

Exhibit No. ____ (DCP-9)
Dockets UE-140762, et al.
Witness: David C. Parcell

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**PACIFIC POWER & LIGHT
COMPANY,**

Respondent.

In the Matter of the Petition of

**PACIFIC POWER & LIGHT
COMPANY,**

**For an Order Approving Deferral of
Costs Related to Colstrip Outage.**

In the Matter of the Petition of

**PACIFIC POWER & LIGHT
COMPANY,**

**For an Order Approving Deferral of
Costs Related to Declining Hydro
Generation.**

**UE-140762 and UE-140617
(consolidated)**

DOCKET UE-131384 (consolidated)

DOCKET UE-140094 (consolidated)

EXHIBIT TO TESTIMONY OF

David C. Parcell

**ON BEHALF OF THE STAFF OF THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION**

Proxy Companies DCF Cost Rate

October 10, 2014

**PROXY COMPANIES
DIVIDEND YIELD**

COMPANY	Qtr DPS	July - September, 2014				YIELD
		DPS	HIGH	LOW	AVERAGE	
Parcell Proxy Group						
Alliant Energy	\$0.510	\$2.04	\$60.89	\$54.69	\$57.79	3.5%
DTE Energy	\$0.690	\$2.76	\$78.89	\$71.60	\$75.25	3.7%
Northeast Utilities	\$0.393	\$1.57	\$47.37	\$41.92	\$44.65	3.5%
OGE Energy	\$0.225	\$0.90	\$39.28	\$34.88	\$37.08	2.4%
Pinnacle West Capital	\$0.568	\$2.27	\$57.95	\$52.13	\$55.04	4.1%
Westar Energy	\$0.350	\$1.40	\$38.23	\$33.76	\$36.00	3.9%
Wisconsin Energy	\$0.390	\$1.56	\$47.02	\$41.90	\$44.46	3.5%
Average						3.5%
Strunk Proxy Group						
Alliant Energy	\$0.510	\$2.04	\$60.89	\$54.69	\$57.79	3.5%
American Electric Power	\$0.500	\$2.00	\$55.91	\$49.06	\$52.49	3.8%
Avista Corp.	\$0.318	\$1.27	\$33.60	\$30.35	\$31.98	4.0%
Black Hills Corp	\$0.390	\$1.56	\$62.13	\$47.87	\$55.00	2.8%
CenterPoint Energy	\$0.238	\$0.95	\$25.62	\$23.47	\$24.55	3.9%
Cleco Corp	\$0.400	\$1.60	\$59.21	\$48.06	\$53.64	3.0%
Consolidated Edison	\$0.630	\$2.52	\$58.12	\$54.58	\$56.35	4.5%
Dominion Resources	\$0.600	\$2.40	\$71.62	\$64.71	\$68.17	3.5%
DTE Energy	\$0.690	\$2.76	\$78.89	\$71.60	\$75.25	3.7%
Duke Energy	\$0.795	\$3.18	\$75.21	\$69.48	\$72.35	4.4%
El Paso Electric	\$0.280	\$1.12	\$40.43	\$35.39	\$37.91	3.0%
IDACORP	\$0.430	\$1.72	\$58.79	\$51.70	\$55.25	3.1%
NextEra Energy	\$0.725	\$2.90	\$102.46	\$91.79	\$97.13	3.0%
Northeast Utilities	\$0.393	\$1.57	\$47.37	\$41.92	\$44.65	3.5%
NorthWestern Corp	\$0.400	\$1.60	\$52.70	\$45.12	\$48.91	3.3%
OGE Energy	\$0.225	\$0.90	\$39.28	\$34.88	\$37.08	2.4%
Pinnacle West Capital	\$0.568	\$2.27	\$57.95	\$52.13	\$55.04	4.1%
Portland General Electric	\$0.280	\$1.12	\$34.74	\$31.41	\$33.08	3.4%
SCANA Corp	\$0.525	\$2.10	\$53.89	\$48.53	\$51.21	4.1%
Southern Company	\$0.525	\$2.10	\$45.47	\$41.87	\$43.67	4.8%
Westar Energy	\$0.350	\$1.40	\$38.23	\$33.76	\$36.00	3.9%
Wisconsin Energy	\$0.390	\$1.56	\$47.02	\$41.90	\$44.46	3.5%
Xcel Energy Inc.	\$0.300	\$1.20	\$32.48	\$29.60	\$31.04	3.9%
Average						3.6%

