

**Exhibit No. DCP-9
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 DCF Cost Rates

August 17, 2016

**PROXY COMPANIES
DIVIDEND YIELD**

COMPANY	Qtr DPS	May - July, 2016			YIELD	
		DPS	HIGH	LOW		AVERAGE
Parcell Proxy Group						
ALLETE	\$0.520	\$2.08	\$65.41	\$54.03	\$59.72	3.5%
Alliant Energy	\$0.295	\$1.18	\$40.99	\$35.08	\$38.04	3.1%
Avista Corp	\$0.343	\$1.37	\$45.22	\$38.83	\$42.03	3.3%
Black Hills Corp	\$0.420	\$1.68	\$64.58	\$57.10	\$60.84	2.8%
IDACORP	\$0.510	\$2.04	\$83.40	\$69.83	\$76.62	2.7%
NorthWestern Corp	\$0.500	\$2.00	\$63.75	\$55.34	\$59.55	3.4%
OGE Energy Corp	\$0.275	\$1.10	\$32.96	\$28.97	\$30.97	3.6%
Pinnacle West Capital	\$0.625	\$2.50	\$82.78	\$70.11	\$76.45	3.3%
Portland General Corp	\$0.320	\$1.28	\$45.21	\$39.47	\$42.34	3.0%
Average						3.2%
McKenzie Proxy Group						
ALLETE	\$0.520	\$2.08	\$65.41	\$54.03	\$59.72	3.5%
Ameren Corp	\$0.425	\$1.70	\$54.08	\$46.30	\$50.19	3.4%
American Electric Power	\$0.560	\$2.24	\$71.32	\$62.61	\$66.97	3.3%
Avista Corp	\$0.343	\$1.37	\$45.22	\$38.83	\$42.03	3.3%
CMS Energy	\$0.310	\$1.24	\$46.25	\$39.85	\$43.05	2.9%
DTE Energy Corp	\$0.730	\$2.92	\$100.45	\$86.81	\$93.63	3.1%
Edison International	\$0.480	\$1.92	\$78.72	\$68.47	\$73.60	2.6%
El Paso Electric	\$0.310	\$1.24	\$48.38	\$42.42	\$45.40	2.7%
Great Plains Energy	\$0.263	\$1.05	\$31.24	\$28.08	\$29.66	3.5%
IDACORP	\$0.510	\$2.04	\$83.40	\$69.83	\$76.62	2.7%
NorthWestern	\$0.500	\$2.00	\$63.75	\$55.34	\$59.55	3.4%
Otter Tail Corp	\$0.313	\$1.25	\$35.37	\$27.77	\$31.57	4.0%
PG&E Corp	\$0.490	\$1.96	\$65.43	\$56.39	\$60.91	3.2%
Portland General Electric	\$0.320	\$1.28	\$45.21	\$39.47	\$42.34	3.0%
Sempra Energy	\$0.755	\$3.02	\$114.66	\$101.17	\$107.92	2.8%
Westar Energy, Inc.	\$0.380	\$1.52	\$56.83	\$50.74	\$53.79	2.8%
Average						3.1%

Source: Yahoo! Finance.

