

**Exh. DCP-9
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**

Proxy Companies DCF Cost Rates

October 27, 2017

PROXY COMPANIES DIVIDEND YIELD

COMPANY	Qtr DPS	July - September 2017			YIELD	
		DPS	HIGH	LOW		AVERAGE
Parcell Proxy Group						
ALLETE	\$0.535	\$2.14	\$79.61	\$69.79	\$74.70	2.9%
Alliant Energy	\$0.315	\$1.26	\$43.69	\$39.36	\$41.53	3.0%
Avista Corp.	\$0.358	\$1.43	\$52.83	\$41.21	\$47.02	3.0%
Black Hills Corp	\$0.445	\$1.78	\$71.01	\$67.08	\$69.05	2.6%
El Paso Electric Co.	\$0.335	\$1.34	\$56.58	\$50.25	\$53.42	2.5%
Hawaiian Electric Industries	\$0.310	\$1.24	\$34.64	\$31.71	\$33.18	3.7%
IDACORP	\$0.550	\$2.20	\$91.98	\$83.46	\$87.72	2.5%
NorthWestern Corp	\$0.525	\$2.10	\$61.80	\$56.98	\$59.39	3.5%
OGE Energy	\$0.303	\$1.21	\$36.67	\$33.95	\$35.31	3.4%
Otter Tail Corp	\$0.320	\$1.28	\$44.50	\$38.75	\$41.63	3.1%
Pinnacle West Capital	\$0.655	\$2.62	\$90.92	\$83.95	\$87.44	3.0%
Portland General Corp	\$0.340	\$1.36	\$48.22	\$44.20	\$46.21	2.9%
PNM Resources	\$0.243	\$0.97	\$43.05	\$37.23	\$40.14	2.4%
SCANA Corp	\$0.613	\$2.45	\$68.35	\$49.37	\$58.86	4.2%
Vectren	\$0.420	\$1.68	\$68.30	\$57.48	\$62.89	2.7%
Average						3.0%
McKenzie Electric Group						
ALLETE	\$0.535	\$2.14	\$79.61	\$69.79	\$74.70	2.9%
Ameren Corp	\$0.440	\$1.76	\$60.91	\$53.54	\$57.23	3.1%
Avangrid, Inc.	\$0.432	\$1.73	\$49.04	\$43.13	\$46.09	3.7%
Avista Corp	\$0.358	\$1.43	\$52.83	\$41.21	\$47.02	3.0%
Black Hills Corp	\$0.445	\$1.78	\$71.01	\$67.08	\$69.05	2.6%
CMS Energy Corp	\$0.333	\$1.33	\$49.11	\$45.34	\$47.23	2.8%
Dominion Energy	\$0.755	\$3.02	\$80.67	\$75.40	\$78.04	3.9%
DTE Energy	\$0.825	\$3.30	\$113.71	\$104.19	\$108.95	3.0%
Edison International	\$0.543	\$2.17	\$81.58	\$76.38	\$78.98	2.7%
El Paso Electric	\$0.335	\$1.34	\$56.58	\$50.25	\$53.42	2.5%
Exelon Corp	\$0.328	\$1.31	\$38.78	\$35.37	\$37.08	3.5%
Hawaiian Electric	\$0.310	\$1.24	\$34.64	\$31.71	\$33.18	3.7%
IDACORP	\$0.550	\$2.20	\$91.98	\$83.46	\$87.72	2.5%
Northwestern Corp	\$0.525	\$2.10	\$61.80	\$56.98	\$59.39	3.5%
Otter Tail Corp	\$0.320	\$1.28	\$44.50	\$38.75	\$41.63	3.1%
PG&E Corp	\$0.530	\$2.12	\$71.57	\$64.84	\$68.21	3.1%
Portland General Electric	\$0.340	\$1.36	\$48.22	\$44.20	\$46.21	2.9%
Sempra Energy	\$0.823	\$3.29	\$120.17	\$110.35	\$115.26	2.9%
Average						3.1%

Source: Yahoo! Finance.