**PROXY COMPANIES
RETENTION GROWTH RATES**

COMPANY	2009	2010	2011	2012	2013	Average	2014	2015	2017-'19	Average
Parcell Proxy Group										
Alliant Energy	0.9%	3.8%	3.3%	3.9%	4.9%	3.4%	4.0%	4.5%	5.0%	4.5%
DTE Energy	2.9%	4.0%	3.4%	3.5%	2.7%	3.3%	4.0%	4.0%	4.0%	4.0%
Northeast Utilities	4.7%	5.0%	5.0%	1.6%	3.4%	3.9%	3.5%	3.5%	4.0%	3.7%
OGE Energy	6.0%	6.7%	7.7%	7.2%	7.3%	7.0%	6.5%	6.0%	5.5%	6.0%
Pinnacle West Capital	0.9%	3.1%	2.8%	4.1%	4.1%	3.0%	3.5%	3.5%	3.5%	3.5%
Westar Energy	0.8%	3.1%	2.7%	4.0%	4.2%	3.0%	4.0%	4.0%	4.5%	4.2%
Wisconsin Energy	6.2%	7.0%	6.8%	6.5%	5.9%	6.5%	5.5%	5.0%	5.0%	5.2%
Average						4.3%				4.4%
Strunk Proxy Group										
Alliant Energy	0.9%	3.8%	3.3%	3.9%	4.9%	3.4%	4.0%	4.5%	5.0%	4.5%
American Electric Power	4.6%	3.1%	4.2%	3.5%	3.7%	3.8%	4.0%	3.5%	4.0%	3.8%
Avista Corp.	4.1%	3.3%	3.1%	0.8%	2.9%	2.8%	2.0%	2.5%	3.0%	2.5%
Black Hills Corp	3.2%	0.7%	0.0%	1.8%	3.7%	1.9%	4.0%	4.0%	4.0%	4.0%
CenterPoint Energy	3.6%	3.8%	5.0%	5.5%	4.2%	4.4%	2.5%	1.5%	2.5%	2.2%
Cleco Corp	4.7%	6.1%	6.3%	5.7%	4.7%	5.5%	4.0%	4.0%	4.0%	4.0%
Consolidated Edison	2.5%	3.2%	3.1%	3.6%	3.6%	3.2%	3.0%	3.0%	3.0%	3.0%
Dominion Resources	4.7%	5.3%	4.0%	3.5%	4.2%	4.3%	5.0%	5.5%	4.0%	4.8%
DTE Energy	2.9%	4.0%	3.4%	3.5%	2.7%	3.3%	4.0%	4.0%	4.0%	4.0%
Duke Energy	1.1%	2.1%	2.2%	0.9%	1.5%	1.6%	2.0%	2.5%	3.0%	2.5%
El Paso Electric	9.3%	11.1%	10.0%	6.3%	4.9%	8.3%	5.0%	4.5%	5.0%	4.8%
IDACORP	4.8%	5.5%	6.5%	5.7%	5.6%	5.6%	5.0%	4.5%	3.5%	4.3%
NextEra Energy	6.5%	7.8%	7.4%	5.6%	5.2%	6.5%	4.0%	5.0%	5.0%	4.7%
Northeast Utilities	4.7%	5.0%	5.0%	1.6%	3.4%	3.9%	3.5%	3.5%	4.0%	3.7%
NorthWestern Corp	3.2%	3.5%	4.7%	3.2%	3.5%	3.6%	3.5%	4.0%	3.5%	3.7%
OGE Energy	6.0%	6.7%	7.7%	7.2%	7.3%	7.0%	6.5%	6.0%	5.5%	6.0%
Pinnacle West Capital	0.9%	3.1%	2.8%	4.1%	4.1%	3.0%	3.5%	3.5%	3.5%	3.5%
Portland General Electric	1.5%	3.0%	4.1%	3.5%	2.9%	3.0%	4.0%	4.0%	4.0%	4.0%
SCANA Corp	3.6%	3.8%	3.6%	3.9%	4.1%	3.8%	5.0%	4.5%	4.5%	4.7%
Southern Company	3.2%	3.0%	3.4%	3.6%	3.2%	3.3%	3.5%	3.5%	3.5%	3.5%
Westar Energy	0.8%	3.1%	2.7%	4.0%	4.2%	3.0%	4.0%	4.0%	4.5%	4.2%
Wisconsin Energy	6.2%	7.0%	6.8%	6.5%	5.9%	6.5%	5.5%	5.0%	5.0%	5.2%
Xcel Energy Inc.	3.7%	3.6%	4.3%	4.7%	4.5%	4.2%	4.0%	3.5%	4.5%	4.0%
Average						4.2%				4.0%

Source: Value Line Investment Survey.

