

**Exh. DCP-12  
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 CAPM Cost Rates*

**November 22, 2019**

**PROXY COMPANIES  
CAPM COST RATES**

COMPANY	RISK-FREE RATE	BETA	RISK PREMIUM	CAPM RATES
<b>Parcell Proxy Group</b>				
ALLETE	1.96%	0.65	5.9%	5.8%
Alliant Energy	1.96%	0.60	5.9%	5.5%
Avista	1.96%	0.60	5.9%	5.5%
Black Hills Corp	1.96%	0.70	5.9%	6.1%
Hawaiian Electric Industries	1.96%	0.55	5.9%	5.2%
IDACORP	1.96%	0.55	5.9%	5.2%
MGE Energy	1.96%	0.55	5.9%	5.2%
Northwestern Corp	1.96%	0.60	5.9%	5.5%
OGE Energy Corp	1.96%	0.80	5.9%	6.7%
Otter Tail Corp	1.96%	0.65	5.9%	5.8%
Pinnacle West Capital Corp	1.96%	0.55	5.9%	5.2%
Portland General Electric	1.96%	0.60	5.9%	5.5%
Mean				<b>5.6%</b>
Median				<b>5.5%</b>
<b>Morin Proxy Group</b>				
Alliant Energy	1.96%	0.60	5.9%	5.5%
Ameren Corp	1.96%	0.55	5.9%	5.2%
Avista Corp	1.96%	0.60	5.9%	5.5%
Black Hills Corp	1.96%	0.70	5.9%	6.1%
CenterPoint Energy	1.96%	0.80	5.9%	6.7%
Chesapeake Utilities	1.96%	0.65	5.9%	5.8%
CMS Energy	1.96%	0.55	5.9%	5.2%
Consolidated Edison	1.96%	0.45	5.9%	4.6%
Dominion Energy	1.96%	0.55	5.9%	5.2%
DTE Energy	1.96%	0.55	5.9%	5.2%
Duke Energy	1.96%	0.50	5.9%	4.9%
Eversource Energy	1.96%	0.60	5.9%	5.5%
Exelon Corp	1.96%	0.70	5.9%	6.1%
Fortis	1.96%	0.65	5.9%	5.8%
MGE Energy	1.96%	0.55	5.9%	5.2%
NorthWestern Corp	1.96%	0.60	5.9%	5.5%
Public Service Enterprise	1.96%	0.65	5.9%	5.8%
Sempra Energy	1.96%	0.75	5.9%	6.4%
WEC Energy Group	1.96%	0.50	5.9%	4.9%
Xcel Energy	1.96%	0.50	5.9%	4.9%
Mean				<b>5.5%</b>
Median				<b>5.5%</b>

Sources: Value Line Investment Survey, Standard & Poor's Analysts' Handbook, Federal Reserve.

20-year Treasury Bonds	
Month	Rate
Aug-19	1.91%
Sep-19	1.97%
Oct-19	2.00%
Average	1.96%