

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-20 \_\_\_\_\_

DOCKET NO. UG-20 \_\_\_\_\_

EXH. AMM-4

ADRIEN M. MCKENZIE

REPRESENTING AVISTA CORPORATION

**SUMMARY OF RESULTS**

<b>Method</b>	<b>Average</b>	<b>Midpoint</b>
<b><u>DCF</u></b>		
Value Line	9.3%	10.4%
IBES	9.4%	9.8%
Zacks	9.3%	10.1%
Internal br + sv	8.8%	8.8%
<b><u>CAPM</u></b>	11.2%	11.6%
<b><u>Empirical CAPM</u></b>	11.4%	11.8%
<b><u>Utility Risk Premium</u></b>		
Current Bond Yield	9.3%	
Projected Bond Yields	10.1%	
<b><u>Expected Earnings</u></b>	10.3%	10.9%

<b>ROE Recommendation</b>			
Cost of Equity Range	9.3%	--	10.7%
Flotation Cost Adjustment			
Dividend Yield		4.0%	
Flotation Cost Percentage		2.9%	
Adjustment		0.1%	
<b>Recommended ROE Range</b>	<b>9.4%</b>	<b>--</b>	<b>10.8%</b>
<b>Midpoint</b>		<b>10.1%</b>	