**PROXY COMPANIES
PER SHARE GROWTH RATES**

COMPANY	5-Year Historic Growth Rates				Est'd '10-'12 to '17-'19 Growth Rates			
	EPS	DPS	BVPS	Average	EPS	DPS	BVPS	Average
Parcell Proxy Group								
Alliant Energy	4.5%	7.0%	3.0%	4.8%	6.0%	4.5%	4.0%	4.8%
DTE Energy	7.5%	3.0%	4.0%	4.8%	6.5%	5.0%	4.5%	5.3%
Northeast Utilities	9.0%	11.0%	8.0%	9.3%	8.0%	7.5%	5.0%	6.8%
OGE Energy	7.5%	3.0%	8.5%	6.3%	5.5%	9.0%	6.5%	7.0%
Pinnacle West Capital	4.0%	2.5%	1.0%	2.5%	4.0%	3.0%	4.0%	3.7%
Westar Energy	4.5%	4.0%	4.0%	4.2%	6.0%	3.0%	5.0%	4.7%
Wisconsin Energy	10.5%	19.5%	6.0%	12.0%	5.5%	9.5%	3.0%	6.0%
Average				6.3%				5.5%
Strunk Proxy Group								
Alliant Energy	4.5%	7.0%	3.0%	4.8%	6.0%	4.5%	4.0%	4.8%
American Electric Power	1.5%	4.0%	4.5%	3.3%	4.5%	4.5%	4.0%	4.3%
Avista Corp.	6.5%	13.5%	3.5%	7.8%	5.5%	4.5%	3.5%	4.5%
Black Hills Corp	2.0%	1.5%	2.0%	1.8%	9.5%	4.0%	4.0%	5.8%
CenterPoint Energy	0.5%	4.0%	13.0%	5.8%	3.5%	8.0%	2.0%	4.5%
Cleco Corp	12.5%	7.5%	8.5%	9.5%	3.5%	8.0%	4.0%	5.2%
Consolidated Edison	3.0%	1.0%	4.0%	2.7%	2.0%	2.0%	3.5%	2.5%
Dominion Resources	2.5%	7.5%	2.5%	4.2%	5.5%	5.0%	6.0%	5.5%
DTE Energy	7.5%	3.0%	4.0%	4.8%	6.5%	5.0%	4.5%	5.3%
Duke Energy	4.5%	11.5%	0.5%	5.5%	5.0%	2.0%	2.5%	3.2%
El Paso Electric	8.5%		8.0%	8.3%	3.0%	7.0%	5.5%	5.2%
IDACORP	10.0%	3.0%	5.5%	6.2%	1.0%	6.5%	4.0%	3.8%
NextEra Energy	6.0%	8.0%	7.5%	7.2%	6.0%	8.5%	7.0%	7.2%
Northeast Utilities	9.0%	11.0%	8.0%	9.3%	8.0%	7.5%	5.0%	6.8%
NorthWestern Corp	10.0%	3.0%	3.5%	5.5%	3.5%	4.5%	4.0%	4.0%
OGE Energy	7.5%	3.0%	8.5%	6.3%	5.5%	9.0%	6.5%	7.0%
Pinnacle West Capital	4.0%	2.5%	1.0%	2.5%	4.0%	3.0%	4.0%	3.7%
Portland General Electric	3.0%	4.5%	2.0%	3.2%	5.0%	4.5%	3.5%	4.3%
SCANA Corp	3.0%	2.5%	4.5%	3.3%	5.0%	3.0%	5.5%	4.5%
Southern Company	3.5%	4.0%	5.5%	4.3%	3.5%	3.5%	4.0%	3.7%
Westar Energy	4.5%	4.0%	4.0%	4.2%	6.0%	3.0%	5.0%	4.7%
Wisconsin Energy	10.5%	19.5%	6.0%	12.0%	5.5%	9.5%	3.0%	6.0%
Xcel Energy Inc.	5.5%	3.5%	4.5%	4.5%	5.5%	5.0%	5.0%	5.2%
Average				5.5%				4.9%

Source: Value Line Investment Survey.

