

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

March 17, 2016

**PROXY COMPANIES
CAPM COST RATES**

COMPANY	RISK-FREE RATE	BETA	RISK PREMIUM	CAPM RATES
Parcell Proxy Group				
Alliant Energy	2.43%	0.80	5.75%	7.0%
DTE Energy	2.43%	0.75	5.75%	
Eversource Energy	2.43%	0.75	5.75%	6.7%
OGE Energy	2.43%	0.95	5.75%	7.9%
Pinnacle West Capital	2.43%	0.75	5.75%	6.7%
Westar Energy	2.43%	0.45	5.75%	5.0%
WEC Energy	2.43%	0.70	5.75%	6.5%
Mean				6.7%
Median				6.7%
Strunk Proxy Group				
Ameren Corporation	2.43%	0.75	5.75%	6.7%
American Electric Power	2.43%	0.70	5.75%	6.5%
Avista Corporation	2.43%	0.80	5.75%	7.0%
CenterPoint Energy	2.43%	0.85	5.75%	7.3%
Consolidated Edison	2.43%	0.55	5.75%	5.6%
Dominion Resources	2.43%	0.70	5.75%	6.5%
DTE Energy Corporation	2.43%	0.75	5.75%	6.7%
Edison International	2.43%	0.70	5.75%	6.5%
El Paso Electric Company	2.43%	0.75	5.75%	6.7%
Eversource Energy	2.43%	0.75	5.75%	6.7%
Great Plains Energy	2.43%	0.85	5.75%	7.3%
IDACORP	2.43%	0.80	5.75%	7.0%
NorthWestern Corp	2.43%	0.70	5.75%	6.5%
OGE Energy	2.43%	0.95	5.75%	7.9%
Pinnacle West Capital Corp.	2.43%	0.75	5.75%	6.7%
Portland General Electric Co.	2.43%	0.80	5.75%	7.0%
Public Service Enterprise Group	2.43%	0.75	5.75%	6.7%
SCANA Corporation	2.43%	0.75	5.75%	6.7%
Sempra Energy	2.43%	0.80	5.75%	7.0%
The Empire Distric Electric	2.43%	0.70	5.75%	6.5%
Vectren Corp	2.43%	0.75	5.75%	6.7%
Westar Energy	2.43%	0.45	5.75%	5.0%
Xcel Energy Inc.	2.43%	0.65	5.75%	6.2%
Mean				6.7%
Median				6.7%

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

20-year Treasury Bonds

Month	Rate
Dec. 2015	2.61%
Jan. 2016	2.49%
Feb. 2016	2.20%
Average	2.43%