

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION d/b/a AVISTA UTILITIES,

Respondent.

DOCKET NOS. UE-200900 and UG-200901 (*Consolidated*)

J. RANDALL WOOLRIDGE

**ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT JRW-8r

Discounted Cash Flow (DCF) Study

April 21, 2021

**REVISED
MAY 24, 2021**

DCF Study

Panel A
Electric Proxy Group

| | |
|--------------------------------|-----------------------|
| Dividend Yield* | 3.70% |
| Adjustment Factor | <u>1.02625</u> |
| Adjusted Dividend Yield | 3.80% |
| Growth Rate** | <u>5.25%</u> |
| Equity Cost Rate | 9.05% |

* Page 2 of Exhibit JRW-8

** Based on data provided on pages 3, 4, 5, and 6 of Exhibit JRW-8

Panel B
McKenzie Proxy Group

| | |
|--------------------------------|-----------------------|
| Dividend Yield* | 3.70% |
| Adjustment Factor | <u>1.02625</u> |
| Adjusted Dividend Yield | 3.80% |
| Growth Rate** | <u>5.25%</u> |
| Equity Cost Rate | 9.05% |

* Page 2 of Exhibit JRW-8

** Based on data provided on pages 3, 4, 5, and 6 of Exhibit JRW-8

Panel C
Gas Proxy Group

| | |
|--------------------------------|---------------------|
| Dividend Yield* | 3.60% |
| Adjustment Factor | <u>1.025</u> |
| Adjusted Dividend Yield | 3.69% |
| Growth Rate** | <u>5.00%</u> |
| Equity Cost Rate | 8.69% |

* Page 2 of Exhibit JRW-8

** Based on data provided on pages 3, 4, 5, and 6 of Exhibit JRW-8

DCF Study
Dividend Yields

Panel A
Electric Proxy Group*

| Company | | Annual Dividend | Dividend Yield 30 Day | Dividend Yield 90 Day | Dividend Yield 180 Day |
|--|------|-----------------|-----------------------|-----------------------|------------------------|
| ALLETE, Inc. (NYSE-ALE) | ALE | 2.52 | 3.8% | 4.0% | 4.2% |
| Alliant Energy Corporation (NYSE-LNT) | LNT | 1.52 | 3.0% | 3.0% | 2.9% |
| Ameren Corporation (NYSE-AEE) | AEE | 2.06 | 2.7% | 2.7% | 2.6% |
| American Electric Power Co. (NYSE-AEP) | AEP | 2.96 | 3.7% | 3.6% | 3.6% |
| Avista Corporation (NYSE-AVA) | AVA | 1.69 | 3.9% | 4.2% | 4.4% |
| CMS Energy Corporation (NYSE-CMS) | CMS | 1.74 | 3.0% | 3.0% | 2.9% |
| Consolidated Edison, Inc. (NYSE-ED) | ED | 3.1 | 4.4% | 4.3% | 4.2% |
| Dominion Energy Inc. (NYSE-D) | D | 2.52 | 3.5% | 3.4% | 3.3% |
| Duke Energy Corporation (NYSE-DUK) | DUK | 3.86 | 4.2% | 4.2% | 4.3% |
| Edison International (NYSE-EIX) | EIX | 2.65 | 4.6% | 4.4% | 4.6% |
| Entergy Corporation (NYSE-ETR) | ETR | 3.8 | 4.0% | 3.9% | 3.8% |
| Evergy, Inc. (NYSE-EVRG) | EVRG | 2.14 | 3.8% | 3.9% | 3.9% |
| Eversource Energy (NYSE-ES) | ES | 2.41 | 2.9% | 2.8% | 2.8% |
| Hawaiian Electric Industries (NYSE-HE) | HE | 1.36 | 3.4% | 3.7% | 3.8% |
| IDACORP, Inc. (NYSE-IDA) | IDA | 2.84 | 3.0% | 3.1% | 3.1% |
| MGE Energy, Inc. (NYSE-MGEE) | MGEE | 1.48 | 2.2% | 2.2% | 2.2% |
| NextEra Energy, Inc. (NYSE-NEE) | NEE | 1.54 | 2.1% | 2.0% | 2.1% |
| NorthWestern Corporation (NYSE-NWE) | NWE | 2.48 | 4.0% | 4.2% | 4.4% |
| OGE Energy Corp. (NYSE-OGE) | OGE | 1.61 | 5.1% | 5.1% | 5.1% |
| Otter Tail Corporation (NDQ-OTTR) | OTTR | 1.56 | 3.5% | 3.7% | 3.8% |
| Pinnacle West Capital Corp. (NYSE-PNW) | PNW | 3.32 | 4.3% | 4.2% | 4.2% |
| Portland General Electric Company (NYSE-POR) | POR | 1.63 | 3.6% | 3.8% | 3.9% |
| PPL Corporation (NYSE-PPL) | PPL | 1.66 | 5.9% | 5.9% | 5.9% |
| SEMPRA Energy (NYSE-SRE) | SRE | 4.4 | 3.5% | 3.5% | 3.5% |
| Southern Company (NYSE-SO) | SO | 2.56 | 4.3% | 4.3% | 4.4% |
| WEC Energy Group (NYSE-WEC) | WEC | 2.71 | 3.1% | 3.0% | 2.9% |
| Xcel Energy Inc. (NYSE-XEL) | XEL | 1.72 | 2.7% | 2.7% | 2.6% |
| Mean | | | 3.6% | 3.7% | 3.7% |
| Median | | | 3.6% | 3.7% | 3.8% |

