

**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 DCF Analysis

November 2014

Pacific Power & Light Company
Proxy Groups
DCF Analysis

Company	Ticker	Growth Rate ("g")		Dividend Yield ¹	Adjusted Dividend Yield ²	Return on Equity ³
		Thomson Reuters ⁴	BR+SV ⁵			
(a)	(b)	Thomson Reuters Five Year Growth Rate	B*R+S*V	12 month Dividend Yield	((c)+(d))/2+1) * (e)	((c)+(d))/2 +(f)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Electric Proxy Group						
1 Alliant Energy Corporation	LNT	4.80%	5.24%	3.59%	3.77%	8.79%
2 Ameren Corporation	AEE	8.90%	4.89%	4.12%	4.41%	11.30%
3 American Electric Power Company, Inc.	AEP	4.97%	5.76%	3.92%	4.13%	9.49%
4 Avista Corporation	AVA	5.00%	3.51%	4.11%	4.28%	8.54%
5 Black Hills Corporation	BKH	7.00%	5.19%	2.85%	3.02%	9.12%
6 CenterPoint Energy, Inc.	CNP	3.87%	5.64%	3.83%	4.01%	8.76%
7 Consolidated Edison, Inc.	ED	2.60%	3.97%	4.46%	4.61%	7.89%
8 Dominion Resources, Inc.	D	6.17%	4.15%	3.44%	3.62%	8.78%
9 DTE Energy Company	DTE	5.87%	5.08%	3.57%	3.77%	9.24%
10 Edison International	EIX	3.38%	6.22%	2.61%	2.74%	7.54%
11 El Paso Electric Company	EE	7.00%	4.12%	2.98%	3.15%	8.71%
12 The Empire District Electric Company	EDE	3.00%	5.39%	4.23%	4.40%	8.60%
13 Great Plains Energy Incorporated	GXP	5.00%	3.97%	3.63%	3.79%	8.28%
14 IDACORP, Inc.	IDA	4.00%	4.21%	3.16%	3.29%	7.39%
15 NextEra Energy, Inc.	NEE	6.47%	6.20%	3.03%	3.23%	9.56%
16 Northeast Utilities	NU	6.31%	11.47%	3.46%	3.77%	12.66%
17 NorthWestern Corporation	NWE	4.00%	4.42%	3.37%	3.51%	7.73%
18 Pinnacle West Capital Corporation	PNW	3.95%	4.34%	4.13%	4.30%	8.44%
19 Portland General Electric Company	POR	7.83%	5.39%	3.44%	3.67%	10.28%
20 Public Service Enterprise Group Incorporated	PEG	1.74%	4.99%	4.05%	4.18%	7.55%
21 SCANA Corporation	SCG	4.65%	6.19%	4.13%	4.35%	9.77%
22 Sempra Energy	SRE	7.47%	5.73%	2.64%	2.81%	9.41%
23 The Southern Company	SO	3.62%	4.92%	4.77%	4.98%	9.25%
24 Vectren Corporation	VVC	4.50%	7.71%	3.72%	3.95%	10.05%
25 Westar Energy, Inc.	WR	3.20%	4.19%	3.97%	4.12%	7.81%
26 Xcel Energy Inc.	XEL	4.51%	5.76%	3.83%	4.03%	9.16%
Average						9.00%

Notes:

¹ Dividend yield calculated as (last 4 quarterly dividends) / (12 month average price). FactSet Research Systems, 4 November 2014; Bloomberg L.P., 4 November 2014.

² Adjusted Dividend Yield = Dividend Yield multiplied by (1 + g).

³ Return on Equity = Average Growth Rate + Adjusted Dividend Yield.

⁴ Source: Thomson Reuters 5 Year Growth Rate, Yahoo! Finance, accessed 10 November 2014.

⁵ Source: Exhibit No.__(KGS-26).