

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET UE-240006

DOCKET UG-240007

EXH. AMM-10

ADRIEN M. MCKENZIE, CFA

REPRESENTING AVISTA CORPORATION

UTILITY GROUP

Company	(a)	(b)	(c)			(d)	(e)	(d)	(f)			(g)	ECAPM Result		
	Market Return (R _m)			Risk-Free Rate	Risk Premium	Unadjusted Weight	Beta	Adjusted Weight	Unadjusted Total RP	Market Cap	Size Adjustment				
	Div Yield	Proj. Growth	Cost of Equity									RP ¹		RP ²	K _e
1 Algonquin Pwr & Util	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	0.90	75%	4.9%	6.8%	11.2%	\$4,166	0.58%	11.7%
2 ALLETE	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	0.95	75%	5.2%	7.0%	11.4%	\$3,200	0.93%	12.4%
3 Ameren Corp.	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	0.90	75%	4.9%	6.8%	11.2%	\$21,100	0.45%	11.6%
4 Avista Corp.	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	0.90	75%	4.9%	6.8%	11.2%	\$2,400	0.93%	12.1%
5 Black Hills Corp.	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	1.00	75%	5.5%	7.3%	11.7%	\$3,300	0.93%	12.6%
6 CenterPoint Energy	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	1.15	75%	6.3%	8.1%	12.5%	\$17,800	0.45%	13.0%
7 CMS Energy Corp.	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	0.85	75%	4.7%	6.5%	10.9%	\$16,600	0.45%	11.3%
8 Dominion Energy	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	0.90	75%	4.9%	6.8%	11.2%	\$33,500	-0.26%	10.9%
9 DTE Energy Co.	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	1.00	75%	5.5%	7.3%	11.7%	\$21,600	0.45%	12.2%
10 Duke Energy Corp.	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	0.90	75%	4.9%	6.8%	11.2%	\$67,700	-0.26%	10.9%
11 Edison International	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	1.00	75%	5.5%	7.3%	11.7%	\$24,000	0.45%	12.2%
12 Emera Inc.	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	0.75	75%	4.1%	5.9%	10.3%	\$13,900	0.45%	10.8%
13 Entergy Corp.	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	0.95	75%	5.2%	7.0%	11.4%	\$20,200	0.45%	11.9%
14 Exelon Corp.	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	n/a	75%	n/a	n/a	n/a	\$38,300	-0.26%	n/a
15 IDACORP, Inc.	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	0.85	75%	4.7%	6.5%	10.9%	\$4,900	0.58%	11.5%
16 NorthWestern Corp.	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	0.95	75%	5.2%	7.0%	11.4%	\$3,000	0.93%	12.4%
17 OGE Energy Corp.	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	1.05	75%	5.7%	7.6%	12.0%	\$6,800	0.57%	12.5%
18 Otter Tail Corp.	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	0.90	75%	4.9%	6.8%	11.2%	\$3,500	0.93%	12.1%
19 Pinnacle West Capital	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	0.95	75%	5.2%	7.0%	11.4%	\$8,300	0.57%	12.0%
20 Pub Sv Enterprise Grp.	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	0.95	75%	5.2%	7.0%	11.4%	\$30,000	0.45%	11.9%
21 Sempra Energy	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	1.00	75%	5.5%	7.3%	11.7%	\$43,100	-0.26%	11.4%
22 Southern Company	2.0%	9.7%	11.7%	4.4%	7.3%	25%	1.8%	0.95	75%	5.2%	7.0%	11.4%	\$72,800	-0.26%	11.2%
Average												11.4%			11.8%

- (a) Weighted average for dividend-paying stocks in the S&P 500 based on data from www.valueline.com (retrieved Nov. 30, 2023).
- (b) Average of weighted average earnings growth rates from IBES, Value Line, and Zacks for dividend-paying stocks in the S&P 500 based on data from Refinitiv, as provided by fidelity.com (retrieved Nov. 30, 2023), www.valueline.com (retrieved Nov. 30, 2023), and www.zacks.com (retrieved Nov. 30, 2023). Eliminated growth rates that were greater than 20%, as well as all negative values.
- (c) Average yield on 30-year Treasury bonds for six-months ending Nov. 2023 based on data from https://fred.stlouisfed.org/.
- (d) Roger A. Morin, *New Regulatory Finance*, Pub. Util. Reports, Inc. (2006) at 190.
- (e) The Value Line Investment Survey, Summary & Index (Dec. 1, 2023).
- (f) The Value Line Investment Survey (Sep. 8, Oct. 20 and Nov. 10, 2023).
- (g) Kroll, 2023 Supplementary CRSP Decile Size Study Data Exhibits.