



CABLE HUSTON^{LLP}

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**VIA FEDERAL EXPRESS
AND ELECTRONIC FILING**

Steven V. King
Executive Director
Washington Utilities & Transportation Commission
1300 S. Evergreen Pk. Dr. S.W.
P. O. Box 47250
Olympia, WA 98504-7250

Re: WUTC v. Avista Corporation, DBA Avista Utilities
Dockets UE-140188 and UG-140189

Dear Mr. King:

Enclosed please find the original and seven (7) copies of the Redacted version of the Confidential Response Testimony of Michael P. Gorman on behalf of The Industrial Customers of Northwest Utilities and Northwest Industrial Gas Users.

The filing contains the following documents:

- Exhibit No. ___(MPG-1CT): Confidential Response Testimony of Michael P. Gorman (Redacted)
- Exhibit No. ___(MPG-2): Qualifications of Michael P. Gorman
- Exhibit No. ___(MPG-3): Rate of Return
- Exhibit No. ___(MPG-4C): Capital Structure (Redacted)
- Exhibit No. ___(MPG-5): Cost of Debt
- Exhibit No. ___(MPG-6): Proxy Group
- Exhibit No. ___(MPG-7): Consensus Analysts' Growth Rates
- Exhibit No. ___(MPG-8): Constant Growth DCF Model (Consensus Analysts' Growth Rates)

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Exhibit No. ___(MPG-9): Payout Ratios

Exhibit No. ___(MPG-10): Sustainable Growth Rate

Exhibit No. ___(MPG-11): Constant Growth DCF Model (Sustainable Growth Rate)

Exhibit No. ___(MPG-12): Electricity Sales are Linked to U.S. Economic Growth

Exhibit No. ___(MPG-13): Multi-Stage Growth DCF Model

Exhibit No. ___(MPG-14): Common Stock Market/Book Ratio

Exhibit No. ___(MPG-15): Equity Risk Premium – Treasury Bond

Exhibit No. ___(MPG-16): Equity Risk Premium – Utility Bond

Exhibit No. ___(MPG-17): Bond Yield Spreads

Exhibit No. ___(MPG-18): Treasury and Utility Bond Yields

Exhibit No. ___(MPG-19): Value Line Beta

Exhibit No. ___(MPG-20): CAPM Return

Exhibit No. ___(MPG-21C): Standard & Poor's Credit Metrics (Redacted)

Exhibit No. ___(MPG-22): Revised McKenzie DCF Cost of Equity Estimates

Exhibit No. ___(MPG-23): Variations of the CAPM and Beta Calculations

Very truly yours,



Tommy A. Brooks

TAB:sk
Enclosure