

Exhibit No. \_\_\_\_ (DCP-9)  
Docket UE-152253  
Witness: David C. Parcell

BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFIC POWER & LIGHT  
COMPANY,

Respondent.

DOCKET UE-152253

EXHIBIT TO  
TESTIMONY OF

DAVID C. PARCELL

ON BEHALF STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION

*Proxy Companies – Dividend Yield, Retention Growth Rates,  
Per Share Growth Rates, DCF Cost Rates*

March 17, 2016

## PROXY COMPANIES DIVIDEND YIELD

| COMPANY                         | Qtr<br>DPS | December 2015 -- February 2016 |          |         |         | YIELD       |
|---------------------------------|------------|--------------------------------|----------|---------|---------|-------------|
|                                 |            | DPS                            | HIGH     | LOW     | AVERAGE |             |
| <b>Parcell Proxy Group</b>      |            |                                |          |         |         |             |
| Alliant Energy                  | \$0.588    | \$2.35                         | \$70.25  | \$58.13 | \$64.19 | 3.7%        |
| DTE Energy                      | \$0.730    | \$2.92                         | \$87.84  | \$77.35 | \$82.60 | 3.5%        |
| Eversource Energy               | \$0.418    | \$1.67                         | \$56.92  | \$48.18 | \$52.55 | 3.2%        |
| OGE Energy                      | \$0.275    | \$1.10                         | \$27.81  | \$23.37 | \$25.59 | 4.3%        |
| Pinnacle West Capital           | \$0.625    | \$2.50                         | \$71.40  | \$60.70 | \$66.05 | 3.8%        |
| Westar Energy                   | \$0.360    | \$1.44                         | \$46.67  | \$40.00 | \$43.34 | 3.3%        |
| WEC Energy                      | \$0.495    | \$1.98                         | \$58.15  | \$47.98 | \$53.07 | 3.7%        |
| Average                         |            |                                |          |         |         | <b>3.6%</b> |
| <b>Strunk Proxy Group</b>       |            |                                |          |         |         |             |
| Ameren Corporation              | \$0.425    | \$1.70                         | \$48.22  | \$41.33 | \$44.78 | 3.8%        |
| American Electric Power         | \$0.560    | \$2.24                         | \$63.90  | \$54.08 | \$58.99 | 3.8%        |
| Avista Corporation              | \$0.343    | \$1.37                         | \$39.30  | \$33.00 | \$36.15 | 3.8%        |
| CenterPoint Energy              | \$0.258    | \$1.03                         | \$19.27  | \$16.05 | \$17.66 | 5.8%        |
| Consolidated Edison             | \$0.670    | \$2.68                         | \$73.90  | \$60.30 | \$67.10 | 4.0%        |
| Dominion Resources              | \$0.700    | \$2.80                         | \$72.20  | \$64.54 | \$68.37 | 4.1%        |
| DTE Energy Corporation          | \$0.730    | \$2.92                         | \$87.84  | \$77.35 | \$82.60 | 3.5%        |
| Edison International            | \$0.480    | \$1.92                         | \$69.24  | \$57.85 | \$63.55 | 3.0%        |
| El Paso Electric Company        | \$0.295    | \$1.18                         | \$43.40  | \$35.32 | \$39.36 | 3.0%        |
| Eversource Energy               | \$0.418    | \$1.67                         | \$56.92  | \$48.18 | \$52.55 | 3.2%        |
| Great Plains Energy             | \$0.263    | \$1.05                         | \$29.88  | \$25.57 | \$27.73 | 3.8%        |
| IDACORP                         | \$0.510    | \$2.04                         | \$73.82  | \$65.03 | \$69.43 | 2.9%        |
| NorthWestern Corp               | \$0.480    | \$1.92                         | \$60.76  | \$51.95 | \$56.36 | 3.4%        |
| OGE Energy                      | \$0.275    | \$1.10                         | \$27.81  | \$23.37 | \$25.59 | 4.3%        |
| Pinnacle West Capital Corp.     | \$0.625    | \$2.50                         | \$71.40  | \$60.70 | \$66.05 | 3.8%        |
| Portland General Electric Co.   | \$0.300    | \$1.20                         | \$40.48  | \$35.04 | \$37.76 | 3.2%        |
| Public Service Enterprise Group | \$0.390    | \$1.56                         | \$44.04  | \$36.80 | \$40.42 | 3.9%        |
| SCANA Corporation               | \$0.545    | \$2.18                         | \$66.90  | \$56.50 | \$61.70 | 3.5%        |
| Sempra Energy                   | \$0.700    | \$2.80                         | \$100.14 | \$86.72 | \$93.43 | 3.0%        |
| The Empire Distric Electric     | \$0.260    | \$1.04                         | \$33.75  | \$22.18 | \$27.97 | 3.7%        |
| Vectren Corp                    | \$0.400    | \$1.60                         | \$46.99  | \$39.43 | \$43.21 | 3.7%        |
| Westar Energy                   | \$0.360    | \$1.44                         | \$46.67  | \$40.00 | \$43.34 | 3.3%        |
| Xcel Energy Inc.                | \$0.320    | \$1.28                         | \$40.42  | \$34.33 | \$37.38 | 3.4%        |
| Average                         |            |                                |          |         |         | <b>3.7%</b> |

