

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-16_____

DOCKET NO. UG-16_____

EXHIBIT NO. ____ (AMM-9)

ADRIEN M. MCKENZIE

REPRESENTING AVISTA CORPORATION

UTILITY GROUP

	Company	(a) (b) (c)			Risk-Free Rate	Risk Premium	(d) Beta	Unadjusted K_e	(e) Market Cap	(f) Size Adjustment	Size Adjusted K_e
		Div Yield	Proj. Growth	Cost of Equity							
1	ALLETE	2.7%	8.5%	11.2%	3.0%	8.2%	0.80	9.6%	\$ 2,434.3	1.74%	11.3%
2	Ameren Corp.	2.7%	8.5%	11.2%	3.0%	8.2%	0.75	9.2%	\$ 10,638.0	0.63%	9.8%
3	American Elec Pwr	2.7%	8.5%	11.2%	3.0%	8.2%	0.70	8.7%	\$ 28,638.5	-0.36%	8.4%
4	Avista Corp.	2.7%	8.5%	11.2%	3.0%	8.2%	0.80	9.6%	\$ 2,209.9	1.74%	11.3%
5	CMS Energy Corp.	2.7%	8.5%	11.2%	3.0%	8.2%	0.75	9.2%	\$ 10,019.9	0.91%	10.1%
6	DTE Energy Co.	2.7%	8.5%	11.2%	3.0%	8.2%	0.75	9.2%	\$ 14,128.4	0.63%	9.8%
7	Edison International	2.7%	8.5%	11.2%	3.0%	8.2%	0.70	8.7%	\$ 18,991.5	0.63%	9.4%
8	El Paso Electric	2.7%	8.5%	11.2%	3.0%	8.2%	0.75	9.2%	\$ 1,536.7	1.71%	10.9%
9	Great Plains Energy	2.7%	8.5%	11.2%	3.0%	8.2%	0.85	10.0%	\$ 4,204.9	1.06%	11.0%
10	IDACORP, Inc.	2.7%	8.5%	11.2%	3.0%	8.2%	0.80	9.6%	\$ 3,399.0	1.60%	11.2%
11	NorthWestern Corp.	2.7%	8.5%	11.2%	3.0%	8.2%	0.70	8.7%	\$ 2,711.8	1.60%	10.3%
12	Otter Tail Corp.	2.7%	8.5%	11.2%	3.0%	8.2%	0.85	10.0%	\$ 996.7	2.15%	12.1%
13	PG&E Corp.	2.7%	8.5%	11.2%	3.0%	8.2%	0.70	8.7%	\$ 25,714.7	-0.36%	8.4%
14	Portland General Elec.	2.7%	8.5%	11.2%	3.0%	8.2%	0.80	9.6%	\$ 3,187.8	1.60%	11.2%
15	Sempra Energy	2.7%	8.5%	11.2%	3.0%	8.2%	0.80	9.6%	\$ 21,594.3	0.63%	10.2%
16	Westar Energy	2.7%	8.5%	11.2%	3.0%	8.2%	0.75	9.2%	\$ 5,967.2	0.91%	10.1%
	Average							9.3%			10.3%
	Midpoint (g)							9.4%			10.3%

(a) Weighted average for dividend-paying stocks in the S&P 500 based on data from www.valueline.com (Jan. 8, 2016).

(b) Average of weighted average earnings growth rates from IBES and Value Line Investment Survey for dividend-paying stocks in the S&P 500 based on data from <http://finance.yahoo.com> (retrieved Jan. 8, 2016). and www.valueline.com (Jan. 8, 2016).

(c) Average yield on 30-year Treasury bonds for the six-months ending Dec. 2015 based on data from the Federal Reserve at <http://www.federalreserve.gov/releases/h15/data.htm>.

(d) The Value Line Investment Survey (Nov. 20 & Dec. 18, 2015; Jan. 29, 2016).

(e) www.valueline.com (retrieved Jan. 8, 2016).

(f) Morningstar, "2015 Ibbotson SBBI Market Report," at Table 10 (2015); "2015 Ibbotson SBBI Classic Yearbook," at Errata Table 7-6 (2015).

(g) Average of low and high values.

