

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**PACIFIC POWER & LIGHT
COMPANY,**

Respondent.

**DOCKETS UE-140762 and UE-140617
(consolidated)**

In the Matter of the Petition of

**PACIFIC POWER & LIGHT
COMPANY,**

**For an Order Approving Deferral of
Costs Related to Colstrip Outage.**

DOCKET UE-131384 (consolidated)

In the Matter of the Petition of

**PACIFIC POWER & LIGHT
COMPANY,**

**For an Order Approving Deferral of
Costs Related to Declining Hydro
Generation.**

DOCKET UE-140094 (consolidated)

PACIFIC POWER & LIGHT COMPANY

EXHIBIT OF KURT G. STRUNK

Proxy Group BR + SV

November 2014

Pacific Power & Light Company
Proxy Group
BR + SV

Company	Ticker	R ¹ Estimated Return on Common Equity 2017-2019 (a)	D _e Estimated Dividend per Share 2017-2019 (b)	V _e Estimated Book Value/Share 2017-2019 (c)	V Book Value/Share 2013 (d)	2012 (e)	R _{av} ² Return on Average Equity (f)	B ³ (g)	B*R ⁴ (h)	S*V ⁵ (i)	B*R+S*V (j)
Electric Proxy Group											
1 Alliant Energy Corporation	LNT	12.0%	\$2.40	\$34.65	\$29.58	\$ 28.25	12.3%	0.42	5.2%	0.0%	5.24%
2 Ameren Corporation	AEE	9.5%	\$1.80	\$32.00	\$26.97	\$ 27.27	9.4%	0.41	3.9%	1.0%	4.89%
3 American Electric Power Company, Inc.	AEP	10.0%	\$2.50	\$40.50	\$32.98	\$ 31.37	10.3%	0.38	3.9%	1.8%	5.76%
4 Avista Corporation	AVA	8.5%	\$1.50	\$25.75	\$21.61	\$ 21.06	8.6%	0.31	2.7%	0.8%	3.51%
5 Black Hills Corporation	BKH	9.0%	\$1.90	\$35.50	\$29.39	\$ 27.88	9.2%	0.41	3.7%	1.4%	5.19%
6 CenterPoint Energy, Inc.	CNP	14.5%	\$1.30	\$11.25	\$10.09	\$ 10.06	14.5%	0.20	2.9%	2.7%	5.64%
7 Consolidated Edison, Inc.	ED	9.0%	\$2.75	\$49.25	\$41.81	\$ 40.53	9.1%	0.38	3.5%	0.5%	3.97%
8 Dominion Resources, Inc.	D	14.0%	\$2.80	\$28.00	\$20.02	\$ 18.34	14.6%	0.29	4.2%	0.0%	4.15%
9 DTE Energy Company	DTE	10.0%	\$3.30	\$56.75	\$44.73	\$ 42.78	10.2%	0.42	4.3%	0.8%	5.08%
10 Edison International	EIX	11.0%	\$2.05	\$41.50	\$30.50	\$ 28.95	11.3%	0.55	6.2%	0.0%	6.22%
11 El Paso Electric Company	EE	9.5%	\$1.35	\$28.75	\$23.44	\$ 20.57	10.1%	0.51	5.1%	-1.0%	4.12%
12 The Empire District Electric Company	EDE	9.0%	\$1.15	\$20.25	\$17.43	\$ 16.90	9.1%	0.37	3.4%	2.0%	5.39%
13 Great Plains Energy Incorporated	GXP	7.5%	\$1.20	\$26.00	\$22.58	\$ 21.75	7.6%	0.38	2.9%	1.0%	3.97%
14 IDACORP, Inc.	IDA	8.0%	\$2.00	\$44.55	\$36.84	\$ 35.07	8.2%	0.44	3.6%	0.6%	4.21%
15 NextEra Energy, Inc.	NEE	12.0%	\$3.90	\$57.25	\$41.47	\$ 37.90	12.5%	0.43	5.4%	0.8%	6.20%
16 Northeast Utilities	NU	9.5%	\$2.00	\$36.50	\$30.49	\$ 29.41	9.7%	0.42	4.1%	7.4%	11.47%
17 NorthWestern Corporation	NWE	9.5%	\$1.90	\$31.75	\$26.60	\$ 25.09	9.8%	0.37	3.6%	0.8%	4.42%
18 Pinnacle West Capital Corporation	PNW	9.5%	\$2.75	\$45.75	\$38.07	\$ 36.20	9.7%	0.37	3.6%	0.8%	4.34%
19 Portland General Electric Company	POR	8.5%	\$1.40	\$28.25	\$23.30	\$ 22.87	8.6%	0.42	3.6%	1.8%	5.39%
20 Public Service Enterprise Group Incorporated	PEG	10.5%	\$1.65	\$29.00	\$22.95	\$ 21.31	10.9%	0.46	5.0%	0.0%	4.99%
21 SCANA Corporation	SCG	10.0%	\$2.35	\$43.50	\$33.08	\$ 31.47	10.2%	0.46	4.7%	1.5%	6.19%
22 Sempra Energy	SRE	11.5%	\$3.40	\$55.50	\$45.03	\$ 42.42	11.8%	0.47	5.5%	0.2%	5.73%
23 The Southern Company	SO	12.5%	\$2.36	\$26.25	\$21.43	\$ 21.09	12.6%	0.28	3.5%	1.4%	4.92%
24 Vectren Corporation	VVC	14.0%	\$1.55	\$21.50	\$18.86	\$ 18.57	14.1%	0.49	6.8%	0.9%	7.71%
25 Westar Energy, Inc.	WR	9.5%	\$1.60	\$29.65	\$23.88	\$ 22.89	9.7%	0.43	4.2%	0.0%	4.19%
26 Xcel Energy Inc.	XEL	10.5%	\$1.45	\$24.25	\$19.21	\$ 18.19	10.8%	0.43	4.6%	1.1%	5.76%
Average		10.35%	\$2.09	\$34.76	\$28.17	\$26.85	10.58%	0.40	4.24%	1.09%	5.33%

Notes:
1

Estimated future return on common equity, dividends per share, and book value per share as reported in *The Value Line Investment Survey: 19 September 2014; 22 August 2014; and 1 August 2014*.
² Rav=R*[(2*V13)/(V13+V12)]. This formula transforms the end-of-year projected Value Line return on equity into a mid-year return on equity.

³ B=I-(De/(R*Ve)).

⁴ B*R=B*(Rav-De/Ve).

⁵ S*V equals the five year average of S, multiplied by current V, where S = annual growth rate of common shares outstanding and V = fraction of new funds provided that accrues to original shareholders.