

**Exh. DCP-4  
Dockets UE-170485/UG-170486  
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-170485 and  
UG-170486 (*Consolidated*)**

**EXHIBIT TO  
TESTIMONY OF**

**David C. Parcell**

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

*Economic Indicators*

**October 27, 2017**

## ECONOMIC INDICATORS

| Year                     | Real<br>GDP*<br>Growth | Industrial<br>Production<br>Growth | Unemploy-<br>ment<br>Rate | Consumer<br>Price Index |
|--------------------------|------------------------|------------------------------------|---------------------------|-------------------------|
| <b>1975 - 1982 Cycle</b> |                        |                                    |                           |                         |
| 1975                     | -0.2%                  | -8.9%                              | 8.5%                      | 7.0%                    |
| 1976                     | 5.4%                   | 7.9%                               | 7.7%                      | 4.8%                    |
| 1977                     | 4.6%                   | 7.6%                               | 7.1%                      | 6.8%                    |
| 1978                     | 5.6%                   | 5.5%                               | 6.1%                      | 9.0%                    |
| 1979                     | 3.2%                   | 3.0%                               | 5.8%                      | 13.3%                   |
| 1980                     | -0.2%                  | -2.6%                              | 7.1%                      | 12.4%                   |
| 1981                     | 2.6%                   | 1.3%                               | 7.6%                      | 8.9%                    |
| 1982                     | -1.9%                  | -5.2%                              | 9.7%                      | 3.8%                    |
| <b>1983 - 1991 Cycle</b> |                        |                                    |                           |                         |
| 1983                     | 4.6%                   | 2.7%                               | 9.6%                      | 3.8%                    |
| 1984                     | 7.3%                   | 8.9%                               | 7.5%                      | 3.9%                    |
| 1985                     | 4.2%                   | 1.2%                               | 7.2%                      | 3.8%                    |
| 1986                     | 3.5%                   | 1.0%                               | 7.0%                      | 1.1%                    |
| 1987                     | 3.5%                   | 5.2%                               | 6.2%                      | 4.4%                    |
| 1988                     | 4.2%                   | 5.2%                               | 5.5%                      | 4.4%                    |
| 1989                     | 3.7%                   | 0.9%                               | 5.3%                      | 4.6%                    |
| 1990                     | 1.9%                   | 1.0%                               | 5.6%                      | 6.1%                    |
| 1991                     | -0.1%                  | -1.5%                              | 6.8%                      | 3.1%                    |
| <b>1992 - 2001 Cycle</b> |                        |                                    |                           |                         |
| 1992                     | 3.6%                   | 2.9%                               | 7.5%                      | 2.9%                    |
| 1993                     | 2.7%                   | 3.3%                               | 6.9%                      | 2.7%                    |
| 1994                     | 4.0%                   | 5.2%                               | 6.1%                      | 2.7%                    |
| 1995                     | 2.7%                   | 4.7%                               | 5.6%                      | 2.5%                    |
| 1996                     | 3.8%                   | 4.5%                               | 5.4%                      | 3.3%                    |
| 1997                     | 4.5%                   | 7.2%                               | 4.9%                      | 1.7%                    |
| 1998                     | 4.5%                   | 5.8%                               | 4.5%                      | 1.6%                    |
| 1999                     | 4.7%                   | 4.4%                               | 4.2%                      | 2.7%                    |
| 2000                     | 4.1%                   | 3.9%                               | 4.0%                      | 3.4%                    |
| 2001                     | 1.0%                   | -3.1%                              | 4.7%                      | 1.6%                    |
| <b>2002 - 2009 Cycle</b> |                        |                                    |                           |                         |
| 2002                     | 1.8%                   | 0.3%                               | 5.8%                      | 2.4%                    |
| 2003                     | 2.8%                   | 1.2%                               | 6.0%                      | 1.9%                    |
| 2004                     | 3.8%                   | 2.6%                               | 5.5%                      | 3.3%                    |
| 2005                     | 3.3%                   | 3.3%                               | 5.1%                      | 3.4%                    |
| 2006                     | 2.7%                   | 2.2%                               | 4.6%                      | 2.5%                    |
| 2007                     | 1.8%                   | 2.5%                               | 4.6%                      | 4.1%                    |
| 2008                     | -0.3%                  | -3.5%                              | 5.8%                      | 0.1%                    |
| 2009                     | -2.8%                  | -11.5%                             | 9.3%                      | 2.7%                    |
| <b>Current Cycle</b>     |                        |                                    |                           |                         |
| 2010                     | 2.5%                   | 5.5%                               | 9.6%                      | 1.5%                    |
| 2011                     | 1.6%                   | 3.1%                               | 8.9%                      | 3.0%                    |
| 2012                     | 2.2%                   | 2.9%                               | 8.1%                      | 1.7%                    |
| 2013                     | 1.7%                   | 2.0%                               | 7.4%                      | 1.5%                    |
| 2014                     | 2.6%                   | 3.1%                               | 6.2%                      | 0.8%                    |
| 2015                     | 2.9%                   | -0.7%                              | 5.3%                      | 0.7%                    |
| 2016                     | 1.5%                   | -1.2%                              | 4.9%                      | 2.1%                    |
| 2017                     |                        |                                    |                           |                         |
| Q1                       | 1.2%                   | 0.6%                               | 4.7%                      | 1.6%                    |
| Q2                       | 3.1%                   | 2.1%                               | 4.4%                      | 0.4%                    |
| Q3                       |                        |                                    | 4.3%                      |                         |

