

**Exh. DCP-13
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*)**

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**

**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 ROE and M/B

November 22, 2019

**PROXY COMPANIES
RATES OF RETURN ON AVERAGE COMMON EQUITY**

COMPANY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2002-2008 Average	2009-2018 Average	2019	2020	2022-24
Parcell Proxy Group																						
ALLETE				12.0%	13.2%	13.4%	11.4%	7.3%	8.2%	9.5%	8.7%	8.4%	8.6%	9.4%	8.3%	8.0%	8.2%		8.5%	8.0%	8.5%	9.5%
Alliant Energy	5.7%	9.1%	8.5%	10.3%	9.4%	11.5%	10.2%	7.5%	10.8%	10.4%	11.1%	11.4%	11.5%	10.6%	9.9%	11.4%	11.7%	9.2%	10.6%	10.0%	10.5%	10.0%
Avista	4.5%	6.7%	4.6%	5.8%	8.8%	4.1%	7.6%	8.4%	8.5%	8.6%	6.4%	8.7%	8.1%	7.8%	8.6%	7.5%	7.8%	6.0%	8.0%	10.0%	7.0%	8.0%
Black Hills Corp	12.1%	8.9%	7.9%	9.4%	9.6%	10.9%	0.7%	8.4%	5.9%	3.6%	7.1%	9.1%	9.6%	9.5%	8.9%	10.9%	10.2%	8.5%	8.3%	9.0%	9.0%	9.5%
Hawaiian Electric Industries	11.9%	11.1%	9.3%	9.7%	9.3%	7.7%	7.0%	5.9%	7.7%	9.1%	10.4%	9.7%	9.5%	8.5%	12.4%	8.6%	9.5%	9.4%	9.1%	9.5%	9.5%	9.5%
IDACORP	7.1%	4.2%	8.2%	7.3%	9.4%	7.1%	8.0%	9.3%	9.8%	10.5%	9.9%	10.1%	10.2%	9.7%	9.4%	9.6%	9.8%	7.3%	9.8%	9.0%	9.0%	9.5%
MGE Energy	13.2%	12.5%	11.4%	9.4%	11.8%	12.1%	11.8%	10.4%	11.3%	11.3%	11.4%	12.5%	12.6%	10.6%	10.7%	10.2%	10.6%	11.7%	11.2%	10.5%	10.5%	10.5%
Northwestern Corp					6.4%	6.9%	8.4%	9.4%	9.6%	10.9%	9.3%	9.5%	10.3%	9.0%	10.0%	9.4%	9.1%		9.7%	9.0%	9.0%	9.0%
OGE Energy Corp	11.1%	13.2%	12.7%	12.5%	15.0%	14.7%	13.0%	12.9%	13.5%	14.0%	13.2%	13.2%	12.5%	10.3%	10.0%	10.5%	10.8%	13.2%	12.1%	10.0%	10.5%	11.5%
Otter Tail Corp	15.2%	12.0%	10.8%	11.6%	10.4%	10.4%	5.9%	3.7%	2.1%	2.7%	6.9%	9.4%	10.3%	9.9%	9.7%	10.7%	11.4%	10.9%	7.7%	11.0%	10.5%	11.0%
