

**Exh. DCP-11
Docket UG-170929
Witness: David C. Parcell**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**CASCADE NATURAL GAS
CORPORATION,**

Respondent.

DOCKET UG-170929

**EXHIBIT TO
TESTIMONY OF**

David C. Parcell

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

Proxy Companies CAPM Cost Rates

February 15, 2018

**PROXY COMPANIES
CAPM COST RATES**

COMPANY	RISK-FREE RATE	BETA	RISK PREMIUM	CAPM RATES
Proxy Group				
Atmos Energy Corp.	2.64%	0.70	5.80%	6.7%
New Jersey Resources Corp.	2.64%	0.80	5.80%	7.3%
NiSource Inc.	2.64%	0.60	5.80%	6.1%
Northwest Natural Gas Co.	2.64%	0.70	5.80%	6.7%
South Jersey Industries, Inc.	2.64%	0.85	5.80%	7.6%
Southwest Gas Holdings, Inc.	2.64%	0.80	5.80%	7.3%
Spire Inc.	2.64%	0.70	5.80%	6.7%
Mean				6.9%
Median				6.7%

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

<u>20-year Treasury Bonds</u>	
<u>Month</u>	<u>Rate</u>
Nov 2017	2.60%
Dec 2017	2.60%
Jan 2018	2.73%
Average	2.64%