

Exh. DCP-9

Dockets UE-230172 and UE-210852

Witness: David C. Parcell

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**PACIFICORP d/b/a PACIFIC POWER
AND LIGHT COMPANY,**

Respondent.

**DOCKETS UE-230172 and
UE-210852 (Consolidated)**

In the Matter of

**ALLIANCE OF WESTERN ENERGY
CONSUMERS'**

**Petition for Order Approving Deferral of
Increased Fly Ash Revenues**

EXHIBIT TO TESTIMONY OF

DAVID C. PARCELL

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

Proxy Companies - DCF Cost Rates

September 14, 2023

PROXY COMPANIES DIVIDEND YIELD

COMPANY	Qtr DPS	DPS	May - July 2023			YIELD
			HIGH	LOW	MID-POINT	
Parcell Proxy Group						
ALLETE	\$0.678	\$2.71	\$63.71	\$56.16	\$59.94	4.52%
Alliant Energy Corp	\$0.453	\$1.81	\$56.26	\$50.28	\$53.27	3.40%
Ameren Corp	\$0.630	\$2.52	\$90.72	\$79.80	\$85.26	2.96%
Avista Corp	\$0.460	\$1.84	\$44.77	\$36.03	\$40.40	4.55%
Black Hills Corp	\$0.625	\$2.50	\$66.85	\$56.75	\$61.80	4.05%
Evergy, Inc.	\$0.613	\$2.45	\$63.39	\$56.59	\$59.99	4.09%
Eversource Energy	\$0.675	\$2.70	\$78.64	\$67.79	\$73.22	3.69%
Fortis, Inc.	\$0.420	\$1.68	\$46.28	\$41.43	\$43.86	3.83%
IDACORP	\$0.790	\$3.16	\$112.91	\$100.76	\$106.84	2.96%
Northwestern Corp	\$0.640	\$2.56	\$60.29	\$54.79	\$57.54	4.45%
OGE Energy	\$0.414	\$1.66	\$38.04	\$34.58	\$36.31	4.56%
Otter Tail Corp	\$0.438	\$1.75	\$84.97	\$71.62	\$78.30	2.24%
Pinnacle West Capital Corp	\$0.865	\$3.46	\$86.03	\$75.00	\$80.52	4.30%
Portland General Electric	\$0.475	\$1.90	\$51.58	\$45.84	\$48.71	3.90%
WEC Energy Group	\$0.780	\$3.12	\$97.34	\$85.32	\$91.33	3.42%
Average						3.79%

Source: Yahoo! Finance.

**PROXY COMPANIES
RETENTION GROWTH RATES**

COMPANY	2018	2019	2020	2021	2022	Average	2023	2023	2026-'28	Average
Parcell Proxy Group										
ALLETE	2.7%	2.3%	2.0%	1.5%	2.5%	2.2%	2.5%	2.5%	3.5%	2.8%
Alliant Energy Corp	4.4%	4.2%	4.2%	4.3%	4.1%	4.2%	4.0%	4.5%	4.5%	4.3%
Ameren Corp	4.8%	4.4%	4.2%	4.4%	4.4%	4.4%	5.0%	5.0%	4.0%	4.7%
Avista Corp	2.2%	4.9%	0.9%	1.4%	1.1%	2.1%	2.0%	2.0%	2.0%	2.0%
Black Hills Corp	3.9%	3.8%	3.8%	3.3%	3.4%	3.6%	2.5%	2.5%	2.5%	2.5%
Evergy, Inc.	0.6%	2.4%	1.8%	4.1%	3.1%	2.4%	3.0%	3.0%	3.5%	3.2%
Eversource Energy	3.4%	3.6%	3.5%	3.6%	3.6%	3.5%	3.5%	3.5%	4.0%	3.7%
Fortis, Inc.	4.1%	4.0%	2.5%	3.5%	3.5%	3.5%	3.5%	3.5%	4.0%	3.7%
IDACORP	4.4%	4.2%	3.9%	3.7%	3.7%	4.0%	3.5%	3.5%	3.5%	3.5%
Northwestern Corp	3.2%	3.1%	2.0%	2.3%	1.7%	2.5%	2.0%	2.0%	2.5%	2.2%
OGE Energy	3.8%	3.6%	2.8%	3.6%	3.0%	3.4%	4.5%	4.5%	5.5%	4.8%
Otter Tail Corp	4.0%	4.0%	4.1%	11.3%	12.4%	7.2%	7.5%	7.0%	5.0%	6.5%
Pinnacle West Capital Corp	3.9%	3.8%	3.5%	4.2%	1.7%	3.4%	1.5%	1.5%	3.0%	2.0%
Portland General Electric	3.5%	3.1%	4.1%	3.5%	3.1%	3.5%	2.5%	3.0%	3.5%	3.0%
WEC Energy Group	3.7%	3.8%	3.8%	4.1%	4.0%	3.9%	4.5%	4.0%	4.0%	4.2%
Average						3.6%				3.5%

Source: Value Line Investment Survey, June 9, 2023, July 21, 2023, August 11, 2023.