\*GDP=Gross Domestic Product

Note that certain series of data are periodically revised.

Source: Council of Economic Advisors, Economic Indicators, various issues, certain earlier year data retrieved from sources used by this publication.

## INTEREST RATES

| Year                     | Prime Rate | US Treasury T Bills 3 Month | US Treasury T Bonds 10 Year | Utility Bonds Aa | Utility Bonds A | Utility Bonds Baa |
|--------------------------|------------|-----------------------------|-----------------------------|------------------|-----------------|-------------------|
| <b>1975 - 1982 Cycle</b> |            |                             |                             |                  |                 |                   |
| 1975                     | 7.86%      | 5.84%                       | 7.99%                       | 9.44%            | 10.09%          | 10.96%            |
| 1976                     | 6.84%      | 4.99%                       | 7.61%                       | 8.92%            | 9.29%           | 9.82%             |
| 1977                     | 6.83%      | 5.27%                       | 7.42%                       | 8.43%            | 8.61%           | 9.06%             |
| 1978                     | 9.06%      | 7.22%                       | 8.41%                       | 9.10%            | 9.29%           | 9.62%             |
| 1979                     | 12.67%     | 10.04%                      | 9.44%                       | 10.22%           | 10.49%          | 10.96%            |
| 1980                     | 15.27%     | 11.51%                      | 11.46%                      | 13.00%           | 13.34%          | 13.95%            |
| 1981                     | 18.89%     | 14.03%                      | 13.93%                      | 15.30%           | 15.95%          | 16.60%            |
| 1982                     | 14.86%     | 10.69%                      | 13.00%                      | 14.79%           | 15.86%          | 16.45%            |
| <b>1983 - 1991 Cycle</b> |            |                             |                             |                  |                 |                   |
| 1983                     | 10.79%     | 8.63%                       | 11.10%                      | 12.83%           | 13.66%          | 14.20%            |
| 1984                     | 12.04%     | 9.58%                       | 12.44%                      | 13.66%           | 14.03%          | 14.53%            |
| 1985                     | 9.93%      | 7.48%                       | 10.62%                      | 12.06%           | 12.47%          | 12.96%            |
| 1986                     | 8.33%      | 5.98%                       | 7.68%                       | 9.30%            | 9.58%           | 10.00%            |
| 1987                     | 8.21%      | 5.82%                       | 8.39%                       | 9.77%            | 10.10%          | 10.53%            |
| 1988                     | 9.32%      | 6.69%                       | 8.85%                       | 10.26%           | 10.49%          | 11.00%            |
| 1989                     | 10.87%     | 8.12%                       | 8.49%                       | 9.56%            | 9.77%           | 9.97%             |
| 1990                     | 10.01%     | 7.51%                       | 8.55%                       | 9.65%            | 9.86%           | 10.06%            |
| 1991                     | 8.46%      | 5.42%                       | 7.86%                       | 9.09%            | 9.36%           | 9.55%             |
| <b>1992 - 2001 Cycle</b> |            |                             |                             |                  |                 |                   |
| 1992                     | 6.25%      | 3.45%                       | 7.01%                       | 8.55%            | 8.69%           | 8.86%             |
| 1993                     | 6.00%      | 3.02%                       | 5.87%                       | 7.44%            | 7.59%           | 7.91%             |
| 1994                     | 7.15%      | 4.29%                       | 7.09%                       | 8.21%            | 8.31%           | 8.63%             |
| 1995                     | 8.83%      | 5.51%                       | 6.57%                       | 7.77%            | 7.89%           | 8.29%             |
| 1996                     | 8.27%      | 5.02%                       | 6.44%                       | 7.57%            | 7.75%           | 8.16%             |
| 1997                     | 8.44%      | 5.07%                       | 6.35%                       | 7.54%            | 7.60%           | 7.95%             |
| 1998                     | 8.35%      | 4.81%                       | 5.26%                       | 6.91%            | 7.04%           | 7.26%             |
