

Application No. 18-04-____
Exhibit PAC/212
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 Capital Asset Pricing Model (CAPM)

April 2018

**PacifiCorp California
Proxy Group
Capital Asset Pricing Model (CAPM)**

Company	Ticker	30-Year T-Bond Return (Rf) ¹	Beta Value Line ²	Forward Looking Market Risk Premium		CAPM Cost of Equity Based on Forward Looking Market Risk Premium
				(c)	(d)	
1 ALLETE, Inc.	ALE	3.12%	0.80		7.80%	9.36%
2 Alliant Energy Corporation	LNT	3.12%	0.70		7.80%	8.58%
3 Ameren Corporation	AEE	3.12%	0.70		7.80%	8.58%
4 American Electric Power Company, Inc.	AEP	3.12%	0.65		7.80%	8.19%
5 CMS Energy Corporation	CMS	3.12%	0.65		7.80%	8.19%
6 Consolidated Edison, Inc.	ED	3.12%	0.50		7.80%	7.02%
7 DTE Energy Company	DTE	3.12%	0.65		7.80%	8.19%
8 Duke Energy Corporation	DUK	3.12%	0.60		7.80%	7.80%
9 Edison International	EIX	3.12%	0.60		7.80%	7.80%
10 El Paso Electric Company	EE	3.12%	0.80		7.80%	9.36%
11 Eversource Energy	ES	3.12%	0.65		7.80%	8.19%
12 Fortis Inc.	FTS	3.12%	0.70		7.80%	8.58%
13 Great Plains Energy Incorporated	GXP	3.12%	0.75		7.80%	8.97%
14 IDACORP, Inc.	IDA	3.12%	0.70		7.80%	8.58%
15 NextEra Energy, Inc.	NEE	3.12%	0.65		7.80%	8.19%
16 OGE Energy Corp.	OGI	3.12%	0.95		7.80%	10.53%
17 PG&E Corporation	PCG	3.12%	0.65		7.80%	8.19%
18 Pinnacle West Capital Corporation	PNW	3.12%	0.70		7.80%	8.58%
19 PNM Resources, Inc.	PNM	3.12%	0.75		7.80%	8.97%
20 Portland General Electric Company	POR	3.12%	0.70		7.80%	8.58%
21 Public Service Enterprise Group Incorporated	PEG	3.12%	0.70		7.80%	8.58%
22 Southern Company	SO	3.12%	0.55		7.80%	7.41%
23 Vectren Corporation	VVC	3.12%	0.75		7.80%	8.97%
24 Westar Energy, Inc.	WR	3.12%	0.70		7.80%	8.58%
25 Xcel Energy Inc.	XEL	3.12%	0.60		7.80%	7.80%
Average			0.69			8.47%

Notes:

¹ Source: US Treasury, Constant Maturity 30-year Treasury Yield, February 7, 2018.

² Source: *The Value Line Investment Survey: November 17, 2017, December 15, 2017, January 26, 2018.*

³ The formula used is Risk Premium = $[\text{Do} * (1+g)] + g$ - Rf. See Exhibit Strunk Direct-11.

⁴ Source: Bloomberg, S&P 12 month dividend yield; Analyst estimated CAGR of the operating EPS over the index's next 3-5 years, February 7, 2018.