

Exhibit No. DCP-12
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 ROE and M/B

August 17, 2016

PROXY COMPANIES
RATES OF RETURN ON AVERAGE COMMON EQUITY

COMPANY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2009-2015 Average	2016	2017	2019-21
Parcell Proxy Group																		
ALLETE	5.7%	9.1%	8.5%	12.0%	13.2%	13.4%	11.4%	7.3%	8.2%	9.5%	8.7%	8.4%	8.6%	9.4%	8.6%	8.5%	8.5%	8.5%
Alliant Energy	4.5%	6.7%	4.6%	11.5%	9.4%	11.5%	10.2%	7.5%	10.8%	10.4%	11.1%	11.4%	11.5%	10.6%	10.5%	10.5%	11.0%	12.5%
Avista Corp	12.1%	8.9%	7.9%	9.4%	8.8%	4.1%	7.6%	8.4%	8.5%	8.6%	6.4%	8.1%	8.1%	7.8%	8.1%	8.0%	8.0%	9.0%
Black Hills Corp	7.1%	4.2%	8.2%	7.3%	9.6%	10.9%	0.7%	8.4%	5.9%	3.6%	7.1%	9.1%	9.6%	9.5%	7.6%	9.0%	10.5%	10.5%
IDACORP	11.1%	13.2%	12.7%	12.5%	6.4%	6.9%	8.4%	9.3%	9.6%	10.5%	9.9%	10.1%	10.2%	9.7%	9.9%	9.0%	9.0%	9.0%
NorthWestern Corp	8.6%	8.3%	8.2%	6.7%	5.9%	14.7%	13.0%	12.9%	13.5%	14.0%	13.2%	13.2%	12.5%	10.3%	12.8%	10.0%	10.0%	12.0%
OGE Energy Corp						8.5%	6.1%	6.8%	9.3%	8.7%	9.8%	7.7%	9.2%	9.7%	9.1%	9.5%	9.5%	10.0%
Pinnacle West Capital						11.5%	6.5%	5.2%	8.0%	9.0%	8.3%	7.7%	9.1%	8.2%	8.1%	8.5%	9.0%	9.0%
Portland General Corp																		
Average	8.2%	8.4%	8.4%	9.1%	9.7%	9.8%	8.0%	8.5%	9.3%	9.5%	9.3%	9.8%	9.9%	9.4%	9.4%	9.1%	9.6%	10.1%
Median	7.9%	8.6%	8.2%	9.4%	9.4%	10.9%	8.0%	8.4%	9.3%	9.5%	9.3%	9.5%	9.6%	9.5%	9.3%	9.0%	9.5%	10.0%
McKenzie Proxy Group																		
ALLETE	10.8%	12.2%	10.0%	12.0%	13.2%	13.4%	11.4%	7.3%	8.2%	9.5%	8.7%	8.4%	8.6%	9.4%	8.6%	8.5%	8.5%	8.5%
Ameren Corp	12.3%	12.4%	12.7%	11.9%	8.5%	9.3%	8.8%	8.4%	8.5%	7.6%	8.0%	7.7%	8.6%	8.5%	8.2%	8.5%	9.0%	9.5%
American Electric Power	4.5%	6.7%	4.6%	5.8%	8.8%	4.1%	7.5%	8.4%	8.5%	8.6%	6.4%	8.7%	8.1%	7.8%	8.1%	8.0%	8.0%	9.0%
Avista Corp	nmf	nmf	nmf	10.4%	6.2%	6.6%	12.1%	8.3%	11.8%	12.5%	12.7%	13.2%	13.2%	13.7%	12.2%	13.0%	13.5%	13.5%
CMS Energy	13.7%	9.7%	8.1%	10.2%	7.5%	7.7%	7.5%	8.7%	9.6%	9.1%	9.2%	9.5%	9.5%	9.3%	9.4%	9.5%	9.5%	10.0%
DTE Energy Corp	15.4%	15.8%	3.9%	17.4%	14.9%	13.4%	13.4%	10.9%	10.7%	10.2%	15.2%	12.7%	13.5%	12.1%	12.2%	11.0%	11.0%	11.5%
Edison International	6.3%	6.5%	6.3%	6.7%	10.5%	11.9%	11.4%	9.4%	11.7%	13.0%	11.4%	10.0%	9.5%	8.2%	10.5%	8.0%	8.0%	8.5%
El Paso Electric	15.6%	16.6%	16.9%	13.7%	9.8%	10.6%	5.9%	4.9%	7.3%	5.8%	6.2%	7.3%	6.8%	5.8%	6.3%	6.5%	7.0%	7.5%
Great Plains Energy	7.1%	4.2%	8.2%	7.3%	9.4%	7.1%	8.0%	9.3%	9.8%	10.5%	9.9%	10.1%	10.2%	9.7%	9.9%	9.0%	9.0%	9.0%
IDACORP																		
NorthWestern	15.2%	12.0%	10.8%	11.6%	6.4%	6.9%	8.4%	9.4%	9.6%	10.9%	9.3%	9.5%	10.3%	9.0%	9.7%	9.0%	10.0%	10.0%
Otter Tail Corp	nmf	nmf	13.8%	11.7%	13.2%	11.9%	12.8%	3.7%	2.1%	2.7%	6.9%	9.4%	10.3%	9.9%	6.4%	9.0%	9.0%	10.5%
PG&E Corp																		
Portland General Electric	20.7%	19.4%	20.7%	15.7%	5.9%	11.5%	6.5%	6.2%	10.0%	9.0%	8.3%	7.7%	9.1%	8.2%	8.1%	8.5%	9.0%	9.0%
Sempra Energy	5.0%	10.6%	7.7%	9.6%	11.1%	14.1%	13.7%	13.8%	10.9%	11.4%	10.4%	9.7%	10.2%	11.2%	11.1%	10.0%	10.5%	13.5%
Westar Energy, Inc.																		
Average	11.5%	11.5%	10.1%	11.0%	10.3%	10.0%	9.5%	8.6%	9.0%	9.3%	9.3%	9.3%	9.9%	9.2%	9.2%	9.1%	9.5%	10.0%
Median	12.3%	12.0%	8.2%	11.0%	10.1%	10.5%	8.6%	8.6%	9.5%	9.6%	9.3%	9.5%	9.8%	9.2%	9.3%	9.0%	9.3%	9.8%

