Exh. DCP-8 Dockets UE-190334, UG-190335, and UE-190222 Witness: David C. Parcell

## BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION, d/b/a AVISTA UTILITIES,

Respondent.

**DOCKETS UE-190334, UG-190335, and UE-190222** (*Consolidated*)

## EXHIBIT TO TESTIMONY OF

David C. Parcell

ON BEHALF OF STAFF OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Proxy Companies Average Common Equity Ratios

**October 3, 2019** 

## PROXY COMPANIES COMMON EQUITY RATIOS (EXCLUDING SHORT-TERM DEBT)

	2014	2015	2016	2017	2018	Average	2022-2024
Parcell Proxy Group							
ALLETE	55.8%	53.7%	58.0%	59.0%	60.1%	57.3%	59.0%
Avista Corp.	49.0%	50.0%	48.8%	52.8%	49.5%	50.0%	50.0%
Black Hills Corp	52.1%	44.0%	33.5%	35.5%	42.5%	41.5%	47.5%
Hawaiian Electric Industries	53.8%	55.5%	57.5%	55.7%	51.7%	54.8%	55.0%
IDACORP	54.7%	54.4%	55.2%	56.3%	56.4%	55.4%	57.0%
NorthWestern Corp	46.6%	46.9%	48.0%	49.8%	47.8%	47.8%	52.0%
OGE Energy	54.1%	55.7%	58.9%	58.3%	58.0%	57.0%	54.5%
Otter Tail Corp	53.5%	57.6%	57.0%	58.7%	55.3%	56.4%	49.5%
Portland General Corp	47.3%	52.2%	51.6%	49.9%	53.5%	50.4%	51.5%
r ordana conorar corp	17.070	02.270	01.070	10.070	00.070	00.070	01.070
Average						52.4%	52.9%
Median						54.8%	52.0%
Algonquin Power & Utilities		d in Calculati					
Ameren Corn	51 7%	10 7%	51 3%	10 8%	18 8%	50.3%	50.5%
Ameren Corp Avangrid, Inc.	51.7% 83.2%	49.7% 76.9%	51.3% 77.0%	49.8% 74.4%	48.8% 73.8%	50.3% 77.1%	50.5% 62.0%
Avangrid, Inc.	83.2%	76.9%	77.0%	74.4%	73.8%	77.1%	62.0%
Avangrid, Inc. Avista Corp	83.2% 49.0%	76.9% 50.0%	77.0% 48.8%	74.4% 52.8%	73.8% 49.5%	77.1% 50.0%	62.0% 50.0%
Avangrid, Inc. Avista Corp Black Hills Corp	83.2% 49.0% 52.1%	76.9% 50.0% 44.0%	77.0% 48.8% 33.5%	74.4% 52.8% 35.5%	73.8% 49.5% 42.5%	77.1% 50.0% 41.5%	62.0% 50.0% 47.5%
Avangrid, Inc. Avista Corp Black Hills Corp CenterPoint Energy	83.2% 49.0% 52.1% 36.2%	76.9% 50.0% 44.0% 30.5%	77.0% 48.8% 33.5% 31.5%	74.4% 52.8% 35.5% 36.4%	73.8% 49.5% 42.5% 37.5%	77.1% 50.0% 41.5% 34.4%	62.0% 50.0% 47.5% 45.0%
Avangrid, Inc. Avista Corp Black Hills Corp CenterPoint Energy CMS Energy Corp	83.2% 49.0% 52.1% 36.2% 31.0%	76.9% 50.0% 44.0% 30.5% 31.4%	77.0% 48.8% 33.5% 31.5% 32.6%	74.4% 52.8% 35.5% 36.4% 32.4%	73.8% 49.5% 42.5% 37.5% 30.7%	77.1% 50.0% 41.5% 34.4% 31.6%	62.0% 50.0% 47.5% 45.0% 36.5%
Avangrid, Inc. Avista Corp Black Hills Corp CenterPoint Energy CMS Energy Corp Dominion Energy	83.2% 49.0% 52.1% 36.2% 31.0% 34.6%	76.9% 50.0% 44.0% 30.5% 31.4% 34.9%	77.0% 48.8% 33.5% 31.5% 32.6% 32.6%	74.4% 52.8% 35.5% 36.4% 32.4% 35.6%	73.8% 49.5% 42.5% 37.5% 30.7% 39.2%	77.1% 50.0% 41.5% 34.4% 31.6% 35.4%	62.0% 50.0% 47.5% 45.0% 36.5% 41.0%
