

Exh. AEB-7
Docket UE-19 _____
Witness: Ann E. Bulkley

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP dba
PACIFIC POWER & LIGHT COMPANY

Respondent.

Docket UE-19 _____

**PACIFICORP
EXHIBIT OF ANN E. BULKLEY**

Projected DCF Model

December 2019

PROJECTED CONSTANT GROWTH DCF -- PACIFICORP PROXY GROUP

| Company | [1] Annualized Dividend | | [2] Stock Price (2022 - 2024) | | [3] | [4] | [5] | [6] | [7] | [8] | [9] | [10] All Proxy Group | | [11] | | [12] | | [13] With Exclusions | |
|---------------------------------------|-------------------------|----------|-------------------------------|----------------|-------------------|---------------------|----------------|----------------|----------------|---------|----------|----------------------|---------|----------|----------|---------|----------|----------------------|--|
| | High | Low | Mean | Dividend Yield | Expected Dividend | Value Line Earnings | Yahoo! Finance | Zacks Earnings | Average Growth | Low ROE | Mean ROE | High ROE | Low ROE | Mean ROE | High ROE | Low ROE | Mean ROE | High ROE | |
| ALE | \$2.85 | \$65.00 | \$75.00 | 3.80% | 3.92% | 6.00% | 6.00% | 7.20% | 6.40% | 9.91% | 10.32% | 11.14% | 9.91% | 10.32% | 11.14% | 9.91% | 10.32% | 11.14% | |
| Alliant Energy Corporation | \$1.74 | \$50.00 | \$42.50 | 4.09% | 4.21% | 6.50% | 5.05% | 5.50% | 5.68% | 9.25% | 9.89% | 10.73% | 9.25% | 9.89% | 10.73% | 9.25% | 9.89% | 10.73% | |
| Ameren Corporation | \$2.55 | \$75.00 | \$65.00 | 3.92% | 4.04% | 6.50% | 4.70% | 6.40% | 5.87% | 8.72% | 9.90% | 10.55% | 8.72% | 9.90% | 10.55% | 8.72% | 9.90% | 10.55% | |
| American Electric Power Company, Inc. | \$3.40 | \$95.00 | \$80.00 | 3.89% | 3.99% | 4.00% | 6.10% | 5.70% | 5.27% | 7.96% | 9.25% | 10.10% | 7.96% | 9.25% | 10.10% | 7.96% | 9.25% | 10.10% | |
| Avista Corporation | \$1.80 | \$55.00 | \$47.50 | 3.79% | 3.85% | 3.50% | 3.40% | 3.30% | 3.40% | 7.15% | 7.25% | 7.36% | 7.15% | 7.25% | 7.36% | 7.15% | 7.25% | 7.36% | |
| CenterPoint Energy, Inc. | \$1.35 | \$40.00 | \$25.00 | 4.15% | 4.31% | 12.50% | 5.11% | 5.50% | 7.70% | 9.37% | 12.02% | 16.91% | 9.37% | 12.02% | 16.91% | 9.37% | 12.02% | 16.91% | |
| CMS Energy Corporation | \$2.00 | \$65.00 | \$32.50 | 3.64% | 3.76% | 7.00% | 7.14% | 6.40% | 6.85% | 10.15% | 10.61% | 10.91% | 10.15% | 10.61% | 10.91% | 10.15% | 10.61% | 10.91% | |
| Dominion Resources, Inc. | \$4.05 | \$105.00 | \$90.00 | 4.50% | 4.62% | 6.50% | 4.59% | 4.80% | 5.30% | 9.19% | 9.92% | 11.15% | 9.19% | 9.92% | 11.15% | 9.19% | 9.92% | 11.15% | |
| DTE Energy Company | \$4.80 | \$105.00 | \$125.00 | 3.84% | 3.94% | 5.50% | 4.45% | 6.00% | 5.32% | 8.38% | 9.26% | 9.96% | 8.38% | 9.26% | 9.96% | 8.38% | 9.26% | 9.96% | |
| Duke Energy Corporation | \$4.05 | \$105.00 | \$92.50 | 4.38% | 4.49% | 6.00% | 4.06% | 4.90% | 4.99% | 8.53% | 9.47% | 10.51% | 8.53% | 9.47% | 10.51% | 8.53% | 9.47% | 10.51% | |
| Energy Corporation | \$4.45 | \$135.00 | \$112.50 | 3.96% | 4.03% | 0.50% | Negative | 7.00% | 3.75% | 4.47% | 7.78% | 11.09% | 4.47% | 7.78% | 11.09% | 4.47% | 7.78% | 11.09% | |