Data Source: S&P Capital IQ, April, 2021.

Panel B
McKenzie Proxy Group

| Company | | Annual Dividend | Dividend Yield 30 Day | Dividend Yield 90 Day | Dividend Yield 180 Day |
|-------------------------------------|------|-----------------|-----------------------|-----------------------|------------------------|
| ALLETE, Inc. (NYSE-ALE) | ALE | \$2.52 | 3.8% | 4.0% | 4.2% |
| Ameren Corporation (NYSE-AEE) | AEE | \$2.06 | 2.7% | 2.7% | 2.6% |
| Avista Corporation (NYSE-AVA) | AVA | \$1.69 | 3.9% | 4.2% | 4.4% |
| Black Hills Corporation (NYSE-BKH) | BKH | \$2.26 | 3.5% | 3.7% | 3.8% |
| CMS Energy Corporation (NYSE-CMS) | CMS | \$1.74 | 3.0% | 3.0% | 2.9% |
| DTE Energy Company (NYSE-DTE) | DTE | 4.34 | 3.4% | 3.5% | 3.6% |
| Edison International (NYSE-EIX) | EIX | \$2.65 | 4.6% | 4.4% | 4.6% |
| Entergy Corporation (NYSE-ETR) | ETR | \$3.80 | 4.0% | 3.9% | 3.8% |
| IDACORP, Inc. (NYSE-IDA) | IDA | \$2.84 | 3.0% | 3.1% | 3.1% |
| NorthWestern Corporation (NYSE-NWE) | NWE | \$2.48 | 4.0% | 4.2% | 4.4% |
| OGE Energy Corp. (NYSE-OGE) | OGE | \$1.61 | 5.1% | 5.1% | 5.1% |
| Otter Tail Corporation (NDQ-OTTR) | OTTR | \$1.56 | 3.5% | 3.7% | 3.8% |
| SEMPRA Energy (NYSE-SRE) | SRE | \$4.40 | 3.5% | 3.5% | 3.5% |
| Mean | | | 3.9% | 3.8% | 3.9% |
| Median | | | 3.5% | 3.7% | 3.8% |

Data Source: S&P Capital IQ, April, 2021.

Panel C
Gas Proxy Group

| Company | | Annual Dividend | Dividend Yield 30 Day | Dividend Yield 90 Day | Dividend Yield 180 Day |
|--|-----|-----------------|-----------------------|-----------------------|------------------------|
| Atmos Energy Corporation (NYSE-AWR) | ATO | \$2.50 | 2.7% | 2.7% | 2.6% |
| Chesapeake Utilities Corp. (NYSE-CPK) | CPK | \$1.76 | 1.6% | 1.6% | 1.8% |
| New Jersey Resources Corp. (NYSE-NJR) | NJR | \$1.33 | 3.3% | 3.6% | 3.9% |
| NiSource Inc. (NYSE-NI) | NI | \$0.88 | 3.8% | 3.9% | 3.8% |
| Northwest Natural Gas Co. (NYSE-NWN) | NWN | \$1.92 | 3.7% | 4.0% | 4.0% |
| One Gas, Inc. (NYSE-OGS) | OGS | \$2.32 | 3.2% | 3.1% | 3.1% |
| South Jersey Industries, Inc. (NYSE-SJI) | SJI | \$1.21 | 4.9% | 5.2% | 5.4% |
| Southwest Gas Corporation (NYSE-SWX) | SWX | \$2.38 | 3.6% | 3.7% | 3.7% |
| Spire (NYSE-SR) | SR | \$2.60 | 3.6% | 3.9% | 4.2% |
| Mean | | | 3.4% | 3.5% | 3.6% |
| Median | | | 3.6% | 3.7% | 3.8% |

Data Source: S&P Capital IQ, April, 2021.

