

**Exh. DCP-11
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 CAPM Cost Rates

October 27, 2017

**PROXY COMPANIES
CAPM COST RATES**

COMPANY	RISK-FREE RATE	BETA	RISK PREMIUM	CAPM RATES
Parcell Proxy Group				
ALLETE	2.58%	0.75	5.8%	6.9%
Alliant Energy	2.58%	0.70	5.8%	6.6%
Avista Corp.	2.58%	0.70	5.8%	6.6%
Black Hills Corp	2.58%	0.85	5.8%	7.5%
El Paso Electric Co.	2.58%	0.75	5.8%	6.9%
Hawaiian Electric Industries	2.58%	0.70	5.8%	6.6%
IDACORP	2.58%	0.70	5.8%	6.6%
NorthWestern Corp	2.58%	0.65	5.8%	6.3%
OGE Energy	2.58%	0.95	5.8%	8.1%
Otter Tail Corp	2.58%	0.90	5.8%	7.8%
Pinnacle West Capital	2.58%	0.65	5.8%	6.3%
Portland General Corp	2.58%	0.70	5.8%	6.6%
PNM Resources	2.58%	0.75	5.8%	6.9%
SCANA Corp	2.58%	0.65	5.8%	6.3%
Vectren	2.58%	0.75	5.8%	6.9%
Mean				6.9%
Median				6.6%
McKenzie Electric Group				
ALLETE	2.58%	0.75	5.8%	6.9%
Ameren Corp	2.58%	0.65	5.8%	6.3%
Avangrid, Inc.	2.58%	nmf	5.8%	
Avista Corp	2.58%	0.70	5.8%	6.6%
Black Hills Corp	2.58%	0.85	5.8%	7.5%
CMS Energy Corp	2.58%	0.65	5.8%	6.3%
Dominion Energy	2.58%	0.65	5.8%	6.3%
DTE Energy	2.58%	0.65	5.8%	6.3%
Edison International	2.58%	0.60	5.8%	6.1%
El Paso Electric	2.58%	0.75	5.8%	6.9%
Exelon Corp	2.58%	0.70	5.8%	6.6%
Hawaiian Electric	2.58%	0.70	5.8%	6.6%
IDACORP	2.58%	0.70	5.8%	6.6%
Northwestern Corp	2.58%	0.65	5.8%	6.3%
Otter Tail Corp	2.58%	0.90	5.8%	7.8%
PG&E Corp	2.58%	0.65	5.8%	6.3%
Portland General Electric	2.58%	0.70	5.8%	6.6%
Sempra Energy	2.58%	0.80	5.8%	7.2%
Mean				6.7%
Median				6.6%

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

20-year Treasury Bonds	
Month	Rate
July 2017	2.65%
Aug 2017	2.55%
Sept 2017	2.53%
Average	2.58%