Source: Yahoo! Finance.

**PROXY COMPANIES  
RETENTION GROWTH RATES**

| COMPANY                         | 2011  | 2012  | 2013 | 2014 | 2015 | Average     | 2016 | 2017 | 2018-'20 | Average     |
|---------------------------------|-------|-------|------|------|------|-------------|------|------|----------|-------------|
| <b>Parcell Proxy Group</b>      |       |       |      |      |      |             |      |      |          |             |
| Alliant Energy                  | 3.3%  | 3.9%  | 4.9% | 4.3% | 4.5% | 4.2%        | 4.5% |      | 4.5%     | 4.5%        |
| DTE Energy                      | 3.4%  | 3.5%  | 2.7% | 5.2% | 3.5% | 3.7%        | 3.5% |      | 4.0%     | 3.8%        |
| Eversource Energy               | 5.0%  | 1.6%  | 3.4% | 3.5% | 3.5% | 3.4%        | 3.5% | 3.5% | 4.0%     | 3.7%        |
| OGE Energy                      | 7.7%  | 7.2%  | 7.3% | 6.5% | 4.0% | 6.5%        | 4.0% |      | 3.0%     | 3.5%        |
| Pinnacle West Capital           | 2.8%  | 4.1%  | 4.1% | 3.5% | 3.5% | 3.6%        | 3.5% |      | 3.5%     | 3.5%        |
| Westar Energy                   | 2.7%  | 4.0%  | 4.2% | 4.3% | 4.5% | 3.9%        | 4.5% |      | 5.0%     | 4.8%        |
| WEC Energy                      | 6.8%  | 6.5%  | 5.9% | 5.3% | 2.0% | 5.3%        | 3.0% |      | 4.0%     | 3.5%        |
| Average                         |       |       |      |      |      | <b>4.4%</b> |      |      |          | <b>3.9%</b> |
| <b>Strunk Proxy Group</b>       |       |       |      |      |      |             |      |      |          |             |
| Ameren Corporation              | 2.8%  | 3.0%  | 1.9% | 2.9% | 3.0% | 2.7%        | 3.5% |      | 4.5%     | 4.0%        |
| American Electric Power         | 4.2%  | 3.5%  | 3.7% | 3.8% | 4.5% | 3.9%        | 4.0% |      | 4.0%     | 4.0%        |
| Avista Corporation              | 3.1%  | 0.8%  | 2.9% | 2.4% | 2.5% | 2.3%        | 2.5% |      | 2.5%     | 2.5%        |
| CenterPoint Energy              | 5.0%  | 5.5%  | 4.2% | 4.5% | 1.0% | 4.0%        | 1.0% |      | 2.0%     | 1.5%        |
| Consolidated Edison             | 3.1%  | 3.6%  | 3.6% | 2.6% | 3.0% | 3.2%        | 3.0% | 3.5% | 3.0%     | 3.2%        |
| Dominion Resources              | 4.0%  | 3.5%  | 4.2% | 3.3% | 2.9% | 3.6%        | 3.5% | 3.0% | 5.0%     | 3.8%        |
