

Application No. 18-04-____
Exhibit PAC/202
Witness: Kurt G. Strunk

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Direct Testimony of
Kurt G. Strunk
Summary of Cost of Equity Estimates

April 2018

PacifiCorp California
Summary of Cost of Equity Estimates

Method (a)	Cost of Equity (b)
DCF Models	
Proxy Group Single-Stage DCF	8.37%
Yield + Growth	12.10%
FERC DCF Method	9.88%
Risk Premium Models	
CAPM	8.47%
Risk Premium	9.87%
Proxy Group Expected Earnings	10.69%
Comparable Earnings Model	
Comparable Earnings (Dow Jones Utilities Index)	9.64%
Comparable Earnings (Dow Jones Industrial Average)	16.50%
Allowed returns for Electric Utilities	
Allowed Returns for Electric Utilities, 2015	9.85%
Allowed Returns for Electric Utilities, 2016	9.77%
Allowed Returns for Electric Utilities, 2017	9.74%
Allowed returns for Vertically Integrated Electric Utilities	
Allowed Returns for Vertically Integrated Electric Utilities, 2015	9.75%
Allowed Returns for Vertically Integrated Electric Utilities, 2016	9.77%
Allowed Returns for Vertically Integrated Electric Utilities, 2017	9.81%
Allowed returns for California Vertically Integrated Electric Utilities	10.25%
Allowed FERC returns	
Average Recent FERC Return on Equity for Electric Transmission	10.07%
Average Recent FERC Return on Equity for Gas Pipelines	14.09%
Recommended Rate of Return	10.60%