Avangrid, Inc. Avista Corp Black Hills Corp CenterPoint Energy CMS Energy Corp Dominion Energy DTE Energy	83.2% 49.0% 52.1% 36.2% 31.0% 34.6% 50.0%	76.9% 50.0% 44.0% 30.5% 31.4% 34.9% 49.8%	77.0% 48.8% 33.5% 31.5% 32.6% 44.4%	74.4% 52.8% 35.5% 36.4% 32.4% 35.6% 43.8%	73.8% 49.5% 42.5% 37.5% 30.7% 39.2% 45.8%	77.1% 50.0% 41.5% 34.4% 31.6% 35.4% 46.8%	62.0% 50.0% 47.5% 45.0% 36.5%
Avangrid, Inc. Avista Corp Black Hills Corp CenterPoint Energy CMS Energy Corp Dominion Energy DTE Energy Edison International	83.2% 49.0% 52.1% 36.2% 31.0% 34.6% 50.0% Not Include	76.9% 50.0% 44.0% 30.5% 31.4% 34.9% 49.8% d in Calculati	77.0% 48.8% 33.5% 31.5% 32.6% 44.4% ions for Reas	74.4% 52.8% 35.5% 36.4% 32.4% 35.6% 43.8% sons Cited in	73.8% 49.5% 42.5% 37.5% 30.7% 39.2% 45.8% Direct Test	77.1% 50.0% 41.5% 34.4% 31.6% 35.4% 46.8% imony	62.0% 50.0% 47.5% 45.0% 36.5% 41.0%
Avangrid, Inc. Avista Corp Black Hills Corp CenterPoint Energy CMS Energy Corp Dominion Energy DTE Energy Edison International El Paso Electric Co.	83.2% 49.0% 52.1% 36.2% 31.0% 34.6% 50.0% Not Include	76.9% 50.0% 44.0% 30.5% 31.4% 34.9% 49.8% d in Calculati	77.0% 48.8% 33.5% 31.5% 32.6% 44.4% ions for Reasons for Reasons for Reasons for Reasons	74.4% 52.8% 35.5% 36.4% 32.4% 35.6% 43.8% sons Cited in	73.8% 49.5% 42.5% 37.5% 30.7% 39.2% 45.8% Direct Test	77.1% 50.0% 41.5% 34.4% 31.6% 35.4% 46.8% imony imony	62.0% 50.0% 47.5% 45.0% 36.5% 41.0% 45.5%
Avangrid, Inc. Avista Corp Black Hills Corp CenterPoint Energy CMS Energy Corp Dominion Energy DTE Energy Edison International El Paso Electric Co. Emera Inc.	83.2% 49.0% 52.1% 36.2% 31.0% 34.6% 50.0% Not Include Not Include 48.1%	76.9% 50.0% 44.0% 30.5% 31.4% 34.9% 49.8% d in Calculati d in Calculati	77.0% 48.8% 33.5% 31.5% 32.6% 44.4% ions for Reas 32.0%	74.4% 52.8% 35.5% 36.4% 32.4% 35.6% 43.8% sons Cited in	73.8% 49.5% 42.5% 37.5% 30.7% 39.2% 45.8% Direct Test	77.1% 50.0% 41.5% 34.4% 31.6% 35.4% 46.8% imony	62.0% 50.0% 47.5% 45.0% 36.5% 41.0% 45.5%
Avangrid, Inc. Avista Corp Black Hills Corp CenterPoint Energy CMS Energy Corp Dominion Energy DTE Energy Edison International EI Paso Electric Co. Emera Inc. Entergy Corp.	83.2% 49.0% 52.1% 36.2% 31.0% 34.6% 50.0% Not Include Not Include	76.9% 50.0% 44.0% 30.5% 31.4% 34.9% 49.8% d in Calculati	77.0% 48.8% 33.5% 31.5% 32.6% 44.4% ions for Reasons for Reasons for Reasons for Reasons	74.4% 52.8% 35.5% 36.4% 32.4% 35.6% 43.8% sons Cited in 35.0%	73.8% 49.5% 42.5% 37.5% 30.7% 39.2% 45.8% Direct Test 36.8%	77.1% 50.0% 41.5% 34.4% 31.6% 35.4% 46.8% imony imony 41.0%	62.0% 50.0% 47.5% 45.0% 36.5% 41.0% 45.5%
