

Application No. 18-04-____
Exhibit PAC/208
Witness: Kurt G. Strunk

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Direct Testimony of

Kurt G. Strunk

Proxy Group Sustainable Growth

April 2018

PacifiCorp California
Proxy Group
Sustainable Growth: SV Estimation

Company	Ticker	Growth Rate of Common Shares Outstanding (S) ¹										Adjusted Stock Price ³	V ⁴ (i) = 1 - (g)/(h)	S*V (j) = (f)*(i)
		2013 (a)	2014 (b)	2015 (c)	2016 (d)	2017 (e)	Average S ² (f)	2017 Book Value per Share ¹ (g)						
1 ALLETE, Inc.	ALE	5.1%	10.9%	7.0%	1.0%	3.2%	5.43%	\$40.15	\$68.22	41.15%	2.24%			
2 Alliant Energy Corporation	LNT	0.0%	0.0%	2.3%	0.3%	1.5%	0.80%	\$18.85	\$37.15	49.26%	0.40%			
3 Ameren Corporation	AEE	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	\$30.30	\$52.91	42.73%	0.00%			
4 American Electric Power Company, Inc.	AEP	0.4%	0.3%	0.3%	0.1%	0.1%	0.26%	\$36.80	\$63.86	42.37%	0.11%			
5 CMS Energy Corporation	CMS	0.8%	3.4%	0.7%	0.7%	0.6%	1.25%	\$16.25	\$41.80	61.13%	0.77%			
6 Consolidated Edison, Inc.	ED	0.0%	0.0%	0.0%	4.1%	2.0%	1.22%	\$48.65	\$74.61	34.79%	0.42%			
7 DTE Energy Company	DTE	2.8%	-0.1%	1.4%	0.0%	0.0%	0.82%	\$52.85	\$98.78	46.49%	0.38%			
8 Duke Energy Corporation	DUK	0.3%	0.1%	-2.7%	1.7%	0.1%	-0.07%	\$59.35	\$73.58	19.34%	-0.01%			
9 Edison International	EIX	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	\$38.40	\$59.44	35.40%	0.00%			
10 El Paso Electric Company	EE	0.4%	0.2%	0.2%	0.2%	0.2%	0.24%	\$27.55	\$49.50	44.34%	0.11%			
11 Eversource Energy	ES	0.4%	0.5%	0.1%	-0.1%	0.0%	0.18%	\$35.00	\$56.61	38.17%	0.07%			
12 Fortis Inc.	FTS	11.3%	29.5%	2.0%	42.5%	4.7%	17.99%	\$33.20	\$32.43	-2.39%	-0.43%			
13 Great Plains Energy Incorporated	GXP	0.2%	0.2%	0.2%	39.5%	0.3%	8.07%	\$23.45	\$29.13	19.51%	1.57%			
14 IDACORP, Inc.	IDA	0.1%	0.1%	0.1%	0.1%	0.0%	0.10%	\$44.55	\$81.66	45.45%	0.04%			
15 NextEra Energy, Inc.	NEE	2.6%	1.8%	4.1%	1.5%	0.6%	2.13%	\$54.60	\$147.25	62.92%	1.34%			
16 OGE Energy Corp.	OGE	0.5%	0.5%	0.2%	0.0%	0.0%	0.21%	\$17.85	\$29.86	40.23%	0.09%			
17 PG&E Corporation	PCG	6.0%	4.2%	3.4%	3.0%	1.6%	3.65%	\$37.35	\$39.24	4.81%	0.18%			
18 Pinnacle West Capital Corporation	PNW	0.4%	0.4%	0.4%	0.3%	0.6%	0.41%	\$44.65	\$74.44	40.02%	0.16%			
19 PNM Resources, Inc.	PNM	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	\$21.80	\$34.17	36.21%	0.00%			
20 Portland General Electric Company	POR	3.3%	0.2%	13.5%	0.2%	0.3%	3.50%	\$27.25	\$39.92	31.74%	1.11%			
21 Public Service Enterprise Group Incorporated	PEG	0.0%	0.0%	-0.1%	-0.1%	0.2%	0.00%	\$26.00	\$47.40	45.15%	0.00%			
22 Southern Company	SO	2.2%	2.3%	0.4%	8.6%	1.6%	3.04%	\$23.85	\$42.81	44.29%	1.35%			
23 Vectren Corporation	VVC	0.2%	0.2%	0.2%	0.1%	0.7%	0.31%	\$22.05	\$60.93	63.81%	0.20%			
24 Westar Energy, Inc.	WR	1.4%	2.7%	7.3%	0.3%	0.5%	2.44%	\$28.05	\$48.53	42.21%	1.03%			
25 Xcel Energy Inc.	XEL	2.1%	1.6%	0.4%	-0.1%	0.2%	0.81%	\$22.40	\$42.29	47.03%	0.38%			
Average		1.62%	2.36%	1.65%	4.17%	0.76%	2.11%	\$33.25	\$57.06	39.05%	0.46%			

Notes:
¹ Source: *The Value Line Investment Survey: November 17, 2017, December 15, 2017, January 26, 2018.*
² Average common shares outstanding growth rate for 2013-2017.
³ Source: Bloomberg Financial, L.P., February 7, 2018.
⁴ V is the adjusted stock price relative to the book value. 1- (Book Value per Share/Adjusted Stock Price).