| DTE Energy Corporation          | 3.4%  | 3.5%  | 2.7% | 5.2% | 3.5% | 3.7%        | 3.5% |      | 4.0%     | 3.8%        |
| Edison International            | 6.3%  | 11.4% | 8.1% | 8.8% | 6.0% | 8.1%        | 6.0% |      | 6.5%     | 6.3%        |
| El Paso Electric Company        | 10.0% | 6.3%  | 4.9% | 4.8% | 3.5% | 5.9%        | 3.5% |      | 5.0%     | 4.3%        |
| Eversource Energy               | 5.0%  | 1.6%  | 3.4% | 3.5% | 3.5% | 3.4%        | 2.0% |      | 3.0%     | 2.5%        |
| Great Plains Energy             | 2.0%  | 2.2%  | 3.2% | 2.7% | 1.5% | 2.3%        | 3.0% |      | 3.0%     | 3.0%        |
| IDACORP                         | 6.5%  | 5.7%  | 5.6% | 5.4% | 4.5% | 5.5%        | 4.0% |      | 3.5%     | 3.8%        |
| NorthWestern Corp               | 4.7%  | 3.2%  | 3.5% | 3.8% | 3.0% | 3.6%        | 4.0% |      | 4.0%     | 4.0%        |
| OGE Energy                      | 7.7%  | 7.2%  | 7.3% | 6.5% | 4.0% | 6.5%        | 4.0% |      | 3.0%     | 3.5%        |
| Pinnacle West Capital Corp.     | 2.8%  | 4.1%  | 4.1% | 3.5% | 3.5% | 3.6%        | 3.5% |      | 3.5%     | 3.5%        |
| Portland General Electric Co.   | 4.1%  | 3.5%  | 2.9% | 4.6% | 3.5% | 3.7%        | 4.5% |      | 4.0%     | 4.3%        |
| Public Service Enterprise Group | 8.6%  | 4.8%  | 4.4% | 6.3% | 6.5% | 6.1%        | 5.0% | 4.5% | 5.0%     | 4.8%        |
| SCANA Corporation               | 3.6%  | 3.9%  | 4.1% | 4.9% | 4.5% | 4.2%        | 4.5% | 4.5% | 5.0%     | 4.7%        |
| Sempra Energy                   | 6.5%  | 5.1%  | 4.1% | 5.0% | 5.0% | 5.1%        | 5.0% |      | 7.0%     | 6.0%        |
| The Empire Distric Electric     | 4.1%  | 1.9%  | 2.7% | 2.9% | 2.0% | 2.7%        | 2.0% |      | 3.0%     | 2.5%        |
| Vectren Corp                    | 1.9%  | 2.9%  | 1.2% | 2.9% | 4.0% | 2.6%        | 4.5% |      | 7.0%     | 5.8%        |
| Westar Energy                   | 2.7%  | 4.0%  | 4.2% | 4.3% | 4.5% | 3.9%        | 4.5% |      | 5.0%     | 4.8%        |
| Xcel Energy Inc.                | 4.3%  | 4.7%  | 4.5% | 4.5% | 4.0% | 4.4%        | 4.0% |      | 4.0%     | 4.0%        |
| Average                         |       |       |      |      |      | <b>4.1%</b> |      |      |          | <b>3.9%</b> |

Source: Value Line Investment Survey.

