

**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-11

SUSTAINABLE GROWTH RATE

OCTOBER 27, 2017

Avista Corporation

Sustainable Growth Rate

Line	Company	3 to 5 Year Projections										Sustainable
		Dividends	Earnings	Book Value	Book Value		Adjustment	Adjusted	Payout	Retention	Internal	Growth
		Per Share	Per Share	Per Share	Growth	ROE	Factor	ROE	Ratio	Rate	Growth Rate	Rate
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	ALLETE, Inc.	\$2.50	\$4.25	\$46.50	4.03%	9.14%	1.02	9.32%	58.82%	41.18%	3.84%	4.93%
2	Ameren Corporation	\$2.15	\$3.50	\$35.75	4.08%	9.79%	1.02	9.99%	61.43%	38.57%	3.85%	3.85%
3	Avangrid, Inc.	\$1.90	\$2.75	\$52.25	1.33%	5.26%	1.01	5.30%	69.09%	30.91%	1.64%	1.64%
4	Black Hills Corporation	\$2.20	\$4.25	\$41.00	6.27%	10.37%	1.03	10.68%	51.76%	48.24%	5.15%	8.64%
5	CMS Energy Corporation	\$1.70	\$2.75	\$21.00	6.64%	13.10%	1.03	13.52%	61.82%	38.18%	5.16%	6.61%
6	Dominion Resources, Inc.	\$4.20	\$4.50	\$24.25	0.84%	18.56%	1.00	18.63%	93.33%	6.67%	1.24%	1.24%
7	DTE Energy Company	\$4.30	\$6.75	\$62.75	4.56%	10.76%	1.02	11.00%	63.70%	36.30%	3.99%	4.96%
8	Edison International	\$2.90	\$5.25	\$44.75	3.98%	11.73%	1.02	11.96%	55.24%	44.76%	5.35%	5.35%
9	El Paso Electric Company	\$1.75	\$3.00	\$32.25	3.99%	9.30%	1.02	9.48%	58.33%	41.67%	3.95%	4.19%
10	Exelon Corporation	\$1.70	\$3.25	\$35.50	4.89%	9.15%	1.02	9.37%	52.31%	47.69%	4.47%	4.80%
11	Hawaiian Electric Industries, Inc.	\$1.40	\$2.00	\$22.00	2.94%	9.09%	1.01	9.22%	70.00%	30.00%	2.77%	3.22%
12	IDACORP, Inc.	\$2.90	\$4.75	\$51.50	3.80%	9.22%	1.02	9.40%	61.05%	38.95%	3.66%	3.76%
13	NorthWestern Corporation	\$2.50	\$4.00	\$41.00	3.40%	9.76%	1.02	9.92%	62.50%	37.50%	3.72%	3.95%
14	Otter Tail Corporation	\$1.38	\$2.30	\$22.25	5.49%	10.34%	1.03	10.61%	60.00%	40.00%	4.25%	7.44%
15	PG&E Corporation	\$2.90	\$4.50	\$45.50	5.15%	9.89%	1.03	10.14%	64.44%	35.56%	3.60%	4.62%
16	Portland General Electric Company	\$1.70	\$3.00	\$31.25	3.47%	9.60%	1.02	9.76%	56.67%	43.33%	4.23%	4.41%
17	Sempra Energy	\$4.55	\$7.50	\$58.25	2.39%	12.88%	1.01	13.03%	60.67%	39.33%	5.12%	5.12%
18	Average	\$2.51	\$4.02	\$39.28	3.96%	10.47%	1.02	10.67%	62.42%	37.58%	3.88%	4.63%

Sources and Notes:

Cols. (1), (2) and (3): *The Value Line Investment Survey*, July 28, August 18, and September 15, 2017.

Col. (4): [Col. (3) / Page 2 Col. (2)] ^ (1/number of years projected) - 1.

Col. (5): Col. (2) / Col. (3).

Col. (6): [2 * (1 + Col. (4))] / (2 + Col. (4)).

Col. (7): Col. (6) * Col. (5).

Col. (8): Col. (1) / Col. (2).

Col. (9): 1 - Col. (8).

Col. (10): Col. (9) * Col. (7).

Col. (11): Col. (10) + Page 2 Col. (9).

Avista Corporation

Sustainable Growth Rate

<u>Line</u>	<u>Company</u>	<u>13-Week</u>	<u>2016</u>	<u>Market</u>	<u>Common Shares</u>		<u>Growth</u>	<u>S Factor</u> ³	<u>V Factor</u> ⁴	<u>S * V</u>
		<u>Average</u>	<u>Book Value</u>	<u>to Book</u>	<u>Outstanding (in Millions)</u> ²					
		<u>Stock