

Exh. DCP-9
Dockets UE-200900, UG-200901,
UE-200894
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-200900, UG-200901,
UE-200894 (*Consolidated*)**

**EXHIBIT TO
TESTIMONY OF**

David C. Parcell

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Proxy Companies DCF Cost Rates

April 21, 2021

**PROXY COMPANIES
DIVIDEND YIELD**

COMPANY	Qtr DPS	January - March 2021			YIELD	
		DPS	HIGH	LOW		AVERAGE
Parcell Proxy Group						
ALLETE	\$0.630	\$2.52	\$72.15	\$58.90	\$65.53	3.8%
Avista Corp.	\$0.423	\$1.69	\$49.14	\$36.68	\$42.91	3.9%
Black Hills Corp	\$0.565	\$2.26	\$67.47	\$58.22	\$62.85	3.6%
Hawaiian Electric Industries	\$0.340	\$1.36	\$44.76	\$32.96	\$38.86	3.5%
IDACORP	\$0.710	\$2.84	\$102.96	\$85.30	\$94.13	3.0%
NorthWestern Corp	\$0.620	\$2.48	\$66.27	\$53.16	\$59.72	4.2%
OGE Energy	\$0.403	\$1.61	\$33.18	\$29.18	\$31.18	5.2%
Otter Tail Corp	\$0.390	\$1.56	\$46.73	\$39.60	\$43.17	3.6%
Pinnacle West Capital	\$0.830	\$3.32	\$81.90	\$69.89	\$75.90	4.4%
Average						3.9%
Adjusted Mckenzie Electric Group						
Algonquin Power & Utilities	Not included in analyses since Company not covered by Value Line.					
ALLETE	\$0.630	\$2.52	\$72.15	\$58.90	\$65.53	3.8%
Ameren Corp	\$0.550	\$2.20	\$83.18	\$69.79	\$76.49	2.9%
Avangrid, Inc.	\$0.440	\$1.76	\$50.66	\$44.02	\$47.34	3.7%
Avista Corp	\$0.423	\$1.69	\$49.14	\$36.68	\$42.91	3.9%
Black Hills Corp	\$0.565	\$2.26	\$67.47	\$58.22	\$62.85	3.6%
CenterPoint Energy	\$0.160	\$0.64	\$22.85	\$19.31	\$21.08	3.0%
CMS Energy Corp	\$0.435	\$1.74	\$62.21	\$53.19	\$57.70	3.0%
DTE Energy	\$1.085	\$4.34	\$135.11	\$115.68	\$125.40	3.5%
Edison International	Not included in analyses due to impact on Company of California wildfires.					
Emera Inc.	\$0.638	\$2.55	\$56.27	\$49.66	\$52.97	4.8%
Entergy Corp.	\$0.950	\$3.80	\$100.08	\$85.78	\$92.93	4.1%
Exelon Corp	\$0.383	\$1.53	\$44.04	\$38.35	\$41.20	3.7%
FirstEnergy Corp	\$0.390	\$1.56	\$36.88	\$29.25	\$33.07	4.7%
Hawaiian Electric	\$0.340	\$1.36	\$44.76	\$32.96	\$38.86	3.5%
IDACORP	\$0.710	\$2.84	\$102.96	\$85.30	\$94.13	3.0%
Northwestern Corp	\$0.620	\$2.48	\$66.27	\$53.16	\$59.72	4.2%
OGE Energy Corp	\$0.403	\$1.61	\$33.18	\$29.18	\$31.18	5.2%
Otter Tail Corp	\$0.390	\$1.56	\$46.73	\$39.60	\$43.17	3.6%
PNM Resources	Not included in analyses since this company is merging with AVANGRID					
Sempra Energy	Not included in analyses due to impact on Company of California wildfires.					
Average						3.8%

Source: Yahoo! Finance.