DCF Study

DCF Equity Cost Growth Rate Measures
Value Line Historic Growth RatesPanel A
Electric Proxy Group

| Company | Value Line Historic Growth | | | | | |
|--|----------------------------|-----------|------------|--------------|-----------|------------|
| | Past 10 Years | | | Past 5 Years | | |
| | Earnings | Dividends | Book Value | Earnings | Dividends | Book Value |
| ALLETE, Inc. (NYSE-ALE) | 4.0 | 3.0 | 5.0 | 2.5 | 3.5 | 4.5 |
| Alliant Energy Corporation (NYSE-LNT) | 6.0 | 7.0 | 4.5 | 6.0 | 7.0 | 5.5 |
| Ameren Corporation (NYSE-AEE) | 2.0 | 0.5 | | 8.0 | 3.5 | 3.5 |
| American Electric Power Co. (NYSE-AEP) | 3.0 | 4.5 | 4.0 | 4.0 | 5.5 | 3.0 |
| Avista Corporation (NYSE-AVA) | 6.5 | 8.0 | 4.0 | 7.0 | 4.0 | 4.5 |
| CMS Energy Corporation (NYSE-CMS) | 7.5 | 11.5 | 5.0 | 7.0 | 7.0 | 5.5 |
| Consolidated Edison, Inc. (NYSE-ED) | 2.5 | 2.0 | 4.0 | 2.0 | 3.0 | 4.5 |
| Dominion Energy Inc. (NYSE-D) | 1.5 | 7.5 | 6.0 | | 8.0 | 9.5 |
| Duke Energy Corporation (NYSE-DUK) | 3.0 | 3.0 | 2.0 | 2.5 | 3.0 | 1.0 |
| Edison International (NYSE-EIX) | -3.5 | 7.0 | 2.0 | -10.5 | 11.5 | 2.5 |
| Entergy Corporation (NYSE-ETR) | | 1.5 | 1.0 | 3.0 | 2.0 | -1.0 |
| Evergy, Inc. (NYSE-EVRG) | | | | | | |
| Eversource Energy (NYSE-ES) | 6.0 | 9.0 | 6.5 | 7.0 | 7.0 | 3.5 |
| Hawaiian Electric Industries (NYSE-HE) | 6.0 | | 2.5 | 2.0 | | 3.5 |
| IDACORP, Inc. (NYSE-IDA) | 7.0 | 7.0 | 5.5 | 4.0 | 9.0 | 5.0 |
| MGE Energy, Inc. (NYSE-MGEE) | 5.0 | 3.5 | 5.5 | 3.0 | 4.5 | 6.0 |
| Nextera Energy, Inc. (NYSE-NEE) | 6.5 | 9.5 | 9.0 | 7.0 | 11.0 | 10.5 |
| NorthWestern Corporation (NYSE-NWE) | 7.0 | 5.5 | 6.0 | 6.0 | 7.5 | 7.0 |
| OGE Energy Corp. (NYSE-OGE) | 4.5 | 7.5 | 6.0 | 3.0 | 9.5 | 4.0 |
| Otter Tail Corporation (NDQ-OTTR) | 11.5 | 1.5 | 0.5 | 8.0 | 3.0 | 5.0 |
| Pinnacle West Capital Corp. (NYSE-PNW) | 6.5 | 3.0 | 3.0 | 5.0 | 3.5 | 4.0 |
| Portland General Electric Company (NYSE-POR) | 3.5 | 4.0 | 3.0 | 4.0 | 5.5 | 3.5 |
| PPL Corporation (NYSE-PPL) | 1.0 | 2.0 | 1.0 | -1.0 | 2.0 | -3.5 |
| Sempra Energy (NYSE-SRE) | 2.0 | 10.0 | 5.0 | 4.0 | 7.5 | 4.5 |
| Southern Company (NYSE-SO) | 3.0 | 3.5 | 3.5 | 3.0 | 3.5 | 3.0 |
| WEC Energy Group (NYSE-WEC) | 8.0 | 13.5 | 7.5 | 7.5 | 8.5 | 8.0 |
| Xcel Energy Inc. (NYSE-XEL) | 5.5 | 5.0 | 4.5 | 5.0 | 6.5 | 4.5 |
| Mean | 4.6 | 5.6 | 4.3 | 4.0 | 5.9 | 4.3 |
| Median | 5.0 | 5.0 | 4.5 | 4.0 | 5.5 | 4.5 |
| Average of Median Figures = | | | | 4.8 | | |

Data Source: Value Line Investment Survey.

