.5%	<b>6.4%</b>	<b>8.0%</b>	7.7%	7.3%	7.2%	
Composite - Median		6.6%	<b>6.3%</b>	<b>7.8%</b>	7.6%	6.5%	7.2%	
<b>Morin Proxy Group</b>								
Alliant Energy	2.8%	3.8%	3.8%	5.3%	6.5%	5.2%	4.9%	7.7%
Ameren Corp	2.5%	3.4%	4.2%	2.5%	5.8%	4.7%	4.1%	6.6%
Avista Corp	3.4%	2.4%	3.2%	4.7%	3.7%	3.3%	3.4%	6.8%
Black Hills Corp	2.7%	4.1%	3.7%	6.0%	5.7%	3.0%	4.5%	7.2%
CenterPoint Energy	4.1%	2.1%	3.0%	1.8%	9.5%	4.9%	4.3%	8.3%
Chesapeake Utilities	1.8%	6.4%	5.7%	8.2%	9.0%	6.0%	7.0%	8.8%
CMS Energy	2.6%	5.1%	5.7%	6.5%	7.2%	7.4%	6.4%	8.9%
Consolidated Edison	3.3%	3.1%	2.3%	2.8%	3.2%	3.3%	3.0%	6.3%
Dominion Energy	4.8%	2.1%	1.5%	5.8%	6.2%	4.6%	4.0%	8.8%
DTE Energy	3.0%	4.4%	3.7%	6.3%	5.7%	3.7%	4.7%	7.7%
Duke Energy	4.2%	1.2%	2.2%	1.7%	3.7%	4.1%	2.6%	6.7%
Eversource Energy	2.7%	3.5%	3.5%	6.7%	5.2%	5.6%	4.9%	7.6%
Exelon Corp	3.2%	3.3%	4.5%	neg	6.5%	neg	4.8%	8.0%
Fortis	3.4%	3.5%	3.8%	7.5%	5.0%	N/A	5.0%	8.4%
MGE Energy	1.9%	4.9%	5.0%	4.5%	5.5%	4.0%	4.8%	6.7%
NorthWestern Corp	3.3%	3.5%	3.2%	7.3%	3.7%	3.1%	4.2%	7.4%
Public Service Enterprise	3.2%	5.0%	5.2%	3.3%	5.2%	4.0%	4.5%	7.8%
Sempra Energy	2.8%	4.2%	4.0%	4.5%	8.5%	9.8%	6.2%	9.0%
WEC Energy Group	2.7%	3.6%	3.7%	9.2%	5.2%	6.1%	5.6%	8.2%
Xcel Energy	2.7%	4.2%	4.0%	5.2%	5.5%	5.2%	4.8%	7.5%
Mean	3.1%	3.7%	3.8%	5.3%	5.8%	4.9%	4.7%	<b>7.7%</b>
Median	2.9%	3.6%	3.8%	5.3%	5.6%	4.7%	4.8%	<b>7.7%</b>
Composite - Mean		<b>6.7%</b>	6.8%	8.3%	<b>8.9%</b>	7.9%	7.7%	
Composite - Median		<b>6.5%</b>	6.7%	8.2%	<b>8.5%</b>	7.6%	7.7%	

Note: negative values not used in calculations.

Sources: Prior pages of this exhibit.