PacifiCorp California
Proxy Group
Sustainable Growth: BR + SV

Company	Ticker	R ¹		V _e		V		R _{av} ² Return on Average Equity	B ³	B*R ⁴	S*V ⁵	B*R+S*V
		Estimated Return on Common Equity		Estimated Book Value/Share		Book Value/Share						
		2020-2022	2020-2022	2020-2022	2020-2022	2017	2018					
1 ALLETE, Inc.	ALE	9.0%	\$2.60	\$46.75	\$40.15	\$41.65	9.2%	0.38	3.5%	2.2%	5.74%	
2 Alliant Energy Corporation	LNT	12.0%	\$1.58	\$19.65	\$18.85	\$19.10	12.1%	0.33	4.0%	0.4%	4.38%	
3 Ameren Corporation	AEE	10.0%	\$2.15	\$35.75	\$30.30	\$31.50	10.2%	0.40	4.1%	0.0%	4.06%	
4 American Electric Power Company, Inc.	AEP	11.0%	\$2.90	\$43.00	\$36.80	\$38.15	11.2%	0.39	4.3%	0.1%	4.44%	
5 CMS Energy Corporation	CMS	13.5%	\$1.70	\$21.00	\$16.25	\$17.35	13.9%	0.40	5.6%	0.8%	6.35%	
6 Consolidated Edison, Inc.	ED	8.5%	\$3.08	\$54.75	\$48.65	\$50.15	8.6%	0.34	2.9%	0.4%	3.34%	
7 DTE Energy Company	DTE	10.5%	\$4.30	\$64.25	\$52.85	\$55.25	10.7%	0.36	3.9%	0.4%	4.27%	
8 Duke Energy Corporation	DUK	8.5%	\$4.20	\$63.75	\$59.35	\$60.45	8.6%	0.22	1.9%	0.0%	1.91%	
9 Edison International	EIX	12.0%	\$2.90	\$44.75	\$38.40	\$39.80	12.2%	0.46	5.6%	0.0%	5.62%	
10 El Paso Electric Company	EE	9.0%	\$1.75	\$32.25	\$27.55	\$28.80	9.2%	0.40	3.7%	0.1%	3.76%	
11 Eversource Energy	ES	10.0%	\$2.40	\$40.75	\$35.00	\$36.30	10.2%	0.41	4.2%	0.1%	4.25%	
12 Fortis Inc.	FTS	8.5%	\$2.05	\$38.25	\$33.20	\$34.35	8.6%	0.37	3.2%	-0.4%	2.76%	
13 Great Plains Energy Incorporated	GXP	9.5%	\$1.35	\$22.25	\$23.45	\$23.55	9.5%	0.36	3.4%	1.6%	5.01%	
14 IDACORP, Inc.	IDA	9.5%	\$2.90	\$52.00	\$44.55	\$46.15	9.7%	0.41	4.0%	0.0%	4.04%	
15 NextEra Energy, Inc.	NEE	14.0%	\$5.50	\$64.50	\$54.60	\$56.35	14.2%	0.39	5.6%	1.3%	6.90%	
16 OGE Energy Corp.	OGE	12.0%	\$1.75	\$20.50	\$17.85	\$18.55	12.2%	0.29	3.5%	0.1%	3.62%	
17 PG&E Corporation	PCG	9.0%	\$2.20	\$47.50	\$37.35	\$41.15	9.4%	0.49	4.6%	0.2%	4.76%	
18 Pinnacle West Capital Corporation	PNW	10.5%	\$3.35	\$51.75	\$44.65	\$46.15	10.7%	0.38	4.1%	0.2%	4.26%	
19 PNM Resources, Inc.	PNM	9.0%	\$1.40	\$24.00	\$21.80	\$22.30	9.1%	0.35	3.2%	0.0%	3.20%	
20 Portland General Electric Company	POR	9.5%	\$1.70	\$31.75	\$27.25	\$28.20	9.7%	0.44	4.2%	1.1%	5.33%	
21 Public Service Enterprise Group Incorporated	PEG	10.5%	\$2.10	\$30.25	\$26.00	\$27.10	10.7%	0.34	3.6%	0.0%	3.63%	
22 Southern Company	SO	13.0%	\$2.62	\$27.50	\$23.85	\$24.85	13.3%	0.27	3.5%	1.3%	4.89%	
23 Vectren Corporation	VVC	12.0%	\$2.10	\$27.90	\$22.05	\$23.10	12.3%	0.37	4.6%	0.2%	4.78%	
24 Westar Energy, Inc.	WR	11.0%	\$1.92	\$30.00	\$28.05	\$28.35	11.1%	0.42	4.6%	1.0%	5.66%	
25 Xcel Energy Inc.	XEL	10.5%	\$1.80	\$26.25	\$22.40	\$23.35	10.7%	0.35	3.7%	0.4%	4.10%	
Average		10.50%	\$2.49	\$38.44	\$33.25	\$34.48	10.69%	0.37	3.98%	0.46%	4.44%	

Notes:

¹ Estimated future return on common equity, dividends per share, and book value per share as reported in November 17, 2017, December 15, 2017, January 26, 2018.

² $R_{av} = R * [(2 * V_{16}) / (V_{15} + V_{16})]$. This formula transforms the end-of-year projected Value Line return on equity into a mid-year return on equity.

³ $B = 1 - (De / (R * V_e))$.

⁴ $B * R = B * R_{av}$.

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.