Panel B
McKenzie Proxy Group

| Company | Value Line Historic Growth | | | | | |
|-------------------------------------|----------------------------|-----------|------------|--------------|-----------|------------|
| | Past 10 Years | | | Past 5 Years | | |
| | Earnings | Dividends | Book Value | Earnings | Dividends | Book Value |
| ALLETE, Inc. (NYSE-ALE) | 4.0 | 3.0 | 5.0 | 2.5 | 3.5 | 4.5 |
| Ameren Corporation (NYSE-AEE) | 2.0 | 0.5 | 0.0 | 8.0 | 3.5 | 3.5 |
| Avista Corporation (NYSE-AVA) | 6.5 | 8.0 | 4.0 | 7.0 | 4.0 | 4.5 |
| Black Hills Corporation (NYSE-BKH) | 7.0 | 3.5 | 3.0 | 7.0 | 5.0 | 4.0 |
| CMS Energy Corporation (NYSE-CMS) | 7.5 | 11.5 | 5 | 7 | 7 | 5.5 |
| DTE Energy Company (NYSE-DTE) | 8.0 | 5.5 | 4.5 | 7.5 | 7.0 | 5.0 |
| Edison International (NYSE-EIX) | -3.5 | 7.0 | 2.0 | -10.5 | 11.5 | 2.5 |
| Entergy Corporation (NYSE-ETR) | 0.0 | 1.5 | 1.0 | 3.0 | 2.0 | -1.0 |
| IDACORP, Inc. (NYSE-IDA) | 7.0 | 7.0 | 5.5 | 4.0 | 9.0 | 5.0 |
| NorthWestern Corporation (NYSE-NWE) | 7.0 | 5.5 | 6.0 | 6.0 | 7.5 | 7.0 |
| OGE Energy Corp. (NYSE-OGE) | 4.5 | 7.5 | 6.0 | 3.0 | 9.5 | 4.0 |
| Otter Tail Corporation (NDQ-OTTR) | 11.5 | 1.5 | 0.5 | 8.0 | 3.0 | 5.0 |
| SEMPRA Energy (NYSE-SRE) | 6.5 | 3.0 | 3.0 | 5.0 | 3.5 | 4.0 |
| Mean | 5.2 | 5.0 | 3.5 | 4.4 | 5.8 | 4.1 |
| Median | 6.5 | 5.5 | 4.0 | 6.0 | 5.0 | 4.5 |
| Average of Median Figures = | | | | 5.3 | | |

Data Source: Value Line Investment Survey.

Panel C
Gas Proxy Group

| Company | Value Line Historical Growth | | | | | |
|--|------------------------------|-----------|------------|--------------|-----------|------------|
| | Past 10 Years | | | Past 5 Years | | |
| | Earnings | Dividends | Book Value | Earnings | Dividends | Book Value |
| Atmos Energy Company (NYSE-ATO) | 8.0 | 5.0 | 7.5 | 9.0 | 7.5 | 10.0 |
| Chesapeake Utilities (NYSE-CPK) | 9.0 | 5.5 | 9.5 | 8.0 | 6.5 | 10.5 |
| New Jersey Resources Corp. (NYSE-NJR) | 7.0 | 7.0 | 7.0 | 6.0 | 6.5 | 8.5 |
| Nisource Inc (NYSE-NI) | -1.0 | -2.0 | -3.0 | -8.0 | -5.0 | -7.0 |
| Northwest Natural Gas Co. (NYSE-NWN) | -11.0 | 2.0 | 1.5 | -17.0 | 0.5 | -0.5 |
| ONE Gas, Inc. (NYSE-OGS)* | | | | 9.5 | 17.0 | 2.5 |
| South Jersey Industries, Inc. (NYSE-SJI) | 1.0 | 7.5 | 5.5 | -4.0 | 5.0 | 3.5 |
| Southwest Gas Company (NYSE-SWX) | 8.0 | 8.5 | 6.0 | 4.5 | 9.5 | 6.5 |
| Spire (NYSE-SR) | 1.5 | 4.5 | 7.0 | 4.5 | 6.0 | 5.5 |
| Mean | 2.8 | 4.8 | 5.1 | 1.4 | 5.9 | 4.4 |
| Median | 4.3 | 5.3 | 6.5 | 4.5 | 6.5 | 5.5 |
| Average of Median Figures = | | | | 5.4 | | |

Data Source: Value Line Investment Survey.