**PROXY COMPANIES
RETENTION GROWTH RATES**

COMPANY	2011	2012	2013	2014	2015	Average	2016	2017	2019-'21	Average
Parcell Proxy Group										
ALLETE	2.9%	2.3%	2.2%	2.5%	3.6%	2.7%	3.0%	3.0%	3.0%	3.0%
Alliant Energy	3.3%	3.9%	4.9%	4.3%	3.4%	4.0%	4.0%	4.5%	5.5%	4.7%
Avista Corp	3.1%	0.8%	2.9%	2.4%	2.3%	2.3%	2.5%	2.5%	3.5%	2.8%
Black Hills Corp	0.0%	1.8%	3.7%	4.3%	3.8%	2.7%	3.5%	5.0%	5.0%	4.5%
IDACORP	6.5%	5.7%	5.6%	5.4%	4.8%	5.6%	4.5%	4.0%	3.5%	4.0%
NorthWestern Corp	4.7%	3.2%	3.5%	3.8%	3.0%	3.6%	3.0%	4.0%	4.0%	3.7%
OGE Energy Corp	7.7%	7.2%	7.3%	6.5%	4.0%	6.5%	3.5%	3.5%	3.5%	3.5%
Pinnacle West Capital	2.8%	4.1%	4.1%	3.5%	3.9%	3.7%	3.5%	3.5%	3.5%	3.5%
Portland General Corp	4.1%	3.5%	2.9%	4.6%	3.3%	3.7%	4.0%	4.0%	4.0%	4.0%
Average						3.9%				3.7%
McKenzie Proxy Group										
ALLETE	2.9%	2.3%	2.2%	2.5%	3.6%	2.7%	3.0%	3.0%	3.0%	3.0%
Ameren Corp	2.8%	3.0%	1.9%	2.9%	2.5%	2.6%	2.5%	3.5%	3.5%	3.2%
American Electric Power	4.2%	3.5%	3.7%	3.8%	3.9%	3.8%	3.5%	3.5%	3.5%	3.5%
Avista Corp	3.1%	0.8%	2.9%	2.4%	2.3%	2.3%	2.5%	2.5%	3.5%	2.8%
CMS Energy	5.6%	5.0%	5.2%	5.0%	5.2%	5.2%	5.0%	5.5%	5.0%	5.2%
DTE Energy Corp	3.4%	3.5%	2.7%	5.2%	3.4%	3.6%	3.5%	4.0%	4.0%	3.8%
Edison International	6.3%	11.4%	8.1%	8.8%	7.2%	8.4%	5.5%	5.5%	5.5%	5.5%
El Paso Electric	10.0%	6.3%	4.9%	4.8%	3.4%	5.9%	3.5%	3.5%	3.0%	3.3%
Great Plains Energy	2.0%	2.2%	3.2%	2.7%	1.6%	2.3%	2.5%	2.5%	3.0%	2.7%
IDACORP	6.5%	5.7%	5.6%	5.4%	4.8%	5.6%	4.5%	4.0%	3.5%	4.0%
NorthWestern	4.7%	3.2%	3.5%	3.8%	3.0%	3.6%	3.0%	4.0%	4.0%	3.7%
Otter Tail Corp	0.0%	0.0%	1.2%	2.2%	2.0%	1.1%	2.0%	2.0%	4.0%	2.7%
PG&E Corp	3.4%	1.0%	0.2%	3.9%	0.7%	1.8%	3.5%	5.0%	5.0%	4.5%
Portland General Electric	4.1%	3.5%	2.9%	4.6%	3.3%	3.7%	4.0%	4.0%	4.0%	4.0%
Sempra Energy	6.5%	5.1%	4.1%	5.0%	5.8%	5.3%	4.0%	4.5%	7.0%	5.2%
Westar Energy, Inc.	2.7%	4.0%	4.2%	4.3%	2.9%	3.6%	4.5%	4.5%	5.0%	4.7%
Average						3.9%				3.9%

Source: Value Line Investment Survey.

**PROXY COMPANIES
PER SHARE GROWTH RATES**

COMPANY	5-Year Historic Growth Rates				Est'd '13-'15 to '19-'21 Growth Rates			
	EPS	DPS	BVPS	Average	EPS	DPS	BVPS	Average
Parcell Proxy Group								
ALLETE	5.0%	2.5%	6.0%	4.5%	4.0%	3.5%	4.0%	3.8%
Alliant Energy	7.0%	6.5%	4.0%	5.8%	6.0%	4.5%	4.0%	4.8%
Avista Corp	4.0%	9.0%	4.0%	5.7%	5.0%	4.0%	3.5%	4.2%
Black Hills Corp	15.0%	2.0%	1.5%	6.2%	6.5%	6.0%	5.0%	5.8%
IDACORP	8.0%	8.0%	6.0%	7.3%	3.0%	7.5%	4.0%	4.8%
NorthWestern Corp	7.0%	4.5%	7.0%	6.2%	6.5%	5.5%	4.5%	5.5%
OGE Energy Corp	6.5%	6.0%	8.5%	7.0%	3.0%	9.5%	3.5%	5.3%
Pinnacle West Capital	8.5%	2.0%	3.5%	4.7%	4.0%	5.0%	3.5%	4.2%
Portland General Corp	6.5%	2.5%	3.0%	4.0%	5.5%	6.0%	4.0%	5.2%
Average				5.7%				4.9%
McKenzie Proxy Group								
ALLETE	5.0%	2.5%	6.0%	4.5%	4.0%	3.5%	4.0%	3.8%
Ameren Corp	-4.0%	-3.0%	-3.0%	neg	6.0%	4.0%	3.5%	4.5%
American Electric Power	3.5%	4.0%	5.0%	4.2%	4.0%	5.0%	4.0%	4.3%
Avista Corp	4.0%	9.0%	4.0%	5.7%	5.0%	4.0%	3.5%	4.2%
CMS Energy	8.5%	16.5%	4.0%	9.7%	6.0%	6.5%	6.0%	6.2%
DTE Energy Corp	6.5%	5.0%	4.0%	5.2%	5.0%	5.5%	4.5%	5.0%
Edison International	3.5%	4.0%	1.5%	3.0%	3.5%	9.0%	5.5%	6.0%
El Paso Electric	4.0%		7.5%	5.8%	2.5%	5.0%	3.5%	3.7%
Great Plains Energy	4.0%	-3.0%	2.0%	1.0%	4.5%	5.5%	2.5%	4.2%
IDACORP	8.0%	8.0%	6.0%	7.3%	3.0%	7.5%	4.0%	4.8%
NorthWestern	7.0%	4.5%	7.0%	6.2%	6.5%	5.5%	4.5%	5.5%
Otter Tail Corp	15.5%	0.5%	-3.5%	4.2%	6.0%	1.5%	4.5%	4.0%
PG&E Corp	-5.5%	1.5%	3.5%	neg	12.0%	4.5%	5.0%	7.2%
Portland General Electric	6.5%	2.5%	3.0%	4.0%	5.5%	6.0%	4.0%	5.2%
Sempra Energy	1.5%	12.0%	5.5%	6.3%	10.0%	6.5%	5.0%	7.2%
Westar Energy, Inc.	9.0%	3.0%	4.0%	5.3%	6.0%	3.0%	5.0%	4.7%
Average				5.2%				5.0%

Source: Value Line Investment Survey.

