

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-22 _____

DOCKET NO. UG-22 _____

EXH. AMM-4

ADRIEN M. MCKENZIE

REPRESENTING AVISTA CORPORATION

SUMMARY OF RESULTS

Method	Result
DCF	
Value Line	9.0%
IBES	9.0%
Zacks	8.7%
Internal br + sv	8.9%
CAPM	
Current Bond Yield	12.6%
Projected Bond Yield	12.8%
ECAPM	
Current Bond Yield	12.9%
Projected Bond Yield	13.1%
Utility Risk Premium	
Current Bond Yield	9.2%
Projected Bond Yield	9.2%
Expected Earnings	11.0%
ROE Recommendation	
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<u>Cost of Equity</u>	
Range	9.5% -- 10.9%
Midpoint	10.2%
<u>Flotation Cost Adjustment</u>	0.05%
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<u>Recommended ROE</u>	10.25%