DCF Study

DCF Equity Cost Growth Rate Measures
Value Line Projected Growth RatesPanel A
Electric Proxy Group

| Company | Value Line | | | Value Line | | |
|--|---------------------------|-----------|------------|--------------------|----------------|-----------------|
| | Projected Growth | | | Sustainable Growth | | |
| | Est'd. '17-'19 to '23-'25 | | | Return on Equity | Retention Rate | Internal Growth |
| | Earnings | Dividends | Book Value | | | |
| ALLETE, Inc. (NYSE-ALE) | 6.0 | 3.5 | 3.0 | 9.0% | 38.0% | 3.4% |
| Alliant Energy Corporation (NYSE-LNT) | 5.5 | 6.0 | 6.0 | 10.5% | 37.0% | 3.9% |
| Ameren Corporation (NYSE-AEE) | 6.0 | 7.0 | 6.0 | 10.0% | 40.0% | 4.0% |
| American Electric Power Co. (NYSE-AEP) | 6.0 | 5.5 | 5.5 | 10.5% | 35.0% | 3.7% |
| Avista Corporation (NYSE-AVA) | 1.0 | 4.0 | 2.5 | 8.0% | 25.0% | 2.0% |
| CMS Energy Corporation (NYSE-CMS) | 7.5 | 7.0 | 8.0 | 14.0% | 40.0% | 5.6% |
| Consolidated Edison, Inc. (NYSE-ED) | 2.5 | 3.0 | 3.0 | 8.0% | 33.0% | 2.6% |
| Dominion Energy Inc. (NYSE-D) | 7.0 | -0.5 | 3.5 | 12.0% | 31.0% | 3.7% |
| Duke Energy Corporation (NYSE-DUK) | 5.0 | 2.5 | 2.0 | 8.5% | 30.0% | 2.6% |
| Edison International (NYSE-EIX) | 12.0 | 4.0 | 4.0 | 11.0% | 40.0% | 4.4% |
| Entergy Corporation (NYSE-ETR) | 3.0 | 4.5 | 5.0 | 11.0% | 36.0% | 4.0% |
| Evergy, Inc. (NYSE-EVRG) | 8.0 | 5.5 | 2.5 | 9.0% | 38.0% | 3.4% |
| Eversource Energy (NYSE-ES) | 6.5 | 6.0 | 5.5 | 9.5% | 39.0% | 3.7% |
| Hawaiian Electric Industries (NYSE-HE) | 1.5 | 2.0 | 3.5 | 8.5% | 34.0% | 2.9% |
| IDACORP, Inc. (NYSE-IDA) | 4.5 | 6.5 | 4.0 | 9.5% | 39.0% | 3.7% |
| MGE Energy, Inc. (NYSE-MGEE) | 4.5 | 5.5 | 5.0 | 9.5% | 40.0% | 3.8% |
| Nextera Energy, Inc. (NYSE-NEE) | 10.5 | 10.5 | 6.0 | 12.5% | 30.0% | 3.8% |
| NorthWestern Corporation (NYSE-NWE) | 2.5 | 4.0 | 3.0 | 9.0% | 34.0% | 3.1% |
| OGE Energy Corp. (NYSE-OGE) | 4.0 | 4.5 | 1.5 | 13.0% | 30.0% | 3.9% |
| Otter Tail Corporation (NDQ-OTTR) | 7.0 | 5.5 | 5.0 | 12.5% | 39.0% | 4.9% |
| Pinnacle West Capital Corp. (NYSE-PNW) | 4.5 | 6.0 | 3.5 | 10.5% | 33.0% | 3.5% |
| Portland General Electric Company (NYSE-POR) | 4.0 | 6.0 | 2.5 | 9.5% | 35.0% | 3.3% |
| PPL Corporation (NYSE-PPL) | 2.5 | 1.5 | 4.5 | 12.5% | 35.0% | 4.4% |
| Sempra Energy (NYSE-SRE) | 11.0 | 7.5 | 8.5 | 11.0% | 43.0% | 4.7% |
| Southern Company (NYSE-SO) | 3.5 | 3.0 | 3.5 | 13.0% | 28.0% | 3.6% |
| WEC Energy Group (NYSE-WEC) | 6.5 | 6.5 | 4.0 | 13.0% | 35.0% | 4.6% |
| Xcel Energy Inc. (NYSE-XEL) | 6.0 | 6.0 | 5.5 | 10.5% | 39.0% | 4.1% |
| Mean | 5.5 | 4.9 | 4.3 | 10.6% | 35.4% | 3.7% |
| Median | 5.5 | 5.5 | 4.0 | 10.5% | 35.0% | 3.7% |
| Average of Median Figures = | | 5.0 | | | Median = | 3.7% |

