Exhibit No. ___ (DCP-12)
Docket UE-090134/UG-090135
and UG-060518 (consolidated)
Witness: David C. Parcell

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Complainant, Complainant, (consolidated) (consolidated) (consolidated) (consolidated) (consolidated) (consolidated) (consolidated) DOCKET UG-060518 (consolidated) AVISTA CORPORATION, d/b/a AVISTA UTILITIES, For an Order Authorizing Implementation of a Natural Gas Decoupling Mechanism and to Record	WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	DOCKETS UE-090134 and UG-090135
v.) AVISTA CORPORATION, d/b/a) AVISTA UTILITIES,) Respondent.) In the Matter of the Petition of) AVISTA CORPORATION, d/b/a) AVISTA CORPORATION, d/b/a) AVISTA UTILITIES,) For an Order Authorizing Implementation of a Natural Gas Decoupling Mechanism and to Record	•	j –	(consolidated)
AVISTA CORPORATION, d/b/a AVISTA UTILITIES, Respondent. In the Matter of the Petition of AVISTA CORPORATION, d/b/a AVISTA CORPORATION, d/b/a AVISTA UTILITIES, For an Order Authorizing Implementation of a Natural Gas Decoupling Mechanism and to Record	Complainant,)	
AVISTA CORPORATION, d/b/a AVISTA UTILITIES, Respondent. In the Matter of the Petition of AVISTA CORPORATION, d/b/a AVISTA CORPORATION, d/b/a AVISTA UTILITIES, For an Order Authorizing Implementation of a Natural Gas Decoupling Mechanism and to Record)	
AVISTA UTILITIES, Respondent. In the Matter of the Petition of AVISTA CORPORATION, d/b/a AVISTA UTILITIES, For an Order Authorizing Implementation of a Natural Gas Decoupling Mechanism and to Record	V.)	
Respondent. In the Matter of the Petition of AVISTA CORPORATION, d/b/a AVISTA UTILITIES, For an Order Authorizing Implementation of a Natural Gas Decoupling Mechanism and to Record	•)	
In the Matter of the Petition of AVISTA CORPORATION, d/b/a AVISTA UTILITIES, For an Order Authorizing Implementation of a Natural Gas Decoupling Mechanism and to Record	AVISTA UTILITIES,)	
AVISTA CORPORATION, d/b/a AVISTA UTILITIES, For an Order Authorizing Implementation of a Natural Gas Decoupling Mechanism and to Record (consolidated) (consolidated)	Respondent.	<u> </u>	
AVISTA CORPORATION, d/b/a AVISTA UTILITIES, For an Order Authorizing Implementation of a Natural Gas Decoupling Mechanism and to Record (consolidated) (consolidated))	
AVISTA UTILITIES, For an Order Authorizing Implementation of a Natural Gas Decoupling Mechanism and to Record	In the Matter of the Petition of)	·
For an Order Authorizing Implementation of a Natural Gas Decoupling Mechanism and to Record	AVISTA CORPORATION, d/b/a)	
Implementation of a Natural Gas Decoupling Mechanism and to Record	AVISTA UTILITIES,)	
Implementation of a Natural Gas Decoupling Mechanism and to Record	For an Order Authorizing)	
Decoupling Mechanism and to Record)	
	-)	
)	
the Mechanism.	Accounting Entries Associated With)	
))	•

EXHIBIT TO TESTIMONY OF

DAVID C. PARCELL

STAFF OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Comparison Companies - CAPM Cost Rates

August 17, 2009

COMPARISON COMPANIES CAPM COST RATES

COMPANY	RISK-FREE RATE	ВЕТА	MARKET PREMIUM	CAPM RATES
Comparison Group				
Avista	4.37%	0.70	5.32%	8.1%
Ameren	4.37%	0.80	5.32%	8.6%
Cleco	4.37%	0.70	5.32%	8.1%
Great Plains Energy	4.37%	0.75	5.32%	8.4%
Hawaiian Electric Industries	4.37%	0.60	5.32%	7.6%
Pinnacle West Capital	4.37%	0.70	5.32%	8.1%
Westar Energy	4.37%	0.75	5.32%	8.4%
Average				8.2%
Median				8.1%
Avera Proxy Group				
American Electric Power	4.37%	0.75	5.32%	8.4%
Black Hills Corp	4.37%	0.80	5.32%	8.6%
Cleco Corp	4.37%	0.70	5.32%	8.1%
Dominion Resources	4.37%	0.70	5.32%	8.1%
DPL Inc.	4.37%	0.60	5.32%	7.6%
DTE Energy	4.37%	0.75	5.32%	8.4%
Edison International	4.37%	0.80	5.32%	8.6%
Empire District Electric	4.37%	0.75	5.32%	8.4%
NiSource Inc.	4.37%	0.85	5.32%	8.9%
Northeast Utilities	4.37%	0.70	5.32%	8.1%
Pepco Holdings	4.37%	0.80	5.32%	8.6%
PG&E	4.37%	0.60	5.32%	7.6%
PNM Resources	4.37%	0.85	5.32%	8.9%
PPL Corp	4.37%	0.70	5.32%	8.1% 7.8%
Progress Energy	4.37%	0.65	5.32%	7.6% 8.6%
PS Enterprise Group	4.37%	0.80	5.32% 5.32%	6.6% 4.4%
Puget Energy	4.37%	0.75	5.32% 5.32%	4.4% 8.4%
Westar Energy	4.37%	0.75	5.32% 5.32%	7.8%
Xcel Energy	4.37%	0.65	5.32%	7.070
Average			·	8.1%
Median				8.4%

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