

**Exhibit No. DCP-11
Dockets UE-160228/UG-160229
Witness: David C. Parcell**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**AVISTA CORPORATION d/b/a
AVISTA UTILITIES,**

Respondent.

**DOCKETS UE-160228 and
UG-160229 (*Consolidated*)**

**EXHIBIT TO
TESTIMONY OF**

DAVID C. PARCELL

**ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Proxy Companies CAPM Cost Rates

August 17, 2016

**PROXY COMPANIES
CAPM COST RATES**

COMPANY	RISK-FREE RATE	BETA	RISK PREMIUM	CAPM RATES
Parcell Proxy Group				
ALLETE	2.02%	0.75	5.75%	6.3%
Alliant Energy	2.02%	0.75	5.75%	6.3%
Avista Corp	2.02%	0.75	5.75%	6.3%
Black Hills Corp	2.02%	0.90	5.75%	7.2%
IDACORP	2.02%	0.80	5.75%	6.6%
NorthWestern Corp	2.02%	0.70	5.75%	6.0%
OGE Energy Corp	2.02%	0.95	5.75%	7.5%
Pinnacle West Capital	2.02%	0.75	5.75%	6.3%
Portland General Corp	2.02%	0.80	5.75%	6.6%
Mean				6.6%
Median				6.3%
McKenzie Proxy Group				
ALLETE	2.02%	0.75	5.75%	6.3%
Ameren Corp	2.02%	0.75	5.75%	6.3%
American Electric Power	2.02%	0.70	5.75%	6.0%
Avista Corp	2.02%	0.75	5.75%	6.3%
CMS Energy	2.02%	0.70	5.75%	6.0%
DTE Energy Corp	2.02%	0.70	5.75%	6.0%
Edison International	2.02%	0.70	5.75%	6.0%
El Paso Electric	2.02%	0.75	5.75%	6.3%
Great Plains Energy	2.02%	0.80	5.75%	6.6%
IDACORP	2.02%	0.80	5.75%	6.6%
NorthWestern	2.02%	0.70	5.75%	6.0%
Otter Tail Corp	2.02%	0.80	5.75%	6.6%
PG&E Corp	2.02%	0.70	5.75%	6.0%
Portland General Electric	2.02%	0.80	5.75%	6.6%
Sempra Energy	2.02%	0.85	5.75%	6.9%
Westar Energy, Inc.	2.02%	0.75	5.75%	6.3%
Mean				6.3%
Median				6.3%

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

20-year Treasury Bonds	
Month	Rate
May, 2016	2.22%
June, 2016	2.02%
July, 2016	1.82%
Average	2.02%