* Est'd. '17-'19 to '23-'25' is the estimated growth rate from the base period 2017 to 2019 until the future period 2023 to 2025.

Data Source: Value Line Investment Survey.

Panel B
McKenzie Proxy Group

| Company | Value Line | | | Value Line | | |
|-------------------------------------|---------------------------|-----------|------------|--------------------|----------------|-----------------|
| | Projected Growth | | | Sustainable Growth | | |
| | Est'd. '18-'20 to '23-'25 | | | Return on Equity | Retention Rate | Internal Growth |
| | Earnings | Dividends | Book Value | | | |
| ALLETE, Inc. (NYSE-ALE) | 6.0 | 3.5 | 3.0 | 9.0% | 38.0% | 3.4% |
| Ameren Corporation (NYSE-AEE) | 6.0 | 7.0 | 6.0 | 10.0% | 40.0% | 4.0% |
| Avista Corporation (NYSE-AVA) | 1.0 | 4.0 | 2.5 | 8.0% | 25.0% | 2.0% |
| Black Hills Corporation (NYSE-BKH) | 3.5 | 6.0 | 5.0 | 8.5% | 35.0% | 3.0% |
| CMS Energy Corporation (NYSE-CMS) | 7.5 | 7 | 8 | 14.0% | 40.0% | 5.6% |
| DTE Energy Company (NYSE-DTE) | 6.0 | 6.5 | 5.5 | 11.0% | 39.0% | 4.3% |
| Edison International (NYSE-EIX) | 12.0 | 4.0 | 4.0 | 11.0% | 40.0% | 4.4% |
| Entergy Corporation (NYSE-ETR) | 3.0 | 4.5 | 5.0 | 11.0% | 36.0% | 4.0% |
| IDACORP, Inc. (NYSE-IDA) | 4.5 | 6.5 | 4.0 | 9.5% | 39.0% | 3.7% |
| NorthWestern Corporation (NYSE-NWE) | 2.5 | 4.0 | 3.0 | 9.0% | 34.0% | 3.1% |
| OGE Energy Corp. (NYSE-OGE) | 4.0 | 4.5 | 1.5 | 13.0% | 30.0% | 3.9% |
| Otter Tail Corporation (NDQ-OTTR) | 7.0 | 5.5 | 5.0 | 12.5% | 39.0% | 4.9% |
| Sempra Energy (NYSE-SRE) | 11.0 | 7.5 | 8.5 | 11.0% | 43.0% | 4.7% |
| Mean | 5.7 | 5.4 | 4.7 | 10.6% | 36.8% | 3.9% |
| Median | 6.0 | 5.5 | 5.0 | 11.0% | 39.0% | 4.0% |
| Average of Median Figures = | | 5.5 | | | Median = | 4.0% |

* Est'd. '18-'19 to '23-'25' is the estimated growth rate from the base period 2017 to 2019 until the future period 2023 to 2025.