**PROXY COMPANIES  
PER SHARE GROWTH RATES**

| COMPANY                         | 5-Year Historic Growth Rates |       |       |             | Est'd '12-'14 to '18-'20 Growth Rates |       |      |             |
|---------------------------------|------------------------------|-------|-------|-------------|---------------------------------------|-------|------|-------------|
|                                 | EPS                          | DPS   | BVPS  | Average     | EPS                                   | DPS   | BVPS | Average     |
| <b>Parcell Proxy Group</b>      |                              |       |       |             |                                       |       |      |             |
| Alliant Energy                  | 6.5%                         | 6.5%  | 3.5%  | 5.5%        | 6.0%                                  | 4.5%  | 4.0% | 4.8%        |
| DTE Energy                      | 8.0%                         | 4.0%  | 4.0%  | 5.3%        | 5.0%                                  | 5.5%  | 4.5% | 5.0%        |
| Eversource Energy               | 5.5%                         | 11.5% | 9.5%  | 8.8%        | 7.0%                                  | 6.0%  | 3.5% | 5.5%        |
| OGE Energy                      | 8.0%                         | 4.5%  | 9.0%  | 7.2%        | 3.0%                                  | 10.0% | 4.0% | 5.7%        |
| Pinnacle West Capital           | 8.0%                         | 3.0%  | 2.0%  | 4.3%        | 4.0%                                  | 3.5%  | 3.5% | 3.7%        |
| Westar Energy                   | 9.0%                         | 3.5%  | 3.5%  | 5.3%        | 6.0%                                  | 3.0%  | 5.0% | 4.7%        |
| WEC Energy                      | 10.5%                        | 19.5% | 5.5%  | 11.8%       | 6.0%                                  | 8.5%  | 9.0% | 7.8%        |
| Average                         |                              |       |       | <b>6.9%</b> |                                       |       |      | <b>5.3%</b> |
| <b>Strunk Proxy Group</b>       |                              |       |       |             |                                       |       |      |             |
| Ameren Corporation              | -4.5%                        | -6.0% | -3.5% | neg         | 7.0%                                  | 3.5%  | 3.5% | 4.7%        |
| American Electric Power         | 1.5%                         | 4.0%  | 4.5%  | 3.3%        | 5.0%                                  | 5.0%  | 4.5% | 4.8%        |
| Avista Corporation              | 6.5%                         | 11.5% | 4.0%  | 7.3%        | 5.0%                                  | 4.0%  | 3.5% | 4.2%        |
| CenterPoint Energy              | 3.0%                         | 3.5%  | 11.0% | 5.8%        | 0.0%                                  | 5.0%  | 0.5% | 1.8%        |
| Consolidated Edison             | 2.5%                         | 1.0%  | 3.5%  | 2.3%        | 2.5%                                  | 3.0%  | 3.5% | 3.0%        |
| Dominion Resources              | 2.5%                         | 7.0%  | 2.0%  | 3.8%        | 8.0%                                  | 8.0%  | 5.0% | 7.0%        |
| DTE Energy Corporation          | 8.0%                         | 4.0%  | 4.0%  | 5.3%        | 5.0%                                  | 5.5%  | 4.5% | 5.0%        |
| Edison International            | 4.5%                         | 2.5%  | 2.0%  | 3.0%        | 3.5%                                  | 10.0% | 6.0% | 6.5%        |
| El Paso Electric Company        | 6.5%                         |       | 8.0%  | 7.3%        | 3.5%                                  | 5.0%  | 4.5% | 4.3%        |
| Eversource Energy               | 5.5%                         | 11.5% | 9.5%  | 8.8%        | 7.0%                                  | 6.0%  | 3.5% | 5.5%        |
| Great Plains Energy             | 2.5%                         | -8.5% | 2.5%  | neg         | 5.0%                                  | 6.0%  | 3.0% | 4.7%        |
| IDACORP                         | 10.0%                        | 5.5%  | 6.0%  | 7.2%        | 1.0%                                  | 6.0%  | 4.0% | 3.7%        |
| NorthWestern Corp               | 8.0%                         | 3.0%  | 5.5%  | 5.5%        | 6.5%                                  | 6.5%  | 5.5% | 6.2%        |
| OGE Energy                      | 8.0%                         | 4.5%  | 9.0%  | 7.2%        | 3.0%                                  | 10.0% | 4.0% | 5.7%        |
| Pinnacle West Capital Corp.     | 8.0%                         | 3.0%  | 2.0%  | 4.3%        | 4.0%                                  | 3.5%  | 3.5% | 3.7%        |
| Portland General Electric Co.   | 3.0%                         | 2.5%  | 2.0%  | 2.5%        | 6.0%                                  | 5.5%  | 4.0% | 5.2%        |
| Public Service Enterprise Group | -1.5%                        | 2.5%  | 7.5%  | 2.8%        | 4.0%                                  | 4.5%  | 5.5% | 4.7%        |
| SCANA Corporation               | 4.0%                         | 2.0%  | 5.0%  | 3.7%        | 4.5%                                  | 3.5%  | 5.5% | 4.5%        |
| Sempra Energy                   | -0.5%                        | 12.5% | 5.5%  | 5.8%        | 9.5%                                  | 5.0%  | 5.5% | 6.7%        |
| The Empire Distric Electric     | 5.0%                         | -4.5% | 2.0%  | 0.8%        | 3.0%                                  | 2.0%  | 2.5% | 2.5%        |
| Vectren Corp                    | 1.5%                         | 2.0%  | 2.5%  | 2.0%        | 9.5%                                  | 4.0%  | 2.5% | 5.3%        |
| Westar Energy                   | 9.0%                         | 3.5%  | 3.5%  | 5.3%        | 6.0%                                  | 3.0%  | 5.0% | 4.7%        |
| Xcel Energy Inc.                | 6.0%                         | 3.5%  | 4.5%  | 4.7%        | 4.5%                                  | 6.0%  | 4.0% | 4.8%        |
| Average                         |                              |       |       | <b>4.7%</b> |                                       |       |      | <b>4.7%</b> |