PROXY COMPANIES RETENTION GROWTH RATES

COMPANY	2016	2017	2018	2019	2020	Average	2021	2024-2026	Average
Parcell Proxy Group									
ALLETE	2.8%	2.4%	2.7%	2.3%	2.0%	2.4%	1.5%	3.5%	2.5%
Avista Corp.	3.0%	1.9%	2.2%	4.9%	0.5%	2.5%	1.5%	2.0%	1.8%
Black Hills Corp	3.3%	5.3%	3.9%	3.8%	3.5%	4.0%	3.5%	3.0%	3.3%
Hawaiian Electric Industries	6.3%	2.1%	3.1%	3.4%	2.5%	3.5%	2.5%	3.0%	2.8%
IDACORP	4.3%	4.4%	4.4%	4.2%	4.0%	4.3%	3.5%	4.0%	3.8%
NorthWestern Corp	4.1%	3.4%	3.2%	3.1%	2.0%	3.2%	2.0%	3.0%	2.5%
OGE Energy	3.3%	3.5%	3.8%	3.6%	2.8%	3.4%	2.5%	4.0%	3.3%
Otter Tail Corp	2.1%	3.3%	4.0%	4.0%	4.1%	3.5%	4.0%	5.0%	4.5%
Pinnacle West Capital	3.5%	4.2%	3.9%	3.8%	4.0%	3.9%	3.5%	3.5%	3.5%
Average						3.4%			3.1%
Adjusted Mckenzie Electric Group									
Algonquin Power & Utilities	Not included in analyses since Company not covered by Value Line.								
ALLETE	2.8%	2.4%	2.7%	2.3%	2.0%	2.4%	1.5%	3.5%	2.5%
Ameren Corp	3.3%	3.4%	4.8%	4.4%	4.2%	4.0%	4.0%	4.0%	4.0%
Avangrid, Inc.	1.4%	0.0%	0.4%	1.0%	0.0%	0.6%	1.0%	1.5%	1.3%
Avista Corp	3.0%	1.9%	2.2%	4.9%	0.5%	2.5%	1.5%	2.0%	1.8%
Black Hills Corp	3.3%	5.3%	3.9%	3.8%	3.5%	4.0%	3.5%	3.0%	3.3%
CenterPoint Energy	0.0%	4.7%	0.0%	2.7%	5.0%	2.5%	6.5%	6.0%	6.3%
CMS Energy Corp	4.8%	5.2%	5.3%	4.9%	5.3%	5.1%	5.5%	5.5%	5.5%
DTE Energy	3.7%	4.6%	4.9%	4.1%	4.9%	4.4%	4.0%	4.5%	4.3%
Edison International	Not included in analyses due to impact on Company of California wildfires.								
Emera Inc.	0.1%	4.6%	5.0%	0.0%	3.5%	2.6%	2.0%	3.5%	2.8%
Entergy Corp.	7.7%	3.9%	4.9%	5.2%	5.9%	5.5%	3.5%	4.0%	3.8%
Exelon Corp	1.9%	4.7%	2.2%	4.7%	4.0%	3.5%	4.0%	4.0%	4.0%
FirstEnergy Corp	4.5%	14.6%	0.0%	2.5%	1.5%	4.6%	8.0%	7.0%	7.5%
Hawaiian Electric	6.3%	2.1%	3.1%	3.4%	2.5%	3.5%	2.5%	3.0%	2.8%
IDACORP	4.3%	4.4%	4.4%	4.2%	4.0%	4.3%	3.5%	4.0%	3.8%
Northwestern Corp	4.1%	3.4%	3.2%	3.1%	2.0%	3.2%	2.0%	3.0%	2.5%
OGE Energy Corp	3.3%	3.5%	3.8%	3.6%	2.8%	3.4%	2.5%	4.0%	3.3%
Otter Tail Corp	2.1%	3.3%	4.0%	4.0%	4.1%	3.5%	4.0%	5.0%	4.5%
PNM Resources	Not included in analyses since this company is merging with AVANGRID								
Sempra Energy	Not included in analyses due to impact on Company of California wildfires.								
Average						3.5%			3.7%

Source: Value Line Investment Survey.