| Energy, Inc. | \$2.50 | \$55.00 | \$65.00 | 3.85% | 3.98% | NMF | 6.80% | 6.60% | 6.70% | 10.57% | 10.68% | 10.78% | 10.57% | 10.68% | 10.78% | 10.57% | 10.68% | 10.78% | |
| FirstEnergy Corporation | \$1.90 | \$60.00 | \$45.00 | 3.62% | 3.75% | 8.00% | Negative | 6.00% | 7.00% | 9.73% | 10.75% | 11.76% | 9.73% | 10.75% | 11.76% | 9.73% | 10.75% | 11.76% | |
| IDACORP, Inc. | \$3.20 | \$105.00 | \$92.50 | 3.46% | 3.52% | 3.50% | 2.40% | 3.80% | 3.23% | 5.90% | 6.75% | 7.33% | 5.90% | 6.75% | 7.33% | 5.90% | 6.75% | 7.33% | |
| NextEra Energy, Inc. | \$7.00 | \$225.00 | \$205.00 | 3.41% | 3.57% | 10.50% | 7.99% | 8.00% | 8.83% | 11.54% | 12.40% | 14.09% | 11.54% | 12.40% | 14.09% | 11.54% | 12.40% | 14.09% | |
| Northwestern Corporation | \$2.70 | \$90.00 | \$70.00 | 3.86% | 3.91% | 3.00% | 3.24% | 2.60% | 2.95% | 6.51% | 6.86% | 7.16% | 6.51% | 6.86% | 7.16% | 6.51% | 6.86% | 7.16% | |
| OGE Energy Corporation | \$1.90 | \$55.00 | \$47.50 | 4.00% | 4.10% | 6.50% | 3.40% | 4.50% | 4.80% | 7.47% | 8.90% | 10.63% | 7.47% | 8.90% | 10.63% | 7.47% | 8.90% | 10.63% | |
| Pinnacle West Capital Corporation | \$3.80 | \$110.00 | \$90.00 | 3.80% | 3.91% | 5.50% | 5.05% | 6.10% | 5.55% | 8.95% | 9.46% | 10.02% | 8.95% | 9.46% | 10.02% | 8.95% | 9.46% | 10.02% | |
| PNM Resources, Inc. | \$1.50 | \$35.00 | \$45.00 | 3.33% | 3.44% | 7.00% | 6.18% | 5.50% | 6.23% | 8.93% | 9.66% | 10.45% | 8.93% | 9.66% | 10.45% | 8.93% | 9.66% | 10.45% | |
| Portland General Electric Company | \$1.95 | \$60.00 | \$52.50 | 3.71% | 3.80% | 4.50% | 4.80% | 4.80% | 4.70% | 8.30% | 8.50% | 8.60% | 8.30% | 8.50% | 8.60% | 8.30% | 8.50% | 8.60% | |
| PPL Corporation | \$1.80 | \$45.00 | \$35.00 | 4.50% | 4.52% | 1.50% | 0.59% | n/a | 1.05% | 5.10% | 5.57% | 6.03% | 5.10% | 5.57% | 6.03% | 5.10% | 5.57% | 6.03% | |
| Southern Company | \$2.78 | \$70.00 | \$60.00 | 4.63% | 4.71% | 3.50% | 1.37% | 4.50% | 3.12% | 6.04% | 7.83% | 9.24% | 6.04% | 7.83% | 9.24% | 6.04% | 7.83% | 9.24% | |
| Xcel Energy Inc. | \$2.05 | \$65.00 | \$57.50 | 3.57% | 3.66% | 5.50% | 5.80% | 4.90% | 5.40% | 8.55% | 9.06% | 9.47% | 8.55% | 9.06% | 9.47% | 8.55% | 9.06% | 9.47% | |
| Mean | | | | 3.90% | 4.00% | 5.61% | 4.68% | 5.45% | 5.22% | 8.29% | 9.22% | 10.26% | 8.29% | 9.22% | 10.26% | 8.29% | 9.22% | 10.26% | |

Notes:

- [1] Source: Value Line
- [2] Source: Value Line
- [3] Source: Value Line
- [4] Equals Average ([2], [3])
- [5] Equals [1] / [4]
- [6] Equals [5] x (1 + 0.50 x [10])
- [7] Source: Value Line
- [8] Source: Yahoo! Finance
- [9] Source: Zacks
- [10] Equals Average ([7], [8], [9])
- [11] Equals [5] x (1 + 0.50 x Minimum ([7], [8], [9]) + Maximum ([7], [8], [9]))
- [12] Equals [6] + [10]
- [13] Equals [5] x (1 + 0.50 x Maximum ([7], [8], [9]) + Minimum ([7], [8], [9]))
- [14] Equals [11] if greater than 7.00%
- [15] Equals [12] if greater than 7.00%
- [16] Equals [13] if greater than 7.00%