

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-17 _____

DOCKET NO. UG-17 _____

EXH. AMM-8

ADRIEN M. MCKENZIE

REPRESENTING AVISTA CORPORATION

UTILITY GROUP

	Company	(a)	(b)	(c)			(d)	(e)		(f)	Size
		Market Return (R _m)			Risk-Free	Risk	Unadjusted	Market	Size	Adjusted	
		Div	Proj.	Cost of	Rate	Premium	Beta	K _e	Cap	Adjustment	K _e
		Yield	Growth	Equity							
1	ALLETE	2.4%	9.2%	11.6%	2.9%	8.7%	0.80	9.9%	\$ 3,347.0	1.51%	11.4%
2	Ameren Corp.	2.4%	9.2%	11.6%	2.9%	8.7%	0.70	9.0%	\$ 13,269.7	0.61%	9.6%
3	Avangrid, Inc.	2.4%	9.2%	11.6%	2.9%	8.7%	NA	NA	\$ 13,191.4	0.61%	NA
4	Avista Corp.	2.4%	9.2%	11.6%	2.9%	8.7%	0.70	9.0%	\$ 2,497.5	1.51%	10.5%
5	Black Hills Corp.	2.4%	9.2%	11.6%	2.9%	8.7%	0.85	10.3%	\$ 3,499.2	1.51%	11.8%
6	CMS Energy Corp.	2.4%	9.2%	11.6%	2.9%	8.7%	0.65	8.6%	\$ 12,461.0	0.61%	9.2%
7	Dominion Resources	2.4%	9.2%	11.6%	2.9%	8.7%	0.70	9.0%	\$ 48,536.1	-0.35%	8.6%
8	DTE Energy Co.	2.4%	9.2%	11.6%	2.9%	8.7%	0.65	8.6%	\$ 18,171.1	0.61%	9.2%
9	Edison International	2.4%	9.2%	11.6%	2.9%	8.7%	0.60	8.1%	\$ 25,898.7	-0.35%	7.8%
10	El Paso Electric Co.	2.4%	9.2%	11.6%	2.9%	8.7%	0.75	9.4%	\$ 2,017.8	1.66%	11.1%
11	Exelon Corp.	2.4%	9.2%	11.6%	2.9%	8.7%	0.70	9.0%	\$ 32,960.7	-0.35%	8.6%
12	Hawaiian Elec.	2.4%	9.2%	11.6%	2.9%	8.7%	0.70	9.0%	\$ 3,633.2	0.98%	10.0%
13	IDACORP, Inc.	2.4%	9.2%	11.6%	2.9%	8.7%	0.75	9.4%	\$ 4,180.4	0.98%	10.4%
14	NorthWestern Corp.	2.4%	9.2%	11.6%	2.9%	8.7%	0.65	8.6%	\$ 2,843.8	1.51%	10.1%
15	Otter Tail Corp.	2.4%	9.2%	11.6%	2.9%	8.7%	0.85	10.3%	\$ 1,501.1	1.72%	12.0%
16	PG&E Corp.	2.4%	9.2%	11.6%	2.9%	8.7%	0.65	8.6%	\$ 33,637.3	-0.35%	8.2%
17	Portland General Elec.	2.4%	9.2%	11.6%	2.9%	8.7%	0.70	9.0%	\$ 3,956.3	0.98%	10.0%
18	Sempra Energy	2.4%	9.2%	11.6%	2.9%	8.7%	0.80	9.9%	\$ 27,557.5	-0.35%	9.5%
	Average (g)							9.1%			9.9%
	Midpoint (h)							9.2%			9.9%

(a) Weighted average for dividend-paying stocks in the S&P 500 based on data from www.zacks.com (retrieved Apr. 7, 2017).

(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 (Apr. 7, 2017), <http://finance.yahoo.com> (retrieved Apr. 9, 2017), and www.zacks.com (retrieved Apr. 7, 2017).

(c) Average yield on 30-year Treasury bonds for the six-months ending Mar. 2017 based on data from the Federal Reserve at <http://www.fred.stlouisfed.org>.

(d) The Value Line Investment Survey (Feb. 17, Mar. 17, & Apr. 28, 2017).

(e) www.valueline.com (retrieved Apr. 5, 2017).

(f) Duff & Phelps, 2017 Valuation Handbook-U.S. Guide to Cost of Capital (Preview Version), p. 19.

(g) Excludes highlighted figures.

(h) Average of low and high values.

UTILITY GROUP

	Company	Market Return (R_m)			Risk-Free Rate	Risk Premium	Beta	Unadjusted K_e	Market Cap	Size Adjustment	Size Adjusted K_e
		Div Yield	Proj. Growth	Cost of Equity							
1	ALLETE	2.4%	9.2%	11.6%	4.1%	7.5%	0.80	10.1%	\$ 3,347.0	1.51%	11.6%
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(c) Average yield on 30-year Treasury bonds for 2018-22 based on data from the Value Line Investment Survey, Forecast for the U.S. Economy (Mar. 3, 2017); IHS Global Insight (Feb. 2017); & Wolters Kluwer, Blue Chip Financial Forecasts, Vol. 35, No. 12 (Dec. 1, 2016).

(d) The Value Line Investment Survey (Feb. 17, Mar. 17, & Apr. 28, 2017).

(e) www.valueline.com (retrieved Apr. 5, 2017).

(f) Duff & Phelps, 2017 Valuation Handbook-U.S. Guide to Cost of Capital (Preview Version), p. 19.

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