**PROXY COMPANIES
DCF COST RATES**

COMPANY	ADJUSTED YIELD	HISTORIC RETENTION GROWTH	PROSPECTIVE RETENTION GROWTH	HISTORIC PER SHARE GROWTH	PROSPECTIVE PER SHARE GROWTH	FIRST CALL EPS GROWTH	AVERAGE GROWTH	DCF RATES
Parcell Proxy Group								
ALLETE	3.5%	2.7%	3.0%	4.5%	3.8%	5.0%	3.8%	7.4%
Alliant Energy	3.2%	4.0%	4.7%	5.8%	4.8%	6.6%	5.2%	8.4%
Avista Corp	3.3%	2.3%	2.8%	5.7%	4.2%	5.0%	4.0%	7.3%
Black Hills Corp	2.8%	2.7%	4.5%	6.2%	5.8%	6.5%	5.1%	8.0%
IDACORP	2.7%	5.6%	4.0%	7.3%	4.8%	4.0%	5.2%	7.9%
NorthWestern Corp	3.4%	3.6%	3.7%	6.2%	5.5%	5.0%	4.8%	8.2%
OGE Energy Corp	3.6%	6.5%	3.5%	7.0%	5.3%	4.3%	5.3%	9.0%
Pinnacle West Capital	3.3%	3.7%	3.5%	4.7%	4.2%	3.7%	3.9%	7.3%
Portland General Corp	3.1%	3.7%	4.0%	4.0%	5.2%	6.9%	4.7%	7.8%
Mean	3.2%	3.9%	3.7%	5.7%	4.9%	5.2%	4.7%	7.9%
Median	3.3%	3.7%	3.7%	5.8%	4.8%	5.0%	4.8%	7.9%
Composite - Mean		7.1%	7.0%	8.9%	8.1%	8.5%	7.9%	
Composite - Median		7.0%	7.0%	9.2%	8.2%	8.3%	8.1%	
McKenzie Proxy Group								
ALLETE	3.5%	2.7%	3.0%	4.5%	3.8%	5.0%	3.8%	7.4%
Ameren Corp	3.5%	2.6%	3.2%	neg	4.5%	5.2%	3.9%	7.3%
American Electric Power	3.4%	3.8%	3.5%	4.2%	4.3%	3.7%	3.9%	7.3%
Avista Corp	3.3%	2.3%	2.8%	5.7%	4.2%	5.0%	4.0%	7.3%
CMS Energy	3.0%	5.2%	5.2%	9.7%	6.2%	7.3%	6.7%	9.7%
DTE Energy Corp	3.2%	3.6%	3.8%	5.2%	5.0%	5.4%	4.6%	7.8%
Edison International	2.7%	8.4%	5.5%	3.0%	6.0%	2.6%	5.1%	7.8%
El Paso Electric	2.8%	5.9%	3.3%	5.8%	3.7%		4.7%	7.5%
Great Plains Energy	3.6%	2.3%	2.7%	1.0%	4.2%	7.1%	3.5%	7.1%
IDACORP	2.7%	5.6%	4.0%	7.3%	4.8%	4.0%	5.2%	7.9%
NorthWestern	3.4%	3.6%	3.7%	6.2%	5.5%	5.0%	4.8%	8.2%
Otter Tail Corp	4.0%	1.1%	2.7%	4.2%	4.0%	6.0%	3.6%	7.6%
PG&E Corp	3.3%	1.8%	4.5%	neg	7.2%	6.0%	4.9%	8.2%
Portland General Electric	3.1%	3.7%	4.0%	4.0%	5.2%	6.9%	4.7%	7.8%
Sempra Energy	2.9%	5.3%	5.2%	6.3%	7.2%	6.8%	6.2%	9.0%
Westar Energy, Inc.	2.9%	3.6%	4.7%	5.3%	4.7%	5.0%	4.7%	7.5%
Mean	3.2%	3.9%	3.9%	5.2%	5.0%	5.4%	4.6%	7.8%
Median	3.2%	3.6%	3.8%	5.3%	4.8%	5.2%	4.7%	7.7%
Composite - Mean		7.1%	7.1%	8.4%	8.2%	8.6%	7.8%	
Composite - Median		6.9%	7.0%	8.5%	8.0%	8.4%	7.9%	

Note: negative values not used in calculations.

Sources: Prior pages of this schedule.