**PROXY COMPANIES
DCF COST RATES**

COMPANY	ADJUSTED YIELD	HISTORIC RETENTION GROWTH	PROSPECTIVE RETENTION GROWTH	HISTORIC PER SHARE GROWTH	PROSPECTIVE PER SHARE GROWTH	FIRST CALL EPS GROWTH	AVERAGE GROWTH	DCF RATES
Parcell Proxy Group								
Alliant Energy	3.6%	3.4%	4.5%	4.8%	4.8%	4.7%	4.4%	8.1%
DTE Energy	3.8%	3.3%	4.0%	4.8%	5.3%	5.9%	4.7%	8.4%
Northeast Utilities	3.6%	3.9%	3.7%	9.3%	6.8%	6.3%	6.0%	9.6%
OGE Energy	2.5%	7.0%	6.0%	6.3%	7.0%	7.1%	6.7%	9.2%
Pinnacle West Capital	4.2%	3.0%	3.5%	2.5%	3.7%	3.8%	3.3%	7.5%
Westar Energy	4.0%	3.0%	4.2%	4.2%	4.7%	2.4%	3.7%	7.6%
Wisconsin Energy	3.6%	6.5%	5.2%	12.0%	6.0%	5.3%	7.0%	10.6%
Mean	3.6%	4.3%	4.4%	6.3%	5.5%	5.1%	5.1%	8.7%
Median	3.6%	3.4%	4.2%	4.8%	5.3%	5.3%	4.7%	8.4%
Composite - Mean		7.9%	8.0%	9.9%	9.1%	8.7%	8.7%	
Composite - Median		7.0%	7.8%	8.5%	9.0%	9.0%	8.3%	
Strunk Proxy Group								
Alliant Energy	3.6%	3.4%	4.5%	4.8%	4.8%	4.7%	4.4%	8.1%
American Electric Power	3.9%	3.8%	3.8%	3.3%	4.3%	4.8%	4.0%	7.9%
Avista Corp.	4.1%	2.8%	2.5%	7.8%	4.5%	5.0%	4.5%	8.6%
Black Hills Corp	2.9%	1.9%	4.0%	1.8%	5.8%	7.0%	4.1%	7.0%
CenterPoint Energy	4.0%	4.4%	2.2%	5.8%	4.5%	3.9%	4.2%	8.1%
Cleco Corp	3.1%	5.5%	4.0%	9.5%	5.2%	7.0%	6.2%	9.3%
Consolidated Edison	4.5%	3.2%	3.0%	2.7%	2.5%	2.7%	2.8%	7.4%
Dominion Resources	3.6%	4.3%	4.8%	4.2%	5.5%	6.2%	5.0%	8.6%
DTE Energy	3.8%	3.3%	4.0%	4.8%	5.3%	5.9%	4.7%	8.4%
Duke Energy	4.5%	1.6%	2.5%	5.5%	3.2%	4.7%	3.5%	8.0%
El Paso Electric	3.1%	8.3%	4.8%	8.3%	5.2%	7.0%	6.7%	9.8%
IDACORP	3.2%	5.6%	4.3%	6.2%	3.8%	4.0%	4.8%	8.0%
NextEra Energy	3.1%	6.5%	4.7%	7.2%	7.2%	6.5%	6.4%	9.5%
Northeast Utilities	3.6%	3.9%	3.7%	9.3%	6.8%	6.3%	6.0%	9.6%
NorthWestern Corp	3.3%	3.6%	3.7%	5.5%	4.0%	7.0%	4.8%	8.1%
OGE Energy	2.5%	7.0%	6.0%	6.3%	7.0%	7.1%	6.7%	9.2%
Pinnacle West Capital	4.2%	3.0%	3.5%	2.5%	3.7%	3.8%	3.3%	7.5%
Portland General Electric	3.5%	3.0%	4.0%	3.2%	4.3%	7.8%	4.5%	7.9%
SCANA Corp	4.2%	3.8%	4.7%	3.3%	4.5%	4.6%	4.2%	8.4%
Southern Company	4.9%	3.3%	3.5%	4.3%	3.7%	3.4%	3.6%	8.5%
Westar Energy	4.0%	3.0%	4.2%	4.2%	4.7%	2.4%	3.7%	7.6%
Wisconsin Energy	3.6%	6.5%	5.2%	12.0%	6.0%	5.3%	7.0%	10.6%
Xcel Energy Inc.	4.0%	4.2%	4.0%	4.5%	5.2%	4.5%	4.5%	8.4%
Mean	3.7%	4.2%	4.0%	5.5%	4.9%	5.3%	4.8%	8.5%
Median	3.6%	3.8%	4.0%	4.8%	4.7%	5.0%	4.5%	8.4%
Composite - Mean		7.9%	7.7%	9.2%	8.5%	9.0%	8.5%	
Composite - Median		7.4%	7.6%	8.5%	8.3%	8.6%	8.1%	

Note: Negative values not used in calculations.

Sources: Prior pages of this schedule.