

Exhibit No. ___ (DCP-11)
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 CAPM Cost Rates

October 10, 2014

**PROXY COMPANIES
CAPM COST RATES**

COMPANY	RISK-FREE RATE	BETA	RISK PREMIUM	CAPM RATES
Parcell Proxy Group				
Alliant Energy	3.01%	0.80	5.85%	7.7%
DTE Energy	3.01%	0.75	5.85%	7.4%
Northeast Utilities	3.01%	0.75	5.85%	7.4%
OGE Energy	3.01%	0.85	5.85%	8.0%
Pinnacle West Capital	3.01%	0.70	5.85%	7.1%
Westar Energy	3.01%	0.75	5.85%	7.4%
Wisconsin Energy	3.01%	0.65	5.85%	6.8%
Mean				7.4%
Median				7.4%
Strunk Proxy Group				
Alliant Energy	3.01%	0.80	5.85%	7.7%
American Electric Power	3.01%	0.70	5.85%	7.1%
Avista Corp.	3.01%	0.75	5.85%	7.4%
Black Hills Corp	3.01%	0.85	5.85%	8.0%
CenterPoint Energy	3.01%	0.75	5.85%	7.4%
Cleco Corp	3.01%	0.75	5.85%	7.4%
Consolidated Edison	3.01%	0.60	5.85%	6.5%
Dominion Resources	3.01%	0.70	5.85%	7.1%
DTE Energy	3.01%	0.75	5.85%	7.4%
Duke Energy	3.01%	0.60	5.85%	6.5%
El Paso Electric	3.01%	0.70	5.85%	7.1%
IDACORP	3.01%	0.80	5.85%	7.7%
NextEra Energy	3.01%	0.70	5.85%	7.1%
Northeast Utilities	3.01%	0.75	5.85%	7.4%
NorthWestern Corp	3.01%	0.70	5.85%	7.1%
OGE Energy	3.01%	0.85	5.85%	8.0%
Pinnacle West Capital	3.01%	0.70	5.85%	7.1%
Portland General Electric	3.01%	0.75	5.85%	7.4%
SCANA Corp	3.01%	0.75	5.85%	7.4%
Southern Company	3.01%	0.60	5.85%	6.5%
Westar Energy	3.01%	0.75	5.85%	7.4%
Wisconsin Energy	3.01%	0.65	5.85%	6.8%
Xcel Energy Inc.	3.01%	0.65	5.85%	6.8%
Mean				7.2%
Median				7.4%

Sources: Value Line Investment Survey, Standard & Poor's Analysts' Handbook, Federal Reserve.

20-year Treasury Bonds	
Month	Rate
July, 2014	3.07%
Aug., 2014	2.94%
Sept., 2014	3.01%
Average	3.01%