

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-14 _____

DOCKET NO. UG-14 _____

EXHIBIT NO. ____ (AMM-8)

ADRIEN M. MCKENZIE

REPRESENTING AVISTA CORPORATION

UTILITY GROUP

	Company	(a) (b) Market Return (R _m)			(c) Risk-Free Rate	(d) Market Risk Premium		(e) (d) Beta Adjusted RP			Total RP	Empirical K _e	(f) Market Cap	(g) Size Adjustment	Size Adjusted K _e	
		Div Yield	Proj. Growth	Cost of Equity		Unadjusted RP Weight	RP ¹	Beta	Weight	RP ²						
1	Ameren Corp.	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.80	75%	5.1%	7.2%	11.1%	\$ 8,743.3	0.76%	11.9%
2	American Elec Pwr	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.70	75%	4.5%	6.6%	10.5%	\$ 22,550.3	-0.37%	10.1%
3	ALLETE	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.70	75%	4.5%	6.6%	10.5%	\$ 1,959.8	1.70%	12.2%
4	Avista Corp.	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.70	75%	4.5%	6.6%	10.5%	\$ 1,677.8	1.72%	12.2%
5	Black Hills Corp.	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.85	75%	5.4%	7.6%	11.4%	\$ 2,360.4	1.70%	13.1%
6	CMS Energy Corp.	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.70	75%	4.5%	6.6%	10.5%	\$ 7,057.0	0.92%	11.4%
7	DTE Energy Co.	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.80	75%	5.1%	7.2%	11.1%	\$ 11,612.0	0.76%	11.9%
8	Duke Energy Corp.	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.65	75%	4.1%	6.3%	10.2%	\$ 47,916.2	-0.37%	9.8%
9	Empire District Elec	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.70	75%	4.5%	6.6%	10.5%	\$ 961.8	1.73%	12.2%
10	El Paso Electric	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.70	75%	4.5%	6.6%	10.5%	\$ 1,421.3	1.72%	12.2%
11	Edison International	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.75	75%	4.8%	6.9%	10.8%	\$ 14,707.1	0.76%	11.6%
12	Entergy Corp.	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.70	75%	4.5%	6.6%	10.5%	\$ 10,791.0	0.76%	11.2%
13	Exelon Corp.	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.75	75%	4.8%	6.9%	10.8%	\$ 23,162.1	-0.37%	10.4%
14	Great Plains Energy	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.85	75%	5.4%	7.6%	11.4%	\$ 3,759.9	1.14%	12.6%
15	Hawaiian Elec.	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.70	75%	4.5%	6.6%	10.5%	\$ 2,589.1	1.70%	12.2%
16	IDACORP, Inc.	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.70	75%	4.5%	6.6%	10.5%	\$ 2,625.6	1.70%	12.2%
17	NorthWestern Corp.	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.70	75%	4.5%	6.6%	10.5%	\$ 1,666.2	1.72%	12.2%
18	Otter Tail Corp.	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.95	75%	6.1%	8.2%	12.1%	\$ 1,042.0	1.73%	13.8%
19	PG&E Corp.	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.55	75%	3.5%	5.6%	9.5%	\$ 17,975.0	-0.37%	9.2%
20	Portland General Elec.	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.75	75%	4.8%	6.9%	10.8%	\$ 2,320.9	1.70%	12.5%
21	PPL Corp.	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.65	75%	4.1%	6.3%	10.2%	\$ 18,718.1	-0.37%	9.8%
22	SCANA Corp.	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.70	75%	4.5%	6.6%	10.5%	\$ 6,452.0	0.92%	11.4%
23	Sempra Energy	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.80	75%	5.1%	7.2%	11.1%	\$ 22,053.2	-0.37%	10.8%
24	UIL Holdings	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.80	75%	5.1%	7.2%	11.1%	\$ 1,925.4	1.70%	12.8%
25	Westar Energy	2.3%	10.1%	12.4%	3.9%	8.5%	25%	2.1%	0.75	75%	4.8%	6.9%	10.8%	\$ 4,188.0	1.14%	11.9%
	Average												10.7%			11.7%
	Midpoint (h)												10.8%			11.5%

(a) Weighted average dividend yield for the dividend paying firms in the S&P 500 from www.valueline.com (Retrieved Jan. 8, 2014).

(b) Weighted average of IBES earnings growth rates for the dividend paying firms in the S&P 500 from http://finance.yahoo.com (retrieved Jan. 13, 2014).

(c) Average yield on 30-year Treasury bonds for Dec. 2013 as reported at www.federalreserve.gov/releases/h15/data.htm

(d) Morin, Roger A., "New Regulatory Finance," *Public Utilities Reports, Inc.* at 190 (2006).

(e) The Value Line Investment Survey (Nov. 1, Nov. 22, & Dec. 20, 2013).

(f) www.valueline.com (retrieved Jan. 17, 2014).

(g) *Morningstar*, "Ibbotson SBBI 2013 Valuation Yearbook," at Appendix C, Table C-1 (2013).

(h) Average of low and high values.

UTILITY GROUP

	Company	(a) (b) (c)			(d)		(e) (d)		Total	Empirical	(f)	(g)	Size			
		Market Return (R _m)			Market		Beta Adjusted RP									
		Div	Proj.	Cost of	Risk-Free	Risk	Unadjusted RP	Beta						Weight	RP ²	RP
Yield	Growth	Equity	Rate	Premium	Weight	RP ¹	Weight	RP ²	RP	K _e	Cap	Adjustment	K _e			
1	Ameren Corp.	2.3%	10.1%	12.4%	4.4%	8.0%	25%	2.0%	0.80	75%	4.8%	6.8%	11.2%	\$ 8,743.3	0.76%	12.0%
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(b) Weighted average of IBES earnings growth rates for the dividend paying firms in the S&P 500 from http://finance.yahoo.com (retrieved Jan. 13, 2014).

(c) Average yield on 30-year Treasury bonds for 2014-2018 based on data from the Value Line Investment Survey, Forecast for the U.S. Economy (Nov. 22, 2013); IHS Global Insight, U.S. Economic Outlook at 25 (Nov. 2013); & Blue Chip Financial Forecasts, Vol. 32, No. 6 (Jun. 1, 2013).

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