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 |
|---------------------------------|----------------|---------------------------|------------------------------|---------------------------|------------------------------|-----------------------|----------------|-----------|
| <b>Parcell Proxy Group</b>      |                |                           |                              |                           |                              |                       |                |           |
| Alliant Energy                  | 3.8%           | 4.2%                      | 4.5%                         | 5.5%                      | 4.8%                         | 5.6%                  | 4.9%           | 8.7%      |
| DTE Energy                      | 3.6%           | 3.7%                      | 3.8%                         | 5.3%                      | 5.0%                         | 4.9%                  | 4.5%           | 8.1%      |
| Eversource Energy               | 3.3%           | 3.4%                      | 3.7%                         | 8.8%                      | 5.5%                         | 6.1%                  | 5.5%           | 8.8%      |
| OGE Energy                      | 4.4%           | 6.5%                      | 3.5%                         | 7.2%                      | 5.7%                         | 2.3%                  | 5.0%           | 9.4%      |
| Pinnacle West Capital           | 3.9%           | 3.6%                      | 3.5%                         | 4.3%                      | 3.7%                         | 5.0%                  | 4.0%           | 7.9%      |
| Westar Energy                   | 3.4%           | 3.9%                      | 4.8%                         | 5.3%                      | 4.7%                         | 3.5%                  | 4.4%           | 7.8%      |
| WEC Energy                      | 3.9%           | 5.3%                      | 3.5%                         | 11.8%                     | 7.8%                         | 6.8%                  | 7.0%           | 10.9%     |
| Mean                            | 3.7%           | 4.4%                      | 3.9%                         | 6.9%                      | 5.3%                         | 4.9%                  | 5.1%           | 8.8%      |
| Median                          | 3.8%           | 3.9%                      | 3.7%                         | 5.5%                      | 5.0%                         | 5.0%                  | 4.9%           | 8.7%      |
| Composite - Mean                |                | 8.1%                      | 7.6%                         | 10.6%                     | 9.0%                         | 8.6%                  | 8.8%           |           |
| Composite - Median              |                | 7.7%                      | 7.4%                         | 9.3%                      | 8.8%                         | 8.7%                  | 8.7%           |           |
| <b>Strunk Proxy Group</b>       |                |                           |                              |                           |                              |                       |                |           |
| Ameren Corporation              | 3.9%           | 2.7%                      | 4.0%                         | neg                       | 4.7%                         | 5.2%                  | 4.1%           | 8.0%      |
| American Electric Power         | 3.9%           | 3.9%                      | 4.0%                         | 3.3%                      | 4.8%                         | 4.6%                  | 4.1%           | 8.0%      |
| Avista Corporation              | 3.9%           | 2.3%                      | 2.5%                         | 7.3%                      | 4.2%                         | 5.0%                  | 4.3%           | 8.1%      |
| CenterPoint Energy              | 5.9%           | 4.0%                      | 1.5%                         | 5.8%                      | 1.8%                         | 0.4%                  | 2.7%           | 8.6%      |
| Consolidated Edison             | 4.1%           | 3.2%                      | 3.2%                         | 2.3%                      | 3.0%                         | 2.8%                  | 2.9%           | 6.9%      |
| Dominion Resources              | 4.2%           | 3.6%                      | 3.8%                         | 3.8%                      | 7.0%                         | 6.5%                  | 4.9%           | 9.1%      |
| DTE Energy Corporation          | 3.6%           | 3.7%                      | 3.8%                         | 5.3%                      | 5.0%                         | 4.9%                  | 4.5%           | 8.1%      |