Avangrid, Inc. Avista Corp Black Hills Corp CenterPoint Energy CMS Energy Corp Dominion Energy DTE Energy Edison International El Paso Electric Co. Emera Inc. Entergy Corp. Exelon Corp	83.2% 49.0% 52.1% 36.2% 31.0% 34.6% 50.0% Not Include Not Include 48.1% 43.8% 52.8%	76.9% 50.0% 44.0% 30.5% 31.4% 34.9% 49.8% d in Calculat 52.8% 40.8% 51.3%	77.0% 48.8% 33.5% 31.5% 32.6% 44.4% fons for Reas 32.0% 35.5% 44.5%	74.4% 52.8% 35.5% 36.4% 32.4% 35.6% 43.8% sons Cited in 35.0% 35.5%	73.8% 49.5% 42.5% 37.5% 30.7% 39.2% 45.8% Direct Test 36.8% 35.9% 47.2%	77.1% 50.0% 41.5% 34.4% 31.6% 35.4% 46.8% imony imony 41.0% 38.3% 48.7%	62.0% 50.0% 47.5% 45.0% 36.5% 41.0% 45.5%
Avangrid, Inc. Avista Corp Black Hills Corp CenterPoint Energy CMS Energy Corp Dominion Energy DTE Energy Edison International El Paso Electric Co. Emera Inc. Entergy Corp. Exelon Corp FirstEnergy Corp	83.2% 49.0% 52.1% 36.2% 31.0% 34.6% 50.0% Not Include Not Include 48.1% 43.8%	76.9% 50.0% 44.0% 30.5% 31.4% 34.9% 49.8% d in Calculat d in Calculat 52.8% 40.8%	77.0% 48.8% 33.5% 31.5% 32.6% 44.4% fons for Reas 32.0% 35.5%	74.4% 52.8% 35.5% 36.4% 32.4% 35.6% 43.8% sons Cited in 35.0% 35.5% 47.8%	73.8% 49.5% 42.5% 37.5% 30.7% 39.2% 45.8% Direct Test 36.8% 35.9%	77.1% 50.0% 41.5% 34.4% 31.6% 35.4% 46.8% imony imony 41.0% 38.3%	62.0% 50.0% 47.5% 45.0% 36.5% 41.0% 45.5% 43.0% 40.0% 50.5%
Avangrid, Inc. Avista Corp Black Hills Corp CenterPoint Energy CMS Energy Corp Dominion Energy DTE Energy Edison International El Paso Electric Co. Emera Inc. Entergy Corp. Exelon Corp FirstEnergy Corp Hawaiian Electric	83.2% 49.0% 52.1% 36.2% 31.0% 34.6% 50.0% Not Include Not Include 48.1% 43.8% 52.8% 39.3%	76.9% 50.0% 44.0% 30.5% 31.4% 34.9% 49.8% d in Calculat d in Calculat 52.8% 40.8% 51.3% 39.3%	77.0% 48.8% 33.5% 31.5% 32.6% 44.4% fons for Reasions for	74.4% 52.8% 35.5% 36.4% 32.4% 35.6% 43.8% sons Cited in 35.0% 35.5% 47.8% 15.7%	73.8% 49.5% 42.5% 37.5% 30.7% 39.2% 45.8% Direct Test 36.8% 35.9% 47.2% 27.4%	77.1% 50.0% 41.5% 34.4% 31.6% 35.4% 46.8% imony imony 41.0% 38.3% 48.7% 29.4%	62.0% 50.0% 47.5% 45.0% 36.5% 41.0% 45.5% 43.0% 40.0% 50.5% 32.0%