PROXY COMPANIES PER SHARE GROWTH RATES

COMPANY	5-Year Historic Growth Rates				Est'd '18-'20 to '24-'26 Growth Rates			
	EPS	DPS	BVPS	Average	EPS	DPS	BVPS	Average
Parcell Proxy Group								
ALLETE	2.5%	3.5%	4.5%	3.5%	6.0%	3.5%	3.0%	4.2%
Avista Corp.	7.0%	4.0%	4.5%	5.2%	1.0%	4.0%	2.5%	2.5%
Black Hills Corp	7.0%	5.0%	4.0%	5.3%	3.5%	6.0%	5.0%	4.8%
Hawaiian Electric Industries	2.0%		3.5%	2.8%	1.5%	2.0%	3.5%	2.3%
IDACORP	4.0%	9.0%	5.0%	6.0%	4.5%	6.5%	4.0%	5.0%
NorthWestern Corp	6.0%	7.5%	7.0%	6.8%	2.5%	4.0%	3.0%	3.2%
OGE Energy	3.0%	9.5%	4.0%	5.5%	4.0%	4.5%	1.5%	3.3%
Otter Tail Corp	8.0%	3.0%	5.0%	5.3%	7.0%	5.5%	5.0%	5.8%
Pinnacle West Capital	5.0%	3.5%	4.0%	4.2%	4.5%	6.0%	3.5%	4.7%
Average				5.0%				4.0%
Adjusted Mckenzie Electric Group								
Algonquin Power & Utilities	Not included in analyses since Company not covered by Value Line.							
ALLETE	2.5%	3.5%	4.5%	3.5%	6.0%	3.5%	3.0%	4.2%
Ameren Corp	8.0%	3.5%	3.5%	5.0%	6.0%	7.0%	6.0%	6.3%
Avangrid, Inc.					6.0%	1.5%	1.0%	2.8%
Avista Corp	7.0%	4.0%	4.5%	5.2%	1.0%	4.0%	2.5%	2.5%
Black Hills Corp	7.0%	5.0%	4.0%	5.3%	3.5%	6.0%	5.0%	4.8%
CenterPoint Energy	-1.0%	1.0%	5.0%	1.7%	8.0%	-2.0%	5.0%	3.7%
CMS Energy Corp	7.0%	7.0%	5.5%	6.5%	7.5%	7.0%	8.0%	7.5%
DTE Energy	8.0%	7.5%	5.0%	6.8%	6.0%	6.5%	5.5%	6.0%
Edison International	Not included in analyses due to impact on Company of California wildfires.							
Emera Inc.	6.5%	10.0%	14.0%	10.2%	5.5%	3.0%	3.0%	3.8%
Entergy Corp.	3.0%	2.0%	-1.0%	1.3%	3.0%	4.5%	5.0%	4.2%
Exelon Corp	4.5%	-3.0%	4.0%	1.8%	4.0%	5.5%	4.0%	4.5%
FirstEnergy Corp		-2.0%	-17.5%	neg	8.5%	2.5%	10.0%	7.0%
Hawaiian Electric	2.0%		3.5%	2.8%	1.5%	2.0%	3.5%	2.3%
IDACORP	4.0%	9.0%	5.0%	6.0%	4.5%	6.5%	4.0%	5.0%
Northwestern Corp	6.0%	7.5%	7.0%	6.8%	2.5%	4.0%	3.0%	3.2%
OGE Energy Corp	3.0%	9.5%	4.0%	5.5%	4.0%	4.5%	1.5%	3.3%
Otter Tail Corp	8.0%	3.0%	5.0%	5.3%	7.0%	5.5%	5.0%	5.8%
PNM Resources	Not included in analyses since this company is merging with AVANGRID							
Sempra Energy	Not included in analyses due to impact on Company of California wildfires.							
Average				4.9%				4.5%

Source: Value Line Investment Survey.

**PROXY COMPANIES
PROJECTIONS OF EARNINGS PER SHARE GROWTH**

Parcell Proxy Group	Value Line	First Call	Zack's	Average
ALLETE	6.0%	7.00%	NA	6.5%
Avista Corp.	1.0%	6.90%	6.88%	4.9%
Black Hills Corp	3.5%	4.68%	5.21%	4.5%
Hawaiian Electric Industries	1.5%	1.30%	2.49%	1.8%
IDACORP	4.5%	2.60%	2.63%	3.2%
NorthWestern Corp	2.5%	4.57%	4.38%	3.8%
OGE Energy	4.0%	3.80%	4.41%	4.1%
Otter Tail Corp	7.0%	9.00%	NA	8.0%
Pinnacle West Capital	4.5%	3.50%	3.37%	3.8%
Average				4.5%
Adjusted Mckenzie Electric Group				
Algonquin Power & Utilities	Not included in analyses since Company not covered by Value Line.			
ALLETE	6.0%	7.00%	NA	6.5%
Ameren Corp	6.0%	7.50%	7.07%	6.9%
Avangrid, Inc.	6.0%	3.20%	4.60%	4.6%
Avista Corp	1.0%	6.90%	6.88%	4.9%
Black Hills Corp	3.5%	4.68%	5.21%	4.5%
CenterPoint Energy	8.0%	neg	4.15%	6.1%
CMS Energy Corp	7.5%	7.19%	6.95%	7.2%
DTE Energy	6.0%	6.05%	5.67%	5.9%
Edison International	Not included in analyses due to impact on Company of California wildfires.			
Emera Inc.	5.5%	5.28%	NA	5.4%
Entergy Corp.	3.0%	5.50%	5.10%	4.5%
Exelon Corp	4.0%	neg	2.31%	3.2%
FirstEnergy Corp	8.5%	neg	NA	8.5%
Hawaiian Electric	1.5%	1.30%	2.49%	1.8%
IDACORP	4.5%	2.60%	2.63%	3.2%
Northwestern Corp	2.5%	4.57%	4.38%	3.8%
OGE Energy Corp	4.0%	3.80%	4.41%	4.1%
Otter Tail Corp	7.0%	9.00%	NA	8.0%
PNM Resources	Not included in analyses since this company is merging with AVANGRID			
Sempra Energy	Not included in analyses due to impact on Company of California wildfires.			
Average				5.2%

