

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-19 \_\_\_\_\_

DOCKET NO. UG-19 \_\_\_\_\_

EXH. AMM-4

ADRIEN M. MCKENZIE

REPRESENTING AVISTA CORPORATION

SUMMARY OF RESULTS

| <u>DCF</u>                  | <u>Average</u> | <u>Midpoint</u> |
|-----------------------------|----------------|-----------------|
| Value Line                  | 10.0%          | 11.2%           |
| IBES                        | 10.0%          | 9.8%            |
| Zacks                       | 9.3%           | 10.9%           |
| Internal br + sv            | 9.0%           | 10.2%           |
| <u>CAPM</u>                 | 10.2%          | 10.1%           |
| <u>Empirical CAPM</u>       | 11.1%          | 11.1%           |
| <u>Utility Risk Premium</u> |                |                 |
| Current Bond Yield          | 10.2%          |                 |
| Projected Bond Yields       | 10.8%          |                 |
| <u>Expected Earnings</u>    | 10.7%          | 10.6%           |

|                              |             |             |              |
|------------------------------|-------------|-------------|--------------|
| Cost of Equity Range         | 9.8%        | --          | 10.8%        |
| Flotation Cost Adjustment    |             |             |              |
| Dividend Yield               |             | 3.5%        |              |
| Flotation Cost Percentage    |             | <u>3.0%</u> |              |
| Adjustment                   |             | 0.1%        |              |
| <b>Recommended ROE Range</b> | <b>9.9%</b> | <b>--</b>   | <b>10.9%</b> |