

Exhibit No. KGS-12
Docket UE-15____
Witness: Kurt G. Strunk

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFIC POWER & LIGHT
COMPANY,

Petition For a Rate Increase Based on a Modified
Commission Basis Report, Two-Year Rate Plan,
and Decoupling Mechanism.

Docket UE-15____

PACIFIC POWER & LIGHT COMPANY

EXHIBIT OF KURT G. STRUNK

Yield-Plus-Growth-Model

November 2015

**Pacific Power & Light Company
Yield + Growth Model**

	Item	Value
(a)	Electric Utility Industry Average Dividend Yield ¹	3.90%
(b)	Electric Utility Industry Average Growth Rate ²	6.50%
(a) + (b)	Cost of Equity	10.40%

Sources:

¹ Value Line, "Electric Utility (East) Industry," November 20, 2015.

² Zacks Investment Research, November 20, 2015.