

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION)	DOCKETS UE-190334,
)	UG-190335, and UE-190222
Complainant,)	(<i>Consolidated</i>)
)	
v.)	
)	
AVISTA CORPORATION d/b/a)	
AVISTA UTILITIES)	
)	
Respondent.)	
_____)	

EXHIBIT MPG-19
CAPM RETURN
OCTOBER 3, 2019

Avista Corporation

CAPM Return

<u>Line</u>	<u>Description</u>	High Market Risk ² <u>Premium</u> (1)	Low Market Risk ² <u>Premium</u> (2)
1	Risk-Free Rate ¹	2.60%	2.60%
2	Risk Premium ²	8.40%	6.00%
3	Historical Beta ³	0.74	0.74
4	CAPM	8.77%	7.01%

Sources:

¹ *Blue Chip Financial Forecasts*, August 1, 2019, at 2.

² *Duff & Phelps, 2019 SBBI Yearbook* at 6-17 and 6-18, and
Duff & Phelps, 2019 Valuation Handbook at 3-47 and 3-50.

³ Exhibit MPG-18, Page 2.