nmf -- designates not meaningful ROE.

Source: Calculations made from data contained in Value Line Investment Survey.

**PROXY COMPANIES
MARKET TO BOOK RATIOS**

COMPANY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2002-2008 Average	2009-2015 Average
Parcell Proxy Group																
ALLETE	110%	97%	120%	212%	219%	195%	156%	113%	127%	138%	136%	152%	151%	146%	138%	158%
Alliant Energy	85%	94%	111%	115%	155%	173%	131%	103%	131%	147%	161%	169%	197%	196%	131%	158%
Avista Corp	143%	134%	134%	165%	153%	127%	110%	94%	106%	119%	123%	125%	143%	141%	111%	122%
Black Hills Corp	134%	112%	125%	122%	139%	132%	104%	94%	113%	119%	123%	136%	159%	158%	124%	129%
IDACORP					160%	147%	109%	105%	122%	138%	146%	159%	174%	167%	144%	144%
NorthWestern Corp	147%	154%	178%	187%	205%	197%	145%	139%	180%	197%	204%	231%	228%	185%	173%	195%
OGE Energy Corp	116%	114%	130%	130%	129%	127%	100%	90%	113%	125%	141%	153%	158%	160%	121%	134%
Pinnacle West Capital					153%	140%	101%	83%	97%	109%	117%	131%	145%	148%	131%	119%
Portland General Corp																
Average	123%	118%	133%	152%	161%	139%	120%	100%	122%	133%	141%	157%	171%	161%	131%	141%
Median	125%	113%	128%	131%	153%	140%	110%	94%	113%	125%	136%	153%	159%	158%	129%	134%
McKenzie Proxy Group																
ALLETE	163%	162%	161%	212%	219%	195%	156%	113%	127%	138%	136%	152%	151%	146%	138%	138%
Ameren Corp	138%	124%	155%	165%	164%	159%	122%	83%	81%	92%	106%	125%	152%	149%	158%	113%
American Electric Power	85%	94%	111%	115%	135%	127%	110%	112%	118%	128%	134%	145%	162%	166%	154%	138%
Avista Corp	137%	80%	90%	125%	142%	177%	127%	117%	106%	119%	123%	125%	143%	141%	111%	122%
CMS Energy	145%	142%	132%	140%	134%	143%	101%	91%	148%	170%	192%	218%	239%	254%	125%	191%
DTE Energy Corp	117%	108%	153%	205%	194%	208%	149%	101%	116%	121%	137%	153%	170%	173%	134%	137%
Edison International	140%	120%	148%	176%	179%	179%	134%	102%	111%	117%	146%	166%	177%	182%	162%	143%
El Paso Electric	163%	198%	218%	189%	181%	173%	113%	73%	134%	164%	163%	161%	158%	152%	154%	148%
Great Plains Energy	134%	112%	125%	122%	139%	132%	104%	94%	87%	89%	97%	102%	116%	116%	176%	97%
IDACORP					160%	147%	109%	105%	113%	119%	123%	138%	159%	158%	124%	129%
NorthWestern	245%	209%	185%	183%	178%	200%	167%	108%	120%	123%	152%	196%	196%	186%	195%	154%
Otter Tail Corp	149%	203%	196%	179%	201%	203%	144%	149%	148%	146%	145%	143%	147%	161%	182%	148%
PG&E Corp					153%	140%	101%	83%	97%	109%	117%	131%	145%	148%	119%	119%
Portland General Electric	155%	172%	178%	186%	190%	194%	151%	135%	136%	128%	153%	187%	223%	220%	175%	169%
Sempra Energy	67%	109%	132%	142%	139%	140%	107%	91%	111%	119%	133%	138%	155%	153%	119%	129%
Westar Energy, Inc.																
Average	141%	141%	153%	165%	167%	169%	128%	103%	117%	126%	138%	152%	167%	167%	152%	139%
Median	140%	124%	153%	174%	163%	175%	125%	102%	117%	122%	137%	149%	159%	160%	150%	135%

Source: Calculations made from data contained in Value Line Investment Survey.