Avangrid, Inc. Avista Corp Black Hills Corp CenterPoint Energy CMS Energy Corp Dominion Energy DTE Energy Edison International El Paso Electric Co. Emera Inc. Entergy Corp. Exelon Corp FirstEnergy Corp Hawaiian Electric IDACORP	83.2% 49.0% 52.1% 36.2% 31.0% 34.6% 50.0% Not Include Not Include 48.1% 43.8% 52.8% 39.3% 53.8%	76.9% 50.0% 44.0% 30.5% 31.4% 34.9% 49.8% d in Calculati 52.8% 40.8% 51.3% 39.3% 55.5%	77.0% 48.8% 33.5% 31.5% 32.6% 44.4% fons for Reas 32.0% 35.5% 44.5% 25.5% 57.5% 55.2%	74.4% 52.8% 35.5% 36.4% 32.4% 35.6% 43.8% sons Cited in 35.0% 35.5% 47.8% 15.7% 55.7%	73.8% 49.5% 42.5% 37.5% 30.7% 39.2% 45.8% Direct Test 36.8% 35.9% 47.2% 27.4% 51.7%	77.1% 50.0% 41.5% 34.4% 31.6% 35.4% 46.8% imony imony 41.0% 38.3% 48.7% 29.4% 54.8%	62.0% 50.0% 47.5% 45.0% 36.5% 41.0% 45.5% 43.0% 50.5% 32.0% 55.0%
Avangrid, Inc. Avista Corp Black Hills Corp CenterPoint Energy CMS Energy Corp Dominion Energy DTE Energy Edison International El Paso Electric Co. Emera Inc. Entergy Corp. Exelon Corp FirstEnergy Corp Hawaiian Electric IDACORP Northwestern Corp	83.2% 49.0% 52.1% 36.2% 31.0% 34.6% 50.0% Not Include Not Include 48.1% 43.8% 52.8% 39.3% 53.8% 54.7%	76.9% 50.0% 44.0% 30.5% 31.4% 34.9% 49.8% d in Calculati 52.8% 40.8% 51.3% 39.3% 55.5% 54.4%	77.0% 48.8% 33.5% 31.5% 32.6% 44.4% ions for Reas 32.0% 35.5% 44.5% 25.5% 57.5% 48.0%	74.4% 52.8% 35.5% 36.4% 32.4% 35.6% 43.8% sons Cited in 35.0% 35.5% 47.8% 15.7% 56.3%	73.8% 49.5% 42.5% 37.5% 30.7% 39.2% 45.8% Direct Test 36.8% 35.9% 47.2% 27.4% 51.7% 56.4%	77.1% 50.0% 41.5% 34.4% 31.6% 35.4% 46.8% imony imony 41.0% 38.3% 48.7% 29.4% 54.8% 55.4%	62.0% 50.0% 47.5% 45.0% 36.5% 41.0% 45.5% 43.0% 50.5% 32.0% 55.0% 57.0%
Avangrid, Inc. Avista Corp Black Hills Corp CenterPoint Energy CMS Energy Corp Dominion Energy DTE Energy Edison International El Paso Electric Co. Emera Inc. Entergy Corp. Exelon Corp FirstEnergy Corp Hawaiian Electric IDACORP Northwestern Corp OGE Energy Corp	83.2% 49.0% 52.1% 36.2% 31.0% 34.6% 50.0% Not Include Not Include 48.1% 43.8% 52.8% 39.3% 53.8% 54.7% 46.6%	76.9% 50.0% 44.0% 30.5% 31.4% 34.9% 49.8% d in Calculati 52.8% 40.8% 51.3% 39.3% 55.5% 54.4% 46.9% 55.7%	77.0% 48.8% 33.5% 31.5% 32.6% 44.4% fons for Reas 32.0% 35.5% 44.5% 25.5% 57.5% 55.2%	74.4% 52.8% 35.5% 36.4% 32.4% 35.6% 43.8% sons Cited in 35.0% 35.5% 47.8% 15.7% 56.3% 49.8%	73.8% 49.5% 42.5% 37.5% 30.7% 39.2% 45.8% Direct Test 36.8% 35.9% 47.2% 27.4% 51.7% 56.4% 47.8%	77.1% 50.0% 41.5% 34.4% 31.6% 35.4% 46.8% imony imony 41.0% 38.3% 48.7% 29.4% 54.8% 55.4% 47.8%	62.0% 50.0% 47.5% 45.0% 36.5% 41.0% 45.5% 43.0% 50.5% 32.0% 55.0% 57.0% 52.0%