| 1999                     | 8.00%      | 4.66%                       | 5.65%                       | 7.51%            | 7.62%           | 7.88%             |
| 2000                     | 9.23%      | 5.85%                       | 6.03%                       | 8.06%            | 8.24%           | 8.36%             |
| 2001                     | 6.91%      | 3.44%                       | 5.02%                       | 7.59%            | 7.78%           | 8.02%             |
| <b>2002 - 2009 Cycle</b> |            |                             |                             |                  |                 |                   |
| 2002                     | 4.67%      | 1.62%                       | 4.61%                       | 7.19%            | 7.37%           | 8.02%             |
| 2003                     | 4.12%      | 1.01%                       | 4.01%                       | 6.40%            | 6.58%           | 6.84%             |
| 2004                     | 4.34%      | 1.38%                       | 4.27%                       | 6.04%            | 6.16%           | 6.40%             |
| 2005                     | 6.19%      | 3.16%                       | 4.29%                       | 5.44%            | 5.65%           | 5.93%             |
| 2006                     | 7.96%      | 4.73%                       | 4.80%                       | 5.84%            | 6.07%           | 6.32%             |
| 2007                     | 8.05%      | 4.41%                       | 4.63%                       | 5.94%            | 6.07%           | 6.33%             |
| 2008                     | 5.09%      | 1.48%                       | 3.66%                       | 6.18%            | 6.53%           | 7.25%             |
| 2009                     | 3.25%      | 0.16%                       | 3.26%                       | 5.75%            | 6.04%           | 7.06%             |
| <b>Current Cycle</b>     |            |                             |                             |                  |                 |                   |
| 2010                     | 3.25%      | 0.14%                       | 3.22%                       | 5.24%            | 5.46%           | 5.96%             |
| 2011                     | 3.25%      | 0.06%                       | 2.78%                       | 4.78%            | 5.04%           | 5.57%             |
| 2012                     | 3.25%      | 0.09%                       | 1.80%                       | 3.83%            | 4.13%           | 4.86%             |
| 2013                     | 3.25%      | 0.06%                       | 2.35%                       | 4.24%            | 4.47%           | 4.98%             |
| 2014                     | 3.25%      | 0.03%                       | 2.54%                       | 4.19%            | 4.28%           | 4.80%             |
| 2015                     | 3.26%      | 0.06%                       | 2.14%                       | 4.00%            | 4.12%           | 5.03%             |
| 2016                     | 3.51%      | 0.33%                       | 1.84%                       | 3.73%            | 3.93%           | 4.69%             |
| 2017                     |            |                             |                             |                  |                 |                   |
| Jan                      | 3.75%      | 0.52%                       | 2.43%                       | 3.96%            | 4.14%           | 4.62%             |
| Feb                      | 3.75%      | 0.53%                       | 2.42%                       | 3.99%            | 4.18%           | 4.58%             |
| Mar                      | 4.00%      | 0.72%                       | 2.48%                       | 4.04%            | 4.23%           | 4.62%             |
| Apr                      | 4.00%      | 0.81%                       | 2.30%                       | 3.93%            | 4.12%           | 4.51%             |
| May                      | 4.00%      | 0.89%                       | 2.30%                       | 3.94%            | 4.12%           | 4.50%             |
| June                     | 4.25%      | 0.99%                       | 2.19%                       | 3.77%            | 3.94%           | 4.32%             |
| July                     | 4.25%      | 1.08%                       | 2.32%                       | 3.82%            | 3.99%           | 4.36%             |
| Aug                      | 4.25%      | 1.03%                       | 2.21%                       | 3.67%            | 3.86%           | 4.23%             |
| Sep                      | 4.25%      | 1.04%                       | 2.20%                       | 3.70%            | 3.87%           | 4.24%             |

Sources: Council of Economic Advisors, Economic Indicators; Mergent Bond Record.