| Edison International            | 3.1%           | 8.1%                      | 6.3%                         | 3.0%                      | 6.5%                         | neg                   | 6.0%           | 9.1%      |
| El Paso Electric Company        | 3.1%           | 5.9%                      | 4.3%                         | 7.3%                      | 4.3%                         | 7.0%                  | 5.7%           | 8.8%      |
| Eversource Energy               | 3.3%           | 3.4%                      | 2.5%                         | 8.8%                      | 5.5%                         | 6.1%                  | 5.3%           | 8.5%      |
| Great Plains Energy             | 3.9%           | 2.3%                      | 3.0%                         | neg                       | 4.7%                         | 5.1%                  | 3.8%           | 7.6%      |
| IDACORP                         | 3.0%           | 5.5%                      | 3.8%                         | 7.2%                      | 3.7%                         | 4.0%                  | 4.8%           | 7.8%      |
| NorthWestern Corp               | 3.5%           | 3.6%                      | 4.0%                         | 5.5%                      | 6.2%                         | 5.6%                  | 5.0%           | 8.5%      |
| OGE Energy                      | 4.4%           | 6.5%                      | 3.5%                         | 7.2%                      | 5.7%                         | 2.3%                  | 5.0%           | 9.4%      |
| Pinnacle West Capital Corp.     | 3.9%           | 3.6%                      | 3.5%                         | 4.3%                      | 3.7%                         | 5.0%                  | 4.0%           | 7.9%      |
| Portland General Electric Co.   | 3.2%           | 3.7%                      | 4.3%                         | 2.5%                      | 5.2%                         | 5.7%                  | 4.3%           | 7.5%      |
| Public Service Enterprise Group | 3.9%           | 6.1%                      | 4.8%                         | 2.8%                      | 4.7%                         | 1.5%                  | 4.0%           | 7.9%      |
| SCANA Corporation               | 3.6%           | 4.2%                      | 4.7%                         | 3.7%                      | 4.5%                         | 4.5%                  | 4.3%           | 7.9%      |
| Sempra Energy                   | 3.1%           | 5.1%                      | 6.0%                         | 5.8%                      | 6.7%                         | 8.6%                  | 6.4%           | 9.5%      |
| The Empire Distric Electric     | 3.8%           | 2.7%                      | 2.5%                         | 0.8%                      | 2.5%                         | 5.0%                  | 2.7%           | 6.5%      |
| Vectren Corp                    | 3.8%           | 2.6%                      | 5.8%                         | 2.0%                      | 5.3%                         | 5.0%                  | 4.1%           | 7.9%      |
| Westar Energy                   | 3.4%           | 3.9%                      | 4.8%                         | 5.3%                      | 4.7%                         | 3.5%                  | 4.4%           | 7.8%      |
| Xcel Energy Inc.                | 3.5%           | 4.4%                      | 4.0%                         | 4.7%                      | 4.8%                         | 4.8%                  | 4.5%           | 8.1%      |
| Mean                            | 3.7%           | 4.1%                      | 3.9%                         | 4.7%                      | 4.7%                         | 4.7%                  | 4.4%           | 8.2%      |
| Median                          | 3.8%           | 3.7%                      | 4.0%                         | 4.7%                      | 4.7%                         | 5.0%                  | 4.3%           | 8.0%      |
| Composite - Mean                |                | 7.9%                      | 7.7%                         | 8.4%                      | 8.5%                         | 8.4%                  | 8.2%           |           |
| Composite - Median              |                | 7.5%                      | 7.8%                         | 8.4%                      | 8.4%                         | 8.7%                  | 8.1%           |           |

Note: negative values not used in calculations.

Sources: Prior pages of this schedule.