Pinnacle West Capital Corp	8.6%	8.3%	8.2%	6.7%	9.2%	8.5%	6.1%	6.8%	9.3%	8.7%	9.8%	9.9%	9.2%	9.7%	9.4%	10.1%	9.9%	7.9%	9.3%	10.0%	10.0%	10.5%
Portland General Electric					5.9%	11.5%	6.5%	6.2%	8.0%	9.0%	8.3%	7.7%	9.1%	8.2%	8.3%	8.6%	8.6%		8.2%	8.5%	8.5%	9.0%
Average	9.9%	9.6%	9.1%	9.5%	9.9%	9.9%	8.1%	8.0%	8.7%	9.0%	9.4%	10.0%	10.1%	9.4%	9.6%	9.6%	9.8%	9.4%	9.4%	9.5%	9.4%	9.8%
Median	11.1%	9.1%	8.5%	9.6%	9.4%	10.7%	7.8%	8.0%	8.9%	9.3%	9.6%	9.6%	9.9%	9.6%	9.6%	9.9%	9.9%	9.4%	9.4%	9.8%	9.3%	9.5%
Morin Proxy Group																						
Alliant Energy	5.7%	9.1%	8.5%	10.3%	9.4%	11.5%	10.2%	7.5%	10.8%	10.4%	11.1%	11.4%	11.5%	10.6%	9.9%	11.4%	11.7%	9.2%	10.6%	10.0%	10.5%	10.0%
Ameren Corp	10.8%	12.2%	10.0%	10.3%	8.5%	9.3%	8.8%	8.4%	8.5%	7.6%	8.0%	7.7%	8.8%	8.5%	9.3%	9.4%	10.9%	10.0%	8.7%	10.0%	10.0%	10.5%
Avista Corp	4.5%	6.7%	4.6%	5.8%	8.8%	4.1%	7.6%	8.4%	8.5%	8.6%	6.4%	8.7%	8.1%	7.8%	8.6%	7.5%	7.8%	6.0%	8.0%	10.0%	7.0%	8.0%
Black Hills Corp	12.1%	8.9%	7.9%	9.4%	9.6%	10.9%	0.7%	8.4%	5.9%	3.6%	7.1%	9.1%	9.6%	9.5%	8.9%	10.9%	10.2%	8.5%	8.3%	9.0%	9.0%	9.5%
CenterPoint Energy	9.6%	26.1%	13.1%	17.2%	29.1%	22.1%	22.6%	16.0%	15.0%	14.6%	13.5%	12.3%	13.7%	11.6%	12.4%	16.6%	6.3%	20.0%	13.2%	8.0%	9.5%	10.0%
Chesapeake Utilities	8.5%	14.1%	12.3%	12.6%	11.1%	11.3%	11.7%	10.6%	11.8%	11.7%	11.5%	12.2%	12.4%	12.2%	11.3%	9.4%	11.2%	11.7%	11.4%	10.0%	10.0%	10.0%
CMS Energy	nmf	nmf	7.2%	10.4%	6.2%	6.6%	12.1%	8.3%	11.8%	12.5%	12.7%	13.2%	13.2%	13.7%	13.5%	14.0%	14.3%	8.5%	12.7%	14.0%	14.0%	14.0%
Consolidated Edison	11.5%	10.0%	8.0%	10.2%	9.7%	10.9%	9.9%	8.7%	9.3%	9.3%	9.7%	9.5%	8.5%	9.3%	8.6%	8.5%	8.9%	10.0%	9.0%	7.5%	8.0%	8.5%
Dominion Energy	14.9%	12.0%	12.9%	9.4%	14.3%	12.2%	18.1%	14.7%	14.7%	13.5%	14.3%	16.1%	15.3%	15.6%	15.5%	14.2%	11.6%	13.4%	14.6%	6.0%	13.0%	13.0%