**PROXY COMPANIES
RETENTION GROWTH RATES**

COMPANY	2012	2013	2014	2015	2016	Average	2017	2018	2020-2022	Average
Parcell Proxy Group										
ALLETE	2.3%	2.2%	2.5%	3.6%	2.8%	2.7%	3.0%	3.5%	4.0%	3.5%
Alliant Energy	3.9%	4.9%	4.3%	3.6%	2.8%	3.9%	4.0%	4.5%	5.0%	4.5%
Avista Corp.	0.8%	2.9%	2.4%	2.3%	3.0%	2.3%	2.0%	2.0%	2.0%	2.0%
Black Hills Corp	1.8%	3.7%	4.3%	3.8%	3.3%	3.4%	5.5%	5.0%	5.0%	5.2%
El Paso Electric Co.	6.3%	4.9%	4.8%	3.4%	4.4%	4.8%	4.0%	4.0%	4.0%	4.0%
Hawaiian Electric Industries	4.2%	3.7%	2.3%	1.5%	6.3%	3.6%	2.0%	2.5%	3.0%	2.5%
IDACORP	5.7%	5.6%	5.4%	4.8%	4.3%	5.2%	4.0%	4.0%	3.5%	3.8%
NorthWestern Corp	3.2%	3.5%	3.8%	3.0%	4.1%	3.5%	4.0%	3.5%	3.5%	3.7%
OGE Energy	7.2%	7.3%	6.5%	4.0%	3.3%	5.7%	4.0%	3.5%	3.5%	3.7%
Otter Tail Corp	0.0%	1.2%	2.2%	2.0%	2.1%	1.5%	2.5%	2.5%	4.0%	3.0%
Pinnacle West Capital	4.1%	4.1%	3.5%	3.9%	3.5%	3.8%	3.5%	3.5%	4.0%	3.7%
Portland General Corp	3.5%	2.9%	4.6%	3.3%	3.5%	3.6%	3.5%	3.5%	4.0%	3.7%
PNM Resources	3.8%	3.7%	3.2%	4.1%	3.7%	3.7%	3.5%	3.5%	3.5%	3.5%
SCANA Corp	3.9%	4.1%	4.9%	4.3%	4.7%	4.4%	4.0%	4.0%	4.5%	4.2%
Vectren	2.9%	1.2%	2.9%	4.2%	4.4%	3.1%	4.5%	4.5%	5.0%	4.7%
Average						3.7%				3.7%
McKenzie Electric Group										
ALLETE	2.3%	2.2%	2.5%	3.6%	2.8%	2.7%	3.0%	3.5%	4.0%	3.5%
Ameren Corp	3.0%	1.9%	2.9%	2.5%	3.3%	2.7%	3.5%	3.5%	4.0%	3.7%
Avangrid, Inc.			3.4%	1.8%	1.4%	2.2%	1.0%	1.0%	1.5%	1.2%
Avista Corp	0.8%	2.9%	2.4%	2.3%	3.0%	2.3%	2.0%	2.0%	2.0%	2.0%
Black Hills Corp	1.8%	3.7%	4.3%	3.8%	3.3%	3.4%	5.5%	5.0%	5.0%	5.2%
CMS Energy Corp	5.0%	5.2%	5.0%	5.2%	4.8%	5.0%	5.0%	5.0%	5.5%	5.2%
Dominion Energy	3.5%	4.2%	3.3%	2.9%	2.7%	3.3%	1.5%	2.0%	1.5%	1.7%
DTE Energy	3.5%	2.7%	5.2%	3.4%	3.7%	3.7%	4.5%	4.0%	4.0%	4.2%
Edison International	11.4%	8.1%	8.8%	7.2%	5.6%	8.2%	5.5%	5.0%	5.5%	5.3%
El Paso Electric	6.3%	4.9%	4.8%	3.4%	4.4%	4.8%	4.0%	4.0%	4.0%	4.0%
Exelon Corp	0.0%	3.2%	3.3%	4.5%	1.9%	2.6%	4.5%	4.5%	4.5%	4.5%
Hawaiian Electric	4.2%	3.7%	2.3%	1.5%	6.3%	3.6%	2.0%	2.5%	3.0%	2.5%
IDACORP	5.7%	5.6%	5.4%	4.8%	4.3%	5.2%	4.0%	4.0%	3.5%	3.8%
Northwestern Corp	3.2%	3.5%	3.8%	3.0%	4.1%	3.5%	4.0%	3.5%	3.5%	3.7%
Otter Tail Corp	0.0%	1.2%	2.2%	2.0%	2.1%	1.5%	2.5%	2.5%	4.0%	3.0%
PG&E Corp	1.0%	0.2%	3.9%	0.7%	2.8%	1.7%	4.5%	4.5%	3.5%	4.2%
Portland General Electric	3.5%	2.9%	4.6%	3.3%	3.5%	3.6%	3.5%	3.5%	4.0%	3.7%
Sempra Energy	5.1%	4.1%	5.0%	5.8%	2.9%	4.6%	3.5%	3.5%	5.0%	4.0%
Average						3.6%				3.6%

Source: Value Line Investment Survey.