Avangrid, Inc. Avista Corp Black Hills Corp	83.2% 49.0% 52.1% 36.2% 31.0% 34.6% 50.0% Not Include Not Include 48.1% 43.8% 52.8% 39.3% 53.8% 54.7% 46.6% 54.1%	76.9% 50.0% 44.0% 30.5% 31.4% 34.9% 49.8% d in Calculati 52.8% 40.8% 51.3% 39.3% 55.5% 54.4% 46.9%	77.0% 48.8% 33.5% 31.5% 32.6% 44.4% ions for Reas 32.0% 35.5% 44.5% 25.5% 57.5% 55.2% 48.0% 58.9%	74.4% 52.8% 35.5% 36.4% 32.4% 35.6% 43.8% sons Cited in 35.0% 35.5% 47.8% 15.7% 55.7% 56.3% 49.8% 58.3%	73.8% 49.5% 42.5% 37.5% 30.7% 39.2% 45.8% Direct Test Direct Test 36.8% 35.9% 47.2% 27.4% 51.7% 56.4% 47.8% 58.0% 55.3%	77.1% 50.0% 41.5% 34.4% 31.6% 35.4% 46.8% imony imony 41.0% 38.3% 48.7% 29.4% 54.8% 55.4% 47.8% 57.0%	62.0% 50.0% 47.5% 45.0% 36.5% 41.0% 45.5% 43.0% 50.5% 32.0% 55.0% 57.0% 52.0% 54.5%
Avangrid, Inc. Avista Corp Black Hills Corp CenterPoint Energy CMS Energy Corp Dominion Energy DTE Energy Edison International El Paso Electric Co. Emera Inc. Entergy Corp FirstEnergy Corp Hawaiian Electric IDACORP Northwestern Corp OGE Energy Corp PMM Resources	83.2% 49.0% 52.1% 36.2% 31.0% 34.6% 50.0% Not Include 48.1% 43.8% 52.8% 39.3% 53.8% 54.7% 46.6% 54.1% 53.5%	76.9% 50.0% 44.0% 30.5% 31.4% 34.9% 49.8% d in Calculati 52.8% 40.8% 51.3% 39.3% 55.5% 54.4% 46.9% 57.6%	77.0% 48.8% 33.5% 31.5% 32.6% 44.4% ions for Reas 32.0% 35.5% 44.5% 25.5% 57.5% 58.9% 58.9% 57.0%	74.4% 52.8% 35.5% 36.4% 32.4% 35.6% 43.8% sons Cited in 35.0% 35.5% 47.8% 15.7% 56.3% 49.8% 58.3% 58.7%	73.8% 49.5% 42.5% 37.5% 30.7% 39.2% 45.8% Direct Test 36.8% 35.9% 47.2% 27.4% 51.7% 56.4% 47.8% 58.0%	77.1% 50.0% 41.5% 34.4% 31.6% 35.4% 46.8% imony imony 41.0% 38.3% 48.7% 29.4% 54.8% 55.4% 47.8% 57.0% 56.4%	62.0% 50.0% 47.5% 45.0% 36.5% 41.0% 45.5% 43.0% 40.0% 50.5% 32.0% 55.0% 57.0% 52.0% 54.5% 49.5%
Avangrid, Inc. Avista Corp Black Hills Corp CenterPoint Energy CMS Energy Corp Dominion Energy DTE Energy Edison International El Paso Electric Co. Emera Inc. Entergy Corp. Exelon Corp FirstEnergy Corp Hawaiian Electric IDACORP Northwestern Corp OGE Energy Corp	83.2% 49.0% 52.1% 36.2% 31.0% 34.6% 50.0% Not Include 48.1% 43.8% 52.8% 39.3% 53.8% 54.7% 46.6% 54.1% 53.5% 51.9%	76.9% 50.0% 44.0% 30.5% 31.4% 34.9% 49.8% d in Calculati 52.8% 40.8% 51.3% 39.3% 55.5% 54.4% 46.9% 55.7% 57.6% 45.5%	77.0% 48.8% 33.5% 31.5% 32.6% 44.4% ions for Reas 32.0% 35.5% 44.5% 25.5% 57.5% 55.2% 48.0% 58.9% 57.0% 44.0%	74.4% 52.8% 35.5% 36.4% 32.4% 35.6% 43.8% sons Cited in 35.0% 35.5% 47.8% 15.7% 56.3% 49.8% 58.3% 58.7% 43.6%	73.8% 49.5% 42.5% 37.5% 30.7% 39.2% 45.8% Direct Test 36.8% 35.9% 47.2% 27.4% 51.7% 56.4% 47.8% 58.0% 55.3% 38.6%	77.1% 50.0% 41.5% 34.4% 31.6% 35.4% 46.8% imony imony 41.0% 38.3% 48.7% 29.4% 54.8% 55.4% 47.8% 57.0% 56.4% 44.7%	62.0% 50.0% 47.5% 45.0% 36.5% 41.0% 45.5% 43.0% 50.5% 32.0% 55.0% 57.0% 52.0% 54.5% 49.5% 40.5%

Source: Value Line Investment Survey.