Gas Proxy Group

| Company | Value Line | | | Value Line | | |
|--|---------------------------|-----------|------------|--------------------|----------------|-----------------|
| | Projected Growth | | | Sustainable Growth | | |
| | Est'd. '18-'20 to '24-'26 | | | Return on Equity | Retention Rate | Internal Growth |
| | Earnings | Dividends | Book Value | | | |
| Atmos Energy Company (NYSE-ATO) | 7.0 | 7.5 | 10.5 | 7.5% | 49.0% | 3.7% |
| Chesapeake Utilities (NYSE-CPK) | 8.5 | 8.0 | 7.0 | 11.0% | 57.0% | 6.3% |
| New Jersey Resources Corp. (NYSE-NJR) | 1.5 | 5.5 | 5.0 | 10.5% | 33.0% | 3.5% |
| Nisource Inc (NYSE-NI) | 10.0 | 4.5 | 4.5 | 11.5% | 51.0% | 5.9% |
| Northwest Natural Gas Co. (NYSE-NWN) | 5.5 | 0.5 | 8.0 | 7.0% | 36.0% | 2.5% |
| ONE Gas, Inc. (NYSE-OGS) | 6.5 | 7.0 | 4.5 | 9.5% | 41.0% | 3.9% |
| South Jersey Industries, Inc. (NYSE-SJI) | 10.5 | 4.0 | 5.0 | 11.5% | 38.0% | 4.4% |
| Southwest Gas Company (NYSE-SWX) | 8.0 | 4.5 | 6.0 | 9.5% | 54.0% | 5.1% |
| Spire (NYSE-SR) | 9.0 | 4.5 | 8.5 | 7.0% | 35.0% | 2.5% |
| Mean | 7.4 | 5.1 | 6.6 | 9.4% | 43.8% | 4.2% |
| Median | 8.0 | 4.5 | 6.0 | 9.5% | 41.0% | 3.9% |
| Average of Median Figures = | | 6.2 | | | Median = | 3.9% |

* Est'd. '18-'20 to '24-'26' is the estimated growth rate from the base period 2018 to 2020 until the future period 2024 to 2026.

DCF Study

DCF Equity Cost Growth Rate Measures
Analysts Projected EPS Growth Rate EstimatesPanel A
Electric Proxy Group

| Company | Yahoo | Zacks | S&P | Mean |
|--|-------|-------|------|-------|
| ALLETE, Inc. (NYSE-ALE) | 7.0% | N/A | 6.0% | 6.5% |
| Alliant Energy Corporation (NYSE-LNT) | 5.7% | 5.8% | 5.8% | 5.8% |
| Ameren Corporation (NYSE-AEE) | 7.5% | 7.3% | 7.0% | 7.3% |
| American Electric Power Co. (NYSE-AEP) | 6.2% | 5.7% | 6.0% | 6.0% |
| Avista Corp (NYSE-AVA) | 6.9% | 6.9% | 5.0% | 6.3% |
| CMS Energy Corporation (NYSE-CMS) | 7.2% | 7.0% | 7.0% | 7.0% |
| Consolidated Edison, Inc. (NYSE-ED) | 3.0% | 2.0% | 2.0% | 2.3% |
| Dominion Energy Inc. (NYSE-D) | 2.8% | 6.7% | 6.5% | 5.3% |
| Duke Energy Corporation (NYSE-DUK) | 5.0% | 5.2% | 5.0% | 5.1% |
| Edison International (NYSE-EIX) | -0.5% | 4.3% | 4.7% | 2.8% |
| Entergy Corporation (NYSE-ETR) | 5.5% | 5.1% | 5.8% | 5.5% |
| Eversource Energy (NYSE-ES) | 7.1% | 6.8% | 7.0% | 6.9% |
| Hawaiian Electric Industries (NYSE-HE) | 1.3% | 2.5% | 4.2% | 2.7% |
| IDACORP, Inc. (NYSE-IDA) | 2.6% | 2.6% | 2.8% | 2.7% |
| MGE Energy, Inc. (NYSE-MGEE) | 4.7% | 4.7% | 4.7% | 4.7% |
| Nextera Energy, Inc. (NYSE-NEE) | 8.6% | 7.8% | 7.8% | 8.1% |
| NorthWestern Corporation (NYSE-NWE) | 4.6% | 4.4% | 4.8% | 4.6% |
| OGE Energy Corp. (NYSE-OGE) | 3.8% | 4.4% | 2.7% | 3.6% |
| Otter Tail Corporation (NDQ-OTTR) | 9.0% | N/A | 5.4% | 7.2% |
| Pinnacle West Capital Corp. (NYSE-PNW) | 3.5% | 3.4% | 5.0% | 4.0% |
| Portland General Electric Company (NYSE-POR) | 13.4% | 13.4% | 4.9% | 10.5% |
| PPL Corporation (NYSE-PPL) | N/A | N/A | 3.3% | 3.3% |
| Sempra Energy (NYSE-SRE) | 6.1% | 6.0% | 6.0% | 6.1% |
| Southern Company (NYSE-SO) | 6.5% | 5.0% | 6.0% | 5.8% |
| WEC Energy Group (NYSE-WEC) | 6.1% | 6.1% | 6.1% | 6.1% |
| Xcel Energy Inc. (NYSE-XEL) | 6.3% | 6.2% | 5.7% | 6.0% |
| Mean | 5.6% | 5.6% | 5.3% | 5.5% |
| Median | 5.9% | 5.8% | 5.7% | 5.8% |

Data Sources: www.zacks.com, http://quote.yahoo.com, S&P Cap IQ, April, 2021.