DTE Energy	13.7%	9.7%	8.1%	10.2%	7.5%	7.7%	7.5%	8.7%	9.6%	9.1%	9.2%	8.6%	11.1%	9.3%	9.7%	11.1%	11.3%	9.2%	9.8%	10.0%	10.0%	10.5%
Duke Energy	8.9%	0.6%	8.6%	9.5%	4.8%	6.4%	6.1%	6.8%	8.0%	8.1%	6.8%	6.8%	7.1%	7.1%	6.4%	7.1%	6.9%	6.4%	7.1%	8.0%	8.0%	8.5%
Eversource Energy	6.4%	7.1%	5.1%	5.4%	4.5%	8.6%	9.8%	9.6%	4.9%	10.0%	7.3%	8.3%	8.3%	8.6%	8.9%	9.0%	9.1%	6.7%	8.4%	9.0%	9.0%	9.0%
Exelon Corp	19.4%	19.7%	20.3%	23.0%	24.5%	26.7%	25.5%	23.9%	19.5%	17.8%	8.2%	9.0%	8.0%	9.4%	6.4%	9.4%	6.6%	6.7%	11.8%	9.0%	9.0%	9.0%
Fortis		11.9%	10.5%	10.7%	11.3%	8.9%	8.8%	8.3%	8.6%	8.8%	8.0%	7.5%	5.8%	7.9%	6.2%	8.3%	7.6%		7.7%	7.5%	7.5%	7.0%
MGE Energy	13.2%	12.5%	11.4%	9.4%	11.8%	12.1%	11.8%	10.4%	11.3%	11.3%	11.4%	12.5%	12.6%	10.6%	10.7%	10.2%	10.6%	11.7%	11.2%	10.5%	10.5%	10.5%
NorthWestern Corp					6.4%	6.9%	8.4%	9.4%	9.6%	10.9%	9.3%	9.5%	10.3%	9.0%	10.0%	9.4%	9.1%		9.7%	9.0%	9.0%	9.0%
Public Service Enterprise	19.9%	18.3%	12.8%	14.9%	12.2%	19.2%	19.5%	18.8%	16.9%	15.8%	11.7%	11.1%	12.7%	13.2%	10.9%	10.6%	9.9%	16.7%	13.2%	13.0%	11.0%	11.0%
Sempra Energy	20.7%	19.4%	20.7%	15.7%	16.1%	14.1%	13.7%	13.8%	10.9%	11.4%	10.4%	9.7%	10.2%	11.2%	8.5%	9.1%	10.5%	17.2%	10.6%	9.5%	10.5%	12.0%
WEC Energy Group	12.8%	11.8%	9.0%	11.6%	11.1%	11.1%	11.0%	10.8%	12.2%	13.0%	13.3%	13.6%	11.5%	10.0%	10.6%	10.8%	11.0%	11.2%	11.9%	11.0%	11.5%	12.0%
Xcel Energy	2.8%	10.0%	9.8%	9.1%	9.8%	9.3%	9.7%	9.5%	9.5%	10.1%	10.4%	10.2%	10.3%	10.2%	10.4%	10.4%	10.7%	8.6%	10.2%	10.0%	10.5%	11.0%
Average	11.5%	12.2%	10.6%	11.3%	11.3%	11.5%	11.7%	11.1%	10.9%	10.9%	10.0%	10.4%	10.6%	10.3%	9.8%	10.4%	9.8%	10.9%	10.4%	9.6%	9.9%	10.2%
Median	11.5%	11.9%	9.8%	10.3%	9.8%	10.9%	10.1%	9.5%	10.2%	10.7%	10.1%	9.6%	10.3%	9.8%	9.8%	9.8%	10.4%	10.6%	10.0%	9.8%	10.0%	10.0%

