

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION, DBA
AVISTA UTILITIES,

Respondent.

)
)
) DOCKET NOS. UE-140188 and
) UG-140189 (*Consolidated*)
)
)
)
)
)
)
)
)

EXHIBIT NO.__(MPG-20)

CAPM RETURN

July 22, 2014

Avista Corporation

CAPM Return

<u>Line</u>	<u>Description</u>	<u>High Market Risk Premium (1)</u>	<u>Low Market Risk Premium (2)</u>
1	Risk-Free Rate ¹	4.40%	4.40%
2	Risk Premium ²	6.96%	6.20%
3	Beta ³	0.75	0.75
4	CAPM	9.61%	9.04%
5	Average		9.32%

Sources:

¹ *Blue Chip Financial Forecasts*; July 1, 2014, at 2.

² Morningstar, Inc. *Ibbotson S&P 500 2014 Classic Yearbook* at 91 and 152.

³ Exhibit No.____(MPG-19).