

Exhibit No. \_\_\_\_ (DCP-11)  
Docket Nos. UE-070804 et al.  
Witness: David C. Parcell

**BEFORE THE WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION

Complainant,

vs.

AVISTA CORPORATION,

Respondent.

**DOCKET NO. UE-070804**

**DOCKET NO. UG-070805**

In the Matter of the Petition of

AVISTA CORPORATION d/b/a  
AVISTA UTILITIES,

**DOCKET NO. UE-070311**

For an Accounting Order Regarding the  
Appropriate Treatment of the Net Costs  
Associated with the Purchase of Debt.

**EXHIBIT TO TESTIMONY OF**

**DAVID C. PARCELL**

**ON BEHALF OF**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Schedule 10:  
Comparison Companies  
CAPM Cost Rates*

**October 17, 2007**

## COMPARISON COMPANIES CAPM COST RATES

COMPANY	RISK-FREE RATE	BETA	MARKET PREMIUM	CAPM RATES
<b>Comparison Group</b>				
Avista	5.01%	0.90	5.90%	10.3%
Cleco	5.01%	1.35	5.90%	13.0%
Hawaiian Electric Industries	5.01%	0.75	5.90%	9.4%
Northeast Utilities	5.01%	0.85	5.90%	10.0%
OGE Energy	5.01%	0.75	5.90%	9.4%
Pinnacle West Capital	5.01%	1.00	5.90%	10.9%
PNM Resources	5.01%	0.95	5.90%	10.6%
Puget Energy	5.01%	0.85	5.90%	10.0%
Average				<b>10.5%</b>
Median				<b>10.2%</b>
<b>Avera Proxy Group</b>				
American Electric Power	5.01%	1.15	5.90%	11.8%
Black Hills Corp	5.01%	1.10	5.90%	11.5%
Cleco Corp	5.01%	1.35	5.90%	13.0%
Dominion Resources	5.01%	1.05	5.90%	11.2%
DPL Inc.	5.01%	0.90	5.90%	10.3%
DTE Energy	5.01%	0.80	5.90%	9.7%
Edison International	5.01%	1.10	5.90%	11.5%
Empire District Electric	5.01%	0.85	5.90%	10.0%
NiSource Inc.	5.01%	0.95	5.90%	10.6%
Northeast Utilities	5.01%	0.85	5.90%	10.0%
Pepco Holdings	5.01%	0.90	5.90%	10.3%
PG&E	5.01%	1.20	5.90%	12.1%
PNM Resources	5.01%	0.95	5.90%	10.6%
PPL Corp	5.01%	0.95	5.90%	10.6%
Progress Energy	5.01%	0.95	5.90%	10.6%
PS Enterprise Group	5.01%	0.95	5.90%	10.6%
Puget Energy	5.01%	0.85	5.90%	10.0%
Westar Energy	5.01%	0.90	5.90%	10.3%
Xcel Energy	5.01%	0.90	5.90%	10.3%
Average				<b>10.8%</b>
Median				<b>10.6%</b>

Sources: Value Line Investment Survey, Standard & Poor's Analysts' Handbook, Federal Reserve.