PROXY COMPANIES PER SHARE GROWTH RATES

COMPANY	5-Year Historic Growth Rates				Est'd '14-'16 to '20-'22 Growth Rates			
	EPS	DPS	BVPS	Average	EPS	DPS	BVPS	Average
Parcell Proxy Group								
ALLETE	7.0%	2.5%	6.0%	5.2%	6.0%	4.0%	5.0%	5.0%
Alliant Energy	6.5%	6.5%	4.5%	5.8%	6.0%	4.5%	4.0%	4.8%
Avista Corp.	3.5%	6.5%	4.5%	4.8%	2.5%	4.0%	3.0%	3.2%
Black Hills Corp	11.0%	2.5%	1.5%	5.0%	7.5%	5.0%	5.5%	6.0%
El Paso Electric Co.	2.0%		7.0%	4.5%	5.0%	7.0%	4.0%	5.3%
Hawaiian Electric Industries	9.0%	0.0%	3.0%	4.0%	1.5%	2.0%	3.5%	2.3%
IDACORP	5.5%	10.0%	5.5%	7.0%	3.5%	7.0%	4.0%	4.8%
NorthWestern Corp	7.0%	6.0%	8.0%	7.0%	4.5%	5.0%	3.5%	4.3%
OGE Energy	3.5%	7.5%	7.5%	6.2%	6.0%	9.0%	3.5%	6.2%
Otter Tail Corp	25.0%	0.5%	-1.5%	8.0%	6.5%	2.0%	5.5%	4.7%
Pinnacle West Capital	6.5%	3.0%	4.0%	4.5%	5.5%	5.0%	4.0%	4.8%
Portland General Corp	5.5%	3.0%	3.5%	4.0%	6.0%	6.0%	3.5%	5.2%
PNM Resources	13.5%	10.0%	2.5%	8.7%	9.0%	10.0%	3.5%	7.5%
SCANA Corp	6.0%	3.0%	5.5%	4.8%	4.0%	5.0%	3.5%	4.2%
Vectren	6.0%	2.5%	3.0%	3.8%	6.5%	4.5%	6.0%	5.7%
Average				5.6%				4.9%
McKenzie Electric Group								
ALLETE	7.0%	2.5%	6.0%	5.2%	6.0%	4.0%	5.0%	5.0%
Ameren Corp	-1.5%	1.5%	-2.5%	neg	6.0%	4.5%	4.0%	4.8%
Avangrid, Inc.					nmf	nmf	nmf	nmf
Avista Corp	3.5%	6.5%	4.5%	4.8%	2.5%	4.0%	3.0%	3.2%
Black Hills Corp	11.0%	2.5%	1.5%	5.0%	7.5%	5.0%	5.5%	6.0%
CMS Energy Corp	8.5%	11.5%	4.5%	8.2%	6.5%	6.5%	6.5%	6.5%
Dominion Energy	3.0%	7.0%	1.5%	3.8%	5.5%	8.5%	2.0%	5.3%
DTE Energy	6.0%	5.5%	4.0%	5.2%	6.0%	7.0%	4.5%	5.8%
Edison International	5.0%	6.5%	2.5%	4.7%	4.0%	9.0%	4.0%	5.7%
El Paso Electric	2.0%		7.0%	4.5%	5.0%	7.0%	4.0%	5.3%
Exelon Corp	-11.5%	-10.0%	6.0%	neg	7.0%	5.5%	4.0%	5.5%
Hawaiian Electric	9.0%	0.0%	3.0%	4.0%	1.5%	2.0%	3.5%	2.3%
IDACORP	5.5%	10.0%	5.5%	7.0%	3.5%	7.0%	4.0%	4.8%
Northwestern Corp	7.0%	6.0%	8.0%	7.0%	4.5%	5.0%	3.5%	4.3%
Otter Tail Corp	25.0%	0.5%	-1.5%	8.0%	6.5%	2.0%	5.5%	4.7%
PG&E Corp	-2.0%	1.0%	3.5%	0.8%	9.5%	7.5%	5.0%	7.3%
Portland General Electric	5.5%	3.0%	3.5%	4.0%	6.0%	6.0%	3.5%	5.2%
Sempra Energy	1.0%	11.0%	5.0%	5.7%	8.0%	8.5%	3.0%	6.5%
Average				5.2%				5.2%

