

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

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

EXH. AMM-8

ADRIEN M. MCKENZIE

REPRESENTING AVISTA CORPORATION

**CAPM - CURRENT BOND YIELD**

**UTILITY GROUP**

		(a)	(b)	(c)			(d)	(e)		(f)	Size
		<b>Market Return (R<sub>m</sub>)</b>			<b>Risk-Free</b>	<b>Risk</b>		<b>Unadjusted</b>	<b>Market</b>	<b>Size</b>	<b>Adjusted</b>
	<b>Company</b>	<b>Div</b>	<b>Proj.</b>	<b>Cost of</b>	<b>Rate</b>	<b>Premium</b>	<b>Beta</b>	<b>K<sub>e</sub></b>	<b>Cap</b>	<b>Adjustment</b>	<b>K<sub>e</sub></b>
		<b>Yield</b>	<b>Growth</b>	<b>Equity</b>							
1	Algonquin Pwr & Util	2.5%	10.7%	13.2%	3.1%	10.1%	n/a	n/a	\$5,520.0	0.82%	n/a
2	Ameren Corp.	2.5%	10.7%	13.2%	3.1%	10.1%	0.60	9.2%	\$17,912.1	0.50%	9.7%
3	Avangrid, Inc.	2.5%	10.7%	13.2%	3.1%	10.1%	0.40	7.1%	\$15,252.5	0.50%	7.6%
4	Avista Corp.	2.5%	10.7%	13.2%	3.1%	10.1%	0.65	9.7%	\$2,684.7	1.54%	11.2%
5	Black Hills Corp.	2.5%	10.7%	13.2%	3.1%	10.1%	0.75	10.7%	\$4,359.3	1.26%	11.9%
6	CenterPoint Energy	2.5%	10.7%	13.2%	3.1%	10.1%	0.80	11.2%	\$15,346.7	0.50%	11.7%
7	CMS Energy Corp.	2.5%	10.7%	13.2%	3.1%	10.1%	0.55	8.7%	\$15,647.9	0.50%	9.2%
8	Dominion Energy	2.5%	10.7%	13.2%	3.1%	10.1%	0.55	8.7%	\$49,197.1	-0.29%	8.4%
9	DTE Energy Co.	2.5%	10.7%	13.2%	3.1%	10.1%	0.55	8.7%	\$22,420.4	0.50%	9.2%
10	Edison International	2.5%	10.7%	13.2%	3.1%	10.1%	0.55	8.7%	\$21,171.2	0.50%	9.2%
11	El Paso Electric Co.	2.5%	10.7%	13.2%	3.1%	10.1%	0.65	9.7%	\$2,359.1	1.54%	11.2%
12	Emera Inc.	2.5%	10.7%	13.2%	3.1%	10.1%	0.55	8.7%	\$11,301.6	0.84%	9.5%
13	Entergy Corp.	2.5%	10.7%	13.2%	3.1%	10.1%	0.60	9.2%	\$17,950.9	0.50%	9.7%
14	Exelon Corp.	2.5%	10.7%	13.2%	3.1%	10.1%	0.70	10.2%	\$48,021.2	-0.29%	9.9%
15	FirstEnergy Corp.	2.5%	10.7%	13.2%	3.1%	10.1%	0.65	9.7%	\$21,092.0	0.50%	10.2%
16	Hawaiian Elec.	2.5%	10.7%	13.2%	3.1%	10.1%	0.60	9.2%	\$4,419.4	1.26%	10.4%
17	IDACORP, Inc.	2.5%	10.7%	13.2%	3.1%	10.1%	0.55	8.7%	\$5,011.8	0.82%	9.5%
18	NorthWestern Corp.	2.5%	10.7%	13.2%	3.1%	10.1%	0.55	8.7%	\$3,544.8	1.26%	9.9%
19	OGE Energy Corp.	2.5%	10.7%	13.2%	3.1%	10.1%	0.85	11.7%	\$8,551.2	0.84%	12.5%
20	Otter Tail Corp.	2.5%	10.7%	13.2%	3.1%	10.1%	0.70	10.2%	\$1,951.1	1.58%	11.8%
21	PNM Resources	2.5%	10.7%	13.2%	3.1%	10.1%	0.65	9.7%	\$3,748.5	1.26%	10.9%
22	Sempra Energy	2.5%	10.7%	13.2%	3.1%	10.1%	0.75	10.7%	\$34,459.3	-0.29%	10.4%
	<b>Average</b>							<b>9.4%</b>			<b>10.2%</b>
	<b>Midpoint (g)</b>							<b>9.4%</b>			<b>10.1%</b>

(a) Weighted average for dividend-paying stocks in the S&P 500 based on data from www.zacks.com (retrieved Mar. 11, 2019).

(b) Average of weighted average earnings growth rates from Value Line Investment Survey, IBES, and Zacks Investment Research for dividend-paying stocks in the S&P 500 based on data from www.valueline.com (retrieved Mar. 11, 2019), http://finance.yahoo.com (retrieved Mar. 11, 2019), and www.zacks.com (retrieved Mar. 11, 2019).

(c) Average yield on 30-year Treasury bonds for the six-months ending Mar. 2019 based on data from the Federal Reserve at https://fred.stlouisfed.org/..

(d) The Value Line Investment Survey (Jan. 25, Feb. 15 & Mar. 15, 2019).

(e) www.valueline.com (retrieved Mar. 26, 2019).

(f) Duff & Phelps, 2019 CRSP Deciles Size Study -- Supplementary Data Exhibits, Cost of Capital Navigator.

(g) Average of low and high values.