

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	
)	
Complainant,)	
)	
v.)	DOCKETS UE-170485 and UG-170486 (Consolidated)
)	
AVISTA CORPORATION, DBA AVISTA UTILITIES,)	
)	
Respondent.)	
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EXHIBIT MPG-21

CAPM RETURN

OCTOBER 27, 2017

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	3.60%	3.60%
2	Risk Premium ²	7.80%	6.00%
3	Beta ³	0.71	0.71
4	CAPM	9.13%	7.86%

Sources:

¹ *Blue Chip Financial Forecasts*, October 1, 2017, at 2.

² *Duff & Phelps, 2017 SBBI Yearbook* at 6-17 and 6-18, and
Duff & Phelps, 2017 Valuation Handbook at 3-36 and 3-48.

³ Exhibit MPG-20.