

Exhibit No. KGS-13  
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**

**S&P 500 Forward Looking Market Risk of Premium**

**November 2015**

**Pacific Power & Light Company**  
**S&P 500 Forward Looking Market Risk Premium**

Dividend Yield <sup>1</sup>	Growth Rate <sup>2</sup>	Risk Free Rate <sup>3</sup>	Market Risk Premium
(a)	(b)	(c)	(d) = (a)*[1 + (b)] + (b) - (c)
2.14%	9.00%	3.09%	8.24%

**Notes:**

<sup>1</sup> Dividend yield calculated as (total dividends) / (12 month average price), November 12, 2015, Bloomberg Financial, L.P.

<sup>2</sup> Source: Bloomberg Financial, L.P., Composite of Long-Term EPS Analyst Estimates for the S&P 500, November 12, 2015.

<sup>3</sup> Source: Federal Reserve, Constant Maturity 30-year Treasury Yield, November 12, 2015.