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	2.9%	2.7%	3.5%	5.2%	5.0%	5.00%	4.3%	7.2%
Alliant Energy	3.1%	3.9%	4.5%	5.8%	4.8%	6.90%	5.2%	8.3%
Avista Corp.	3.1%	2.3%	2.0%	4.8%	3.2%	5.65%	3.6%	6.7%
Black Hills Corp	2.6%	3.4%	5.2%	5.0%	6.0%	7.65%	5.4%	8.1%
El Paso Electric Co.	2.6%	4.8%	4.0%	4.5%	5.3%	6.50%	5.0%	7.6%
Hawaiian Electric Industries	3.8%	3.6%	2.5%	4.0%	2.3%	1.40%	2.8%	6.6%
IDACORP	2.6%	5.2%	3.8%	7.0%	4.8%	4.00%	5.0%	7.5%
NorthWestern Corp	3.6%	3.5%	3.7%	7.0%	4.3%	3.05%	4.3%	7.9%
OGE Energy	3.5%	5.7%	3.7%	6.2%	6.2%	6.30%	5.6%	9.1%
Otter Tail Corp	3.1%	1.5%	3.0%	8.0%	4.7%	5.20%	4.5%	7.6%
Pinnacle West Capital	3.1%	3.8%	3.7%	4.5%	4.8%	6.04%	4.6%	7.6%
Portland General Corp	3.0%	3.6%	3.7%	4.0%	5.2%	4.90%	4.3%	7.3%
PNM Resources	2.5%	3.7%	3.5%	8.7%	7.5%	7.35%	6.1%	8.6%
SCANA Corp	4.3%	4.4%	4.2%	4.8%	4.2%	5.50%	4.6%	8.9%
Vectren	2.7%	3.1%	4.7%	3.8%	5.7%	6.00%	4.7%	7.4%
Mean	3.1%	3.7%	3.7%	5.6%	4.9%	5.4%	4.7%	7.8%
Median	3.1%	3.6%	3.7%	5.0%	4.8%	5.7%	4.6%	7.6%
Composite - Mean		6.8%	6.8%	8.7%	8.0%	8.5%	7.8%	
Composite - Median		6.7%	6.7%	8.1%	7.9%	8.7%	7.7%	
McKenzie Electric Group								
ALLETE	2.9%	2.7%	3.5%	5.2%	5.0%	5.00%	4.3%	7.2%
Ameren Corp	3.1%	2.7%	3.7%	neg	4.8%	6.10%	4.3%	7.5%
Avangrid, Inc.	3.8%	2.2%	1.2%		nmf	9.00%	4.1%	7.9%
Avista Corp	3.1%	2.3%	2.0%	4.8%	3.2%	5.65%	3.6%	6.7%
Black Hills Corp	2.6%	3.4%	5.2%	5.0%	6.0%	7.65%	5.4%	8.1%
CMS Energy Corp	2.9%	5.0%	5.2%	8.2%	6.5%	7.44%	6.5%	9.4%
Dominion Energy	3.9%	3.3%	1.7%	3.8%	5.3%	3.46%	3.5%	7.5%
DTE Energy	3.1%	3.7%	4.2%	5.2%	5.8%	4.59%	4.7%	7.8%
Edison International	2.8%	8.2%	5.3%	4.7%	5.7%	3.84%	5.5%	8.4%
El Paso Electric	2.6%	4.8%	4.0%	4.5%	5.3%	6.50%	5.0%	7.6%
Exelon Corp	3.6%	2.6%	4.5%	neg	5.5%	1.49%	3.5%	7.1%
Hawaiian Electric	3.8%	3.6%	2.5%	4.0%	2.3%	1.40%	2.8%	6.6%
IDACORP	2.6%	5.2%	3.8%	7.0%	4.8%	4.00%	5.0%	7.5%
Northwestern Corp	3.6%	3.5%	3.7%	7.0%	4.3%	3.05%	4.3%	7.9%
Otter Tail Corp	3.1%	1.5%	3.0%	8.0%	4.7%	5.20%	4.5%	7.6%
PG&E Corp	3.2%	1.7%	4.2%	0.8%	7.3%	2.08%	3.2%	6.4%
Portland General Electric	3.0%	3.6%	3.7%	4.0%	5.2%	4.90%	4.3%	7.3%
Sempra Energy	2.9%	4.6%	4.0%	5.7%	6.5%	9.30%	6.0%	9.0%
Mean	3.2%	3.6%	3.6%	5.2%	5.2%	5.0%	4.5%	7.6%
Median	3.1%	3.5%	3.8%	5.0%	5.3%	5.0%	4.3%	7.6%
Composite - Mean		6.7%	6.8%	8.3%	8.4%	8.2%	7.6%	
Composite - Median		6.6%	6.9%	8.1%	8.4%	8.1%	7.4%	

Note: negative values not used in calculations.

Sources: Prior pages of this schedule.