**PROXY COMPANIES
PER SHARE GROWTH RATES**

COMPANY	5-Year Historic Growth Rates				Est'd '20-'22 to '26-'28 Growth Rates			
	EPS	DPS	BVPS	Average	EPS	DPS	BVPS	Average
Parcell Proxy Group								
ALLETE	0.5%	3.5%	3.0%	2.3%	6.0%	3.5%	3.5%	4.3%
Alliant Energy Corp	8.0%	6.5%	7.0%	7.2%	6.5%	6.0%	5.0%	5.8%
Ameren Corp	7.0%	4.0%	4.5%	5.2%	6.5%	6.5%	6.5%	6.5%
Avista Corp	0.5%	4.0%	3.5%	2.7%	6.5%	4.0%	3.5%	4.7%
Black Hills Corp	5.5%	6.0%	7.5%	6.3%	3.0%	4.5%	4.0%	3.8%
Evergy, Inc.				1/	7.5%	7.0%	3.5%	6.0%
Eversource Energy	5.5%	6.0%	4.5%	5.3%	6.5%	6.5%	4.5%	5.8%
Fortis, Inc.	3.5%	5.5%	3.5%	4.2%	5.0%	6.0%	4.0%	5.0%
IDACORP	4.0%	6.5%	4.5%	5.0%	5.0%	6.0%	4.0%	5.0%
Northwestern Corp	1.0%	4.0%	4.5%	3.2%	3.5%	2.0%	3.5%	3.0%
OGE Energy	4.5%	6.5%	1.5%	4.2%	6.5%	3.0%	5.5%	5.0%
Otter Tail Corp	14.5%	4.0%	6.0%	8.2%	4.5%	7.0%	8.0%	6.5%
Pinnacle West Capital Corp	3.5%	5.5%	4.0%	4.3%	2.5%	2.0%	3.0%	2.5%
Portland General Electric	5.0%	6.0%	3.0%	4.7%	5.0%	5.5%	4.0%	4.8%
WEC Energy Group	7.0%	6.5%	3.5%	5.7%	6.0%	7.0%	4.0%	5.7%
Average				4.9%				5.0%

1/ Evergy was formed in 2018 through merger of Great Plains Energy and Westar Energy. Thus, Value Line does not report 5-year historic growth rates.

Source: Value Line Investment Survey, June 9, 2023, July 21, 2023, August 11, 2023.

PROXY COMPANIES
"CONSENSUS" FORECASTS OF EARNINGS PER SHARE GROWTH

Company	First Call	Zacks	Average
Parcell Proxy Group			
ALLETE	8.10%	8.10%	8.10%
Alliant Energy Corp	7.00%	6.47%	6.74%
Ameren Corp	5.90%	6.43%	6.17%
Avista Corp	6.30%	6.35%	6.33%
Black Hills Corp	5.40%	2.20%	3.80%
Evergy, Inc.	2.67%	5.22%	3.95%
Eversource Energy	6.70%	6.34%	6.52%
Fortis, Inc.	4.22%	5.45%	4.84%
IDACORP	3.70%	3.68%	3.69%
Northwestern Corp	4.50%	5.49%	5.00%
OGE Energy	neg	3.65%	3.65%
Otter Tail Corp	9.00%	na	9.00%
Pinnacle West Capital Corp	6.10%	6.32%	6.21%
Portland General Electric	5.90%	6.02%	5.96%
WEC Energy Group	5.50%	5.76%	5.63%
Average			5.70%
Median			5.96%

Sources: Yahoo! Finance and Zack's websites, assessed August 1, 2023.

**PROXY COMPANIES
DCF COST RATES**

COMPANY	ADJUSTED YIELD	HISTORIC RETENTION GROWTH	PROSPECTIVE RETENTION GROWTH	HISTORIC PER SHARE GROWTH	PROSPECTIVE PER SHARE GROWTH	CONSENSUS EPS GROWTH	AVERAGE GROWTH	DCF RATES
Parcell Proxy Group								
ALLETE	4.61%	2.2%	2.8%	2.3%	4.3%	8.10%	4.0%	8.6%
Alliant Energy Corp	3.50%	4.2%	4.3%	7.2%	5.8%	6.74%	5.7%	9.2%
Ameren Corp	3.04%	4.4%	4.7%	5.2%	6.5%	6.17%	5.4%	8.4%
Avista Corp	4.64%	2.1%	2.0%	2.7%	4.7%	6.33%	3.6%	8.2%
Black Hills Corp	4.13%	3.6%	2.5%	6.3%	3.8%	3.80%	4.0%	8.1%
Evergy, Inc.	4.17%	2.4%	3.2%		6.0%	3.95%	3.9%	8.0%
Eversource Energy	3.78%	3.5%	3.7%	5.3%	5.8%	6.52%	5.0%	8.8%
Fortis, Inc.	3.91%	3.5%	3.7%	4.2%	5.0%	4.84%	4.2%	8.1%
IDACORP	3.02%	4.0%	3.5%	5.0%	5.0%	3.69%	4.2%	7.3%
Northwestern Corp	4.52%	2.5%	2.2%	3.2%	3.0%	5.00%	3.2%	7.7%
OGE Energy	4.66%	3.4%	4.8%	4.2%	5.0%	3.65%	4.2%	8.9%
Otter Tail Corp	2.32%	7.2%	6.5%	8.2%	6.5%	9.00%	7.5%	9.8%
Pinnacle West Capital Corp	4.38%	3.4%	2.0%	4.3%	2.5%	6.21%	3.7%	8.1%
Portland General Electric	3.99%	3.5%	3.0%	4.7%	4.8%	5.96%	4.4%	8.4%
WEC Energy Group	3.50%	3.9%	4.2%	5.7%	5.7%	5.63%	5.0%	8.5%
Mean	3.9%	3.6%	3.5%	4.9%	5.0%	5.7%	4.5%	8.4%
Median	4.0%	3.5%	3.5%	4.8%	5.0%	6.0%	4.2%	8.4%
Composite - Mean		7.5%	7.4%	8.8%	8.8%	9.6%	8.4%	
Composite - Median		7.5%	7.5%	8.8%	9.0%	9.9%	8.2%	

Note: negative values not used in calculations.

Sources: Prior pages of this schedule.