WUTC DOCKET: UE-190334 EXHIBIT: DJG-6 ADMIT ☑ W/D ☐ REJECT ☐

BEFORE THE WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

WASHINGTON UTILIITES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION d/b/a AVISTA UTILITIES,

Respondent.

DOCKET NOS. UE-190334 and UG-190335, UE-190222 (Consolidated)

DAVID J. GARRETT ON BEHALF OF PUBLIC COUNSEL

EXHIBIT DJG-6

Historic Trends

October 3, 2019

Market Cost of Equity vs. Awarded Returns UE-190334 and UG-190335, UE-190222 (Consolidated)

Exh. DJG-6

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4																					
5			Electric Ut			Gas Uti	litie			Total Uti	lit			S&P 500		T-Bond		Risk		Market	
6	Year	-	ROE	#		ROE		#		ROE		#		Returns		Rate		Premium		COE	
7	1990		12.70%	38		12.68%		33		12.69%		71		-3.06%		8.07%		3.89%		11.96%	
9	1990		12.70%	42	-	12.45%	H	31		12.50%		73		30.23%		6.70%		3.48%		10.18%	
10	1992		12.09%	45	_	12.02%		28		12.06%		73		7.49%		6.68%		3.55%		10.13%	
11	1993		11.46%	28	_	11.37%		40		11.41%		68		9.97%		5.79%		3.17%		8.96%	
12	1994		11.21%	28		11.24%		24		11.22%		52		1.33%		7.82%		3.55%		11.37%	
13	1995		11.58%	28		11.44%		13		11.54%		41		37.20%		5.57%		3.29%		8.86%	
14	1996		11.40%	18	-	11.12%		17		11.26%		35		22.68%		6.41%		3.20%		9.61%	
15	1997		11.33%	10	_	11.30%		12		11.31%		22		33.10%		5.74%		2.73%		8.47%	
16	1998		11.77%	10	_	11.51%		10		11.64%		20		28.34%		4.65%		2.26%		6.91%	
17	1999 2000		10.72% 11.58%	6	_	10.74% 11.34%		6 13		10.73%		12 22		20.89% -9.03%		6.44% 5.11%		2.05%		8.49% 7.98%	
18 19	2000		11.58%	9 15		10.96%	H	5		11.44% 11.04%		20		-9.03%		5.11%		2.87% 3.62%		7.98% 8.67%	
20	2001		11.07%	14	-	11.17%	H	19		11.19%	1	33		-21.97%		3.81%		4.10%		7.91%	
21	2003		10.96%	20		10.99%	H	25		10.98%		45		28.36%		4.25%		3.69%		7.94%	
22	2004		10.81%	21	_	10.63%	H	22		10.72%		43		10.74%		4.22%		3.65%		7.87%	
23	2005		10.51%	24		10.41%		26		10.46%		50		4.83%		4.39%		4.08%		8.47%	
24	2006		10.32%	26		10.40%		15		10.35%		41		15.61%		4.70%		4.16%		8.86%	
25	2007		10.30%	38		10.22%		35		10.26%		73		5.48%		4.02%		4.37%		8.39%	
26	2008		10.41%	37		10.39%		32		10.40%		69		-36.55%		2.21%		6.43%		8.64%	
27	2009		10.52%	40	-	10.22%		30		10.39%		70		25.94%		3.84%		4.36%		8.20%	
28	2010		10.37%	61	-	10.15%		39		10.28%		100		14.82%		3.29%		5.20%		8.49%	
30	2011		10.29% 10.17%	42 58	_	9.92% 9.94%		16 35		10.19% 10.08%		58 93		2.10% 15.89%		1.88% 1.76%		6.01% 5.78%		7.89% 7.54%	
31	2012		10.17%	49	-	9.68%		21		9.93%		70		32.15%		3.04%		4.96%		8.00%	
32	2014		9.91%	38	_	9.78%		26		9.86%		64		13.52%		2.17%		5.78%		7.95%	
33	2015		9.85%	30	-	9.60%		16		9.76%		46		1.38%		2.27%		6.12%		8.39%	
34	2016		9.77%	42		9.54%		26		9.68%		68		11.77%		2.45%		5.69%		8.14%	
35	2017		9.74%	53		9.72%		24		9.73%		77		21.64%		2.41%		5.08%		7.49%	
36	2018		9.59%	48		9.59%		41		9.59%		89		-4.23%		2.68%		5.96%		8.64%	
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39 40																					
	[1] [2] [3] Δv	erag	e annual autho	rized RC)F fc	or electric and	gas	utilitie	s R	RA Regulatory	FΩ	cus. M	laior	Rate Case De	risin	ins					
	[3] = [1] + [2]	0.08	,c armaar aacric		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, cicotiio aiia	Баз		5, 11			005. 11	ajo.	nate case se	0.5.0						
		nua	S&P 500 retur	n, 10-ye	ar T	-bond Rate, an	ıd e	quity r	isk p	remium publis	he	ed by N	YU S	tern School of	Bus	siness					
44	[7] = [5] + [6]	; Ma	rket cost of equ	uity repr	esei	nts the require	d re	eturn f	or in	vesting in all s	toc	cks in tl	ne m	arket for a giv	en y	/ear					
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