## STOCK PRICE INDICATORS

|                          | S&P<br>Composite [1] | NASDAQ<br>Composite [1] | DJIA      | S&P<br>D/P | S&P<br>E/P |
|--------------------------|----------------------|-------------------------|-----------|------------|------------|
| <b>1975 - 1982 Cycle</b> |                      |                         |           |            |            |
| 1975                     |                      |                         | 802.49    | 4.31%      | 9.15%      |
| 1976                     |                      |                         | 974.92    | 3.77%      | 8.90%      |
| 1977                     |                      |                         | 894.63    | 4.62%      | 10.79%     |
| 1978                     |                      |                         | 820.23    | 5.28%      | 12.03%     |
| 1979                     |                      |                         | 844.40    | 5.47%      | 13.46%     |
| 1980                     |                      |                         | 891.41    | 5.26%      | 12.66%     |
| 1981                     |                      |                         | 932.92    | 5.20%      | 11.96%     |
| 1982                     |                      |                         | 884.36    | 5.81%      | 11.60%     |
| <b>1983 - 1991 Cycle</b> |                      |                         |           |            |            |
| 1983                     |                      |                         | 1,190.34  | 4.40%      | 8.03%      |
| 1984                     |                      |                         | 1,178.48  | 4.64%      | 10.02%     |
| 1985                     |                      |                         | 1,328.23  | 4.25%      | 8.12%      |
| 1986                     |                      |                         | 1,792.76  | 3.49%      | 6.09%      |
| 1987                     |                      |                         | 2,275.99  | 3.08%      | 5.48%      |
| 1988                     |                      |                         | 2,060.82  | 3.64%      | 8.01%      |
| 1989                     | 322.84               |                         | 2,508.91  | 3.45%      | 7.42%      |
| 1990                     | 334.59               |                         | 2,678.94  | 3.61%      | 6.47%      |
| 1991                     | 376.18               | 491.69                  | 2,929.33  | 3.24%      | 4.79%      |
| <b>1992 - 2001 Cycle</b> |                      |                         |           |            |            |
| 1992                     | 415.74               | \$599.26                | 3,284.29  | 2.99%      | 4.22%      |
| 1993                     | 451.41               | 715.16                  | 3,522.06  | 2.78%      | 4.46%      |
| 1994                     | 460.33               | 751.65                  | 3,793.77  | 2.82%      | 5.83%      |
| 1995                     | 541.64               | 925.19                  | 4,493.76  | 2.56%      | 6.09%      |
| 1996                     | 670.83               | 1,164.96                | 5,742.89  | 2.19%      | 5.24%      |
| 1997                     | 872.72               | 1,469.49                | 7,441.15  | 1.77%      | 4.57%      |
| 1998                     | 1,085.50             | 1,794.91                | 8,625.52  | 1.49%      | 3.46%      |
| 1999                     | 1,327.33             | 2,728.15                | 10,464.88 | 1.25%      | 3.17%      |
| 2000                     | 1,427.22             | 2,783.67                | 10,734.90 | 1.15%      | 3.63%      |
| 2001                     | 1,194.18             | 2,035.00                | 10,189.13 | 1.32%      | 2.95%      |
| <b>2002 - 2009 Cycle</b> |                      |                         |           |            |            |
| 2002                     | 993.94               | 1,539.73                | 9,226.43  | 1.61%      | 2.92%      |
| 2003                     | 965.23               | 1,647.17                | 8,993.59  | 1.77%      | 3.84%      |
| 2004                     | 1,130.65             | 1,986.53                | 10,317.39 | 1.72%      | 4.89%      |
| 2005                     | 1,207.23             | 2,099.32                | 10,547.67 | 1.83%      | 5.36%      |
| 2006                     | 1,310.46             | 2,263.41                | 11,408.67 | 1.87%      | 5.78%      |
| 2007                     | 1,476.66             | 2,577.12                | 13,169.98 | 1.86%      | 5.29%      |
| 2008                     | 1,220.89             | 2,162.46                | 11,252.61 | 2.37%      | 3.54%      |
| 2009                     | 948.73               | 1,841.03                | 8,876.15  | 2.40%      | 1.86%      |
| <b>Current Cycle</b>     |                      |                         |           |            |            |
| 2010                     | 1,139.31             | 2,347.70                | 10,662.80 | 1.98%      | 6.04%      |
| 2011                     | 1,268.89             | 2,680.42                | 11,966.36 | 2.05%      | 6.77%      |
| 2012                     | 1,379.56             | 2,965.77                | 12,967.08 | 2.24%      | 6.20%      |
| 2013                     | 1,462.51             | 3,537.69                | 14,999.67 | 2.14%      | 5.57%      |
| 2014                     | 1,930.67             | 4,374.31                | 16,773.99 | 2.04%      | 5.25%      |
| 2015                     | 2,061.20             | 4,943.49                | 17,590.61 | 2.10%      | 4.59%      |
| 2016                     | 2,092.39             | 4,982.49                | 17,908.08 | 2.19%      | 4.17%      |
| 2017                     |                      |                         |           |            |            |
| Q1                       | 2,389.68             | 6,099.65                | 20,904.22 | 2.05%      | 4.24%      |
| Q2                       | 2,396.22             | 6,087.11                | 20,979.77 | 2.02%      | 4.29%      |
| Q3                       | 2,467.72             | 6,344.72                | 21,889.58 |            |            |

[1] Note: this source did not publish the S&P Composite prior to 1988 and the NASDAQ Composite prior to 1991.

Source: Council of Economic Advisors, Economic Indicators, various issues.