

Exh. DCP-12
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 CAPM Cost Rates

October 3, 2019

**PROXY COMPANIES
CAPM COST RATES**

COMPANY	RISK-FREE RATE	BETA	RISK PREMIUM	CAPM RATES
Parcell Proxy Group				
ALLETE	2.21%	0.65	5.9%	6.0%
Avista Corp.	2.21%	0.60	5.9%	5.8%
Black Hills Corp	2.21%	0.75	5.9%	6.6%
Hawaiian Electric Industries	2.21%	0.55	5.9%	5.5%
IDACORP	2.21%	0.60	5.9%	5.8%
NorthWestern Corp	2.21%	0.60	5.9%	5.8%
OGE Energy	2.21%	0.80	5.9%	6.9%
Otter Tail Corp	2.21%	0.65	5.9%	6.0%
Portland General Corp	2.21%	0.60	5.9%	5.8%
Mean				6.0%
Median				5.8%
Adjusted Mckenzie Electric Group				
Algonquin Power & Utilities	Not Included in Calculations for Reasons Cited in Direct Testimony			
Ameren Corp	2.21%	0.55	5.9%	5.5%
Avangrid, Inc.	2.21%	0.40	5.9%	4.6%
Avista Corp	2.21%	0.60	5.9%	5.8%
Black Hills Corp	2.21%	0.75	5.9%	6.6%
CenterPoint Energy	2.21%	0.80	5.9%	6.9%
CMS Energy Corp	2.21%	0.55	5.9%	5.5%
Dominion Energy	2.21%	0.55	5.9%	5.5%
DTE Energy	2.21%	0.55	5.9%	5.5%
Edison International	Not Included in Calculations for Reasons Cited in Direct Testimony			
El Paso Electric Co.	Not Included in Calculations for Reasons Cited in Direct Testimony			
Emera Inc.	2.21%	0.55	5.9%	5.5%
Entergy Corp.	2.21%	0.60	5.9%	5.8%
Exelon Corp	2.21%	0.70	5.9%	6.3%
FirstEnergy Corp	2.21%	0.60	5.9%	5.8%
Hawaiian Electric	2.21%	0.55	5.9%	5.5%
IDACORP	2.21%	0.60	5.9%	5.8%
Northwestern Corp	2.21%	0.60	5.9%	5.8%
OGE Energy Corp	2.21%	0.80	5.9%	6.9%
Otter Tail Corp	2.21%	0.65	5.9%	6.0%
PNM Resources	2.21%	0.60	5.9%	5.8%
Sempra Energy	2.21%	0.75	5.9%	6.6%
Mean				5.9%
Median				5.8%

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

20-year Treasury Bonds	
Month	Rate
June 2019	2.36%
July 2019	2.36%
August 2019	1.91%
Average	2.21%