Panel B
McKenzie Proxy Group

| Company | Yahoo | Zacks | S&P | Mean |
|-------------------------------------|-------|-------|------|------|
| ALLETE, Inc. (NYSE-ALE) | 7.0% | N/A | 6.0% | 6.5% |
| Ameren Corporation (NYSE-AEE) | 7.5% | 7.3% | 7.0% | 7.3% |
| Avista Corp (NYSE-AVA) | 6.9% | 6.9% | 5.0% | 6.3% |
| Black Hills Corporation (NYSE-BKH) | 4.7% | 5.2% | 5.1% | 5.0% |
| CMS Energy Corporation (NYSE-CMS) | 7.2% | 7.0% | 7.0% | 7.0% |
| DTE Energy Company (NYSE-DTE) | 6.1% | 5.7% | 6.0% | 5.9% |
| Edison International (NYSE-EIX) | -0.5% | 4.3% | 4.7% | 2.8% |
| Entergy Corporation (NYSE-ETR) | 5.5% | 5.1% | 5.8% | 5.5% |
| IDACORP, Inc. (NYSE-IDA) | 2.6% | 2.6% | 2.8% | 2.7% |
| NorthWestern Corporation (NYSE-NWE) | 4.6% | 4.4% | 4.8% | 4.6% |
| OGE Energy Corp. (NYSE-OGE) | 3.8% | 4.4% | 2.7% | 3.6% |
| Otter Tail Corporation (NDQ-OTTR) | 9.0% | N/A | 5.4% | 7.2% |
| Sempra Energy (NYSE-SRE) | 6.1% | 6.0% | 6.0% | 6.1% |
| Mean | 5.4% | 5.4% | 5.2% | 5.4% |
| Median | 6.1% | 5.2% | 5.4% | 5.9% |

Data Sources: www.zacks.com, http://quote.yahoo.com, S&P Cap IQ, April, 2021.

Panel C
Gas Proxy Group

| Company | Yahoo | Zacks | S&P Cap IQ | Mean |
|--|-------|-------|------------|------|
| Atmos Energy Company (NYSE-ATO) | 7.0% | 7.3% | 7.0% | 7.1% |
| Chesapeake Utilities (NYSE-CPK) | 4.7% | na | 8.5% | 6.6% |
| New Jersey Resources Corp. (NYSE-NJR) | 6.0% | 6.0% | 7.1% | 6.4% |
| Nisource Inc (NYSE-NI) | 4.4% | 6.2% | 5.0% | 5.2% |
| Northwest Natural Gas Co. (NYSE-NWN) | 3.1% | NA | 2.5% | 2.8% |
| ONE Gas, Inc. (NYSE-OGS) | 5.0% | 5.0% | 5.5% | 5.2% |
| South Jersey Industries, Inc. (NYSE-SJI) | 4.4% | 4.4% | 4.4% | 4.4% |
| Southwest Gas Company (NYSE-SWX) | 4.0% | 5.0% | 5.0% | 4.7% |
| Spire (NYSE-SR) | 5.7% | 5.0% | 5.1% | 5.3% |
| Mean | 4.9% | 5.6% | 5.6% | 5.3% |
| Median | 4.7% | 5.0% | 5.1% | 5.2% |

Data Sources: www.zacks.com, http://quote.yahoo.com, S&P Cap IQ, April, 2021.

**REVISED
MAY 24, 2021**

Docket Nos. UE-200900/UG-200901

Exhibit JRW-8r

Page 6 of 6

**DCF Study
DCF Growth Rate Indicators**

Electric, McKenzie, and Gas Proxy Groups

| Growth Rate Indicator | Electric Proxy Group | McKenzie Proxy Group | Gas Proxy Group |
|---|-----------------------------|-----------------------------|------------------------|
| Historic <i>Value Line</i> Growth in EPS, DPS, and BVPS | 4.8% | 5.3% | 5.4% |
| Projected <i>Value Line</i> Growth in EPS, DPS, and BVPS | 5.0% | 5.5% | 6.2% |
| Sustainable Growth ROE * Retention Rate | 3.7% | 4.0% | 3.9% |
| Projected EPS Growth from Yahoo and Zacks - Mean/Median | 5.5%/5.8% | 5.4%/5.9% | 5.3%/5.2% |