**PROXY COMPANIES
DCF COST RATES**

COMPANY	ADJUSTED YIELD	HISTORIC RETENTION GROWTH	PROSPECTIVE RETENTION GROWTH	HISTORIC PER SHARE GROWTH	PROSPECTIVE PER SHARE GROWTH	EPS GROWTH	AVERAGE GROWTH	DCF RATES
Parcell Proxy Group								
ALLETE	3.9%	2.4%	2.5%	3.5%	4.2%	6.50%	3.8%	7.7%
Avista Corp.	4.0%	2.5%	1.8%	5.2%	2.5%	4.93%	3.4%	7.4%
Black Hills Corp	3.7%	4.0%	3.3%	5.3%	4.8%	4.46%	4.4%	8.0%
Hawaiian Electric Industries	3.5%	3.5%	2.8%	2.8%	2.3%	1.76%	2.6%	6.2%
IDACORP	3.1%	4.3%	3.8%	6.0%	5.0%	3.24%	4.5%	7.5%
NorthWestern Corp	4.2%	3.2%	2.5%	6.8%	3.2%	3.82%	3.9%	8.1%
OGE Energy	5.3%	3.4%	3.3%	5.5%	3.3%	4.07%	3.9%	9.2%
Otter Tail Corp	3.7%	3.5%	4.5%	5.3%	5.8%	8.00%	5.4%	9.2%
Pinnacle West Capital	4.5%	3.9%	3.5%	4.2%	4.7%	3.79%	4.0%	8.5%
Mean	4.0%	3.4%	3.1%	5.0%	4.0%	4.5%	4.0%	8.0%
Median	3.9%	3.5%	3.3%	5.3%	4.2%	4.1%	3.9%	8.0%
Composite - Mean		7.4%	7.1%	8.9%	8.0%	8.5%	8.0%	
Composite - Median		7.4%	7.2%	9.3%	8.1%	8.0%	7.8%	
Adjusted Mckenzie Electric Group								
Algonquin Power & Utilities	Not included in analyses since Company not covered by Value Line.							
ALLETE	3.9%	2.4%	2.5%	3.5%	4.2%	6.50%	3.8%	7.7%
Ameren Corp	3.0%	4.0%	4.0%	5.0%	6.3%	6.86%	5.2%	8.2%
Avangrid, Inc.	3.8%	0.6%	1.3%		2.8%	4.60%	2.3%	6.1%
Avista Corp	4.0%	2.5%	1.8%	5.2%	2.5%	4.93%	3.4%	7.4%
Black Hills Corp	3.7%	4.0%	3.3%	5.3%	4.8%	4.46%	4.4%	8.0%
CenterPoint Energy	3.1%	2.5%	6.3%	1.7%	3.7%	6.08%	4.0%	7.1%
CMS Energy Corp	3.1%	5.1%	5.5%	6.5%	7.5%	7.21%	6.4%	9.5%
DTE Energy	3.6%	4.4%	4.3%	6.8%	6.0%	5.91%	5.5%	9.0%
Edison International	Not included in analyses due to impact on Company of California wildfires.							
Emera Inc.	4.9%	2.6%	2.8%	10.2%	3.8%	5.39%	5.0%	9.9%
Entergy Corp.	4.2%	5.5%	3.8%	1.3%	4.2%	4.53%	3.9%	8.0%
Exelon Corp	3.8%	3.5%	4.0%	1.8%	4.5%	3.16%	3.4%	7.2%
FirstEnergy Corp	4.9%	4.6%	7.5%	neg	7.0%	8.50%	6.9%	11.8%
Hawaiian Electric	3.5%	3.5%	2.8%	2.8%	2.3%	1.76%	2.6%	6.2%
IDACORP	3.1%	4.3%	3.8%	6.0%	5.0%	3.24%	4.5%	7.5%
Northwestern Corp	4.2%	3.2%	2.5%	6.8%	3.2%	3.82%	3.9%	8.1%
OGE Energy Corp	5.3%	3.4%	3.3%	5.5%	3.3%	4.07%	3.9%	9.2%
Otter Tail Corp	3.7%	3.5%	4.5%	5.3%	5.8%	8.00%	5.4%	9.2%
PNM Resources	Not included in analyses since this company is merging with AVANGRID							
Sempra Energy	Not included in analyses due to impact on Company of California wildfires.							
Mean	3.9%	3.5%	3.7%	4.9%	4.5%	5.2%	4.4%	8.2%
Median	3.8%	3.5%	3.8%	5.3%	4.2%	4.9%	4.0%	8.0%
Composite - Mean		7.4%	7.6%	8.8%	8.4%	9.1%	8.2%	
Composite - Median		7.3%	7.5%	9.1%	7.9%	8.7%	7.8%	

Note: negative values not used in calculations.

Sources: Prior pages of this schedule.