CAPM - PROJECTED BOND YIELD

Exhibit No. ___ (AMM-9)

Page 2 of 2

UTILITY GROUP

	Company	(a) (b) (c) Market Return (R _m)			(d) Risk-Free Rate	(e) Risk Premium	(f) Beta	(g) Unadjusted K _e	(h) Market Cap	(i) Size Adjustment	(j) Size Adjusted K _e
		Div Yield	Proj. Growth	Cost of Equity							
1	ALLETE	2.7%	8.5%	11.2%	4.2%	7.0%	0.80	9.8%	\$ 2,434.3	1.74%	11.5%
2	Ameren Corp.	2.7%	8.5%	11.2%	4.2%	7.0%	0.75	9.5%	\$ 10,638.0	0.63%	10.1%
3	American Elec Pwr	2.7%	8.5%	11.2%	4.2%	7.0%	0.70	9.1%	\$ 28,638.5	-0.36%	8.7%
4	Avista Corp.	2.7%	8.5%	11.2%	4.2%	7.0%	0.80	9.8%	\$ 2,209.9	1.74%	11.5%
5	CMS Energy Corp.	2.7%	8.5%	11.2%	4.2%	7.0%	0.75	9.5%	\$ 10,019.9	0.91%	10.4%
6	DTE Energy Co.	2.7%	8.5%	11.2%	4.2%	7.0%	0.75	9.5%	\$ 14,128.4	0.63%	10.1%
7	Edison International	2.7%	8.5%	11.2%	4.2%	7.0%	0.70	9.1%	\$ 18,991.5	0.63%	9.7%
8	El Paso Electric	2.7%	8.5%	11.2%	4.2%	7.0%	0.75	9.5%	\$ 1,536.7	1.71%	11.2%
9	Great Plains Energy	2.7%	8.5%	11.2%	4.2%	7.0%	0.85	10.2%	\$ 4,204.9	1.06%	11.2%
10	IDACORP, Inc.	2.7%	8.5%	11.2%	4.2%	7.0%	0.80	9.8%	\$ 3,399.0	1.60%	11.4%
11	NorthWestern Corp.	2.7%	8.5%	11.2%	4.2%	7.0%	0.70	9.1%	\$ 2,711.8	1.60%	10.7%
12	Otter Tail Corp.	2.7%	8.5%	11.2%	4.2%	7.0%	0.85	10.2%	\$ 996.7	2.15%	12.3%
13	PG&E Corp.	2.7%	8.5%	11.2%	4.2%	7.0%	0.70	9.1%	\$ 25,714.7	-0.36%	8.7%
14	Portland General Elec.	2.7%	8.5%	11.2%	4.2%	7.0%	0.80	9.8%	\$ 3,187.8	1.60%	11.4%
15	Sempra Energy	2.7%	8.5%	11.2%	4.2%	7.0%	0.80	9.8%	\$ 21,594.3	0.63%	10.4%
16	Westar Energy	2.7%	8.5%	11.2%	4.2%	7.0%	0.75	9.5%	\$ 5,967.2	0.91%	10.4%
	Average							9.6%			10.6%
	Midpoint (g)							9.6%			10.5%

- (a) Weighted average for dividend-paying stocks in the S&P 500 based on data from www.valueline.com (Jan. 8, 2016).
- (b) Average of weighted average earnings growth rates from IBES and Value Line Investment Survey for dividend-paying stocks in the S&P 500 based on data from http://finance.yahoo.com (retrieved Jan. 8, 2016). and www.valueline.com (Jan. 8, 2016).
- (c) Average yield on 30-year Treasury bonds for 2016-20 based on data from the Value Line Investment Survey, Forecast for the U.S. Economy (Dec. 4, 2015); IHS Global Insight, The U.S. Economy: The 30-Year Focus (Third-Quarter 2015); & Blue Chip Financial Forecasts, Vol. 34, No. 6 (Dec. 1, 2015).
- (d) The Value Line Investment Survey (Nov. 20 & Dec. 18, 2015; Jan. 29, 2016).
- (e) www.valueline.com (retrieved Jan. 8, 2016).
- (f) Morningstar, "2015 Ibbotson SBBI Market Report," at Table 10 (2015); "2015 Ibbotson SBBI Classic Yearbook," at Errata Table 7-6 (2015).
- (g) Average of low and high values.