

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-14 \_\_\_\_\_

DOCKET NO. UG-14 \_\_\_\_\_

EXHIBIT NO. \_\_\_\_ (AMM-4)

ADRIEN M. MCKENZIE

REPRESENTING AVISTA CORPORATION

SUMMARY OF RESULTS

<u>DCF</u>	<u>Average</u>	<u>Midpoint</u>
Value Line	9.8%	11.3%
IBES	9.7%	10.0%
Zacks	9.5%	10.0%
Internal br + sv	8.6%	9.5%
<u>Empirical CAPM - 2013 Yield</u>		
Unadjusted	10.7%	10.8%
Size Adjusted	11.7%	11.5%
<u>Empirical CAPM - Projected Yield</u>		
Unadjusted	10.8%	10.9%
Size Adjusted	11.8%	11.6%
<u>Utility Risk Premium</u>		
Current Bond Yields	10.4%	
Projected Bond Yields	11.2%	
<u>Cost of Equity Recommendation</u>		
Cost of Equity Range	9.5%	-- 11.0%
<u>Flotation Cost Adjustment</u>		
Dividend Yield	4.20%	
Flotation Cost Percentage	3.60%	
Adjustment	0.15%	
<u>Recommended ROE Range</u>		
	9.65%	-- 11.15%

CHECKS OF REASONABLENESS

	<u>Average</u>	<u>Midpoint</u>
<b><u>CAPM - Current Bond Yield</u></b>		
Unadjusted	10.2%	10.3%
Size Adjusted	11.1%	11.0%
<b><u>CAPM - Projected Bond Yield</u></b>		
Unadjusted	10.3%	10.4%
Size Adjusted	11.2%	11.1%
<b><u>Expected Earnings</u></b>		
Industry	10.4%	
Proxy Group	9.7%	10.8%
<b><u>Non-Utility DCF</u></b>		
Value Line	11.2%	11.1%
IBES	11.1%	11.4%
Zacks	11.2%	11.6%