nmf -- not meaningful, as ROEs are negative or large positive following negative.

Source: Calculations made from data contained in Value Line Investment Survey.

**PROXY COMPANIES
MARKET TO BOOK RATIOS**

COMPANY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2002-2008 Average	2009-2018 Average
Parcell Proxy Group																			
ALLETE				212%	219%	195%	156%	113%	127%	138%	136%	152%	151%	146%	153%	182%	181%		148%
Alliant Energy	110%	97%	120%	131%	155%	173%	131%	103%	131%	147%	161%	169%	197%	196%	214%	235%	223%	131%	178%
Avista	85%	94%	111%	115%	135%	127%	110%	94%	106%	119%	123%	125%	143%	141%	158%	174%	178%	111%	136%
Black Hills Corp	143%	134%	134%	165%	153%	164%	124%	77%	108%	109%	121%	161%	181%	152%	186%	207%	174%	145%	148%
Hawaiian Electric Industries	153%	151%	179%	181%	192%	166%	166%	113%	140%	150%	164%	156%	167%	175%	169%	184%	181%	170%	160%
IDACORP	134%	112%	125%	122%	139%	132%	104%	94%	113%	119%	123%	136%	159%	158%	177%	203%	199%	124%	148%
MGE Energy	214%	223%	207%	207%	191%	178%	159%	154%	171%	182%	203%	214%	227%	217%	274%	298%	261%	197%	220%
Northwestern Corp					160%	147%	109%	105%	122%	138%	146%	159%	174%	167%	171%	169%	154%		151%
OGE Energy Corp	147%	154%	178%	187%	205%	197%	145%	139%	180%	197%	204%	231%	228%	184%	170%	192%	181%	173%	191%
Otter Tail Corp	245%	209%	185%	183%	178%	200%	167%	108%	120%	123%	152%	196%	196%	186%	207%	244%	253%	195%	179%
Pinnacle West Capital Corp	116%	114%	130%	130%	129%	127%	100%	90%	113%	125%	141%	153%	158%	160%	172%	191%	182%	121%	149%
Portland General Electric					153%	140%	101%	83%	97%	109%	117%	131%	145%	148%	155%	173%	162%		132%
Average	150%	143%	152%	163%	167%	162%	131%	106%	127%	138%	149%	165%	177%	169%	184%	204%	194%	152%	161%
Median	143%	134%	134%	173%	158%	165%	128%	104%	121%	132%	144%	158%	171%	164%	172%	192%	181%	148%	154%
Morin Proxy Group																			
Alliant Energy	110%	97%	120%	131%	155%	173%	131%	103%	131%	147%	161%	169%	197%	196%	214%	235%	223%	131%	178%
Ameren Corp	163%	162%	161%	172%	164%	159%	122%	83%	81%	92%	106%	125%	152%	149%	165%	198%	202%	158%	135%
Avista Corp	85%	94%	111%	115%	135%	127%	110%	94%	106%	119%	123%	125%	143%	141%	158%	174%	178%	111%	136%
Black Hills Corp	143%	134%	134%	165%	153%	164%	124%	77%	108%	109%	121%	161%	181%	152%	186%	207%	174%	145%	148%
CenterPoint Energy	116%	142%	236%	329%	312%	330%	224%	187%	158%	210%	200%	223%	227%	213%	257%	291%	232%	241%	220%
Chesapeake Utilities	158%	181%	181%	212%	205%	190%	159%	141%	152%	165%	171%	192%	226%	240%	241%	262%	260%	184%	205%
CMS Energy	137%	80%	90%	125%	142%	177%	127%	117%	148%	170%	192%	218%	239%	254%	276%	296%	288%	125%	220%
Consolidated Edison	144%	146%	143%	154%	149%	151%	123%	110%	124%	145%	150%	144%	143%	148%	159%	167%	153%	144%	144%
Dominion Energy	158%	180%	196%	242%	229%	256%	238%	186%	207%	235%	272%	313%	362%	352%	327%	313%	255%	214%	282%
DTE Energy	145%	142%	132%	140%	134%	143%	101%	91%	116%	121%	137%	153%	170%	173%	180%	207%	197%	134%	155%
Duke Energy	171%	106%	139%	157%	153%	102%	102%	90%	101%	115%	120%	120%	133%	135%	136%	142%	136%	133%	123%
Eversource Energy	99%	95%	106%	108%	131%	163%	128%	114%	136%	150%	143%	141%	158%	158%	166%	175%	166%	119%	151%
Exelon Corp	191%	227%	280%	356%	401%	481%	415%	271%	169%	200%	154%	125%	124%	117%	114%	129%	132%	336%	154%
Fortis			165%	192%	210%	187%	146%	139%	150%	161%	172%	150%	149%	143%	133%	139%	130%		147%
MGE Energy	214%	223%	207%	207%	191%	178%	159%	154%	171%	182%	203%	214%	227%	217%	274%	298%	261%	197%	220%
NorthWestern Corp					160%	147%	109%	105%	122%	138%	146%	159%	174%	167%	171%	169%	154%		151%
Public Service Enterprise	178%	186%	191%	245%	267%	304%	250%	177%	176%	161%	154%	151%	160%	163%	164%	178%	184%	232%	167%
Sempra Energy	155%	172%	178%	186%	190%	194%	151%	135%	136%	128%	153%	187%	223%	220%	203%	218%	217%	175%	182%
WEC Energy Group	129%	147%	156%	168%	182%	179%	153%	147%	171%	186%	213%	223%	249%	219%	209%	217%	220%	159%	205%
Xcel Energy	113%	113%	132%	139%	150%	154%	127%	121%	135%	143%	156%	157%	165%	171%	189%	208%	206%	133%	165%
Average	145%	146%	161%	186%	191%	198%	160%	132%	140%	154%	162%	173%	190%	186%	196%	211%	198%	171%	174%
Median	145%	144%	156%	168%	162%	175%	130%	119%	136%	149%	154%	158%	172%	169%	183%	207%	200%	154%	165%

Source: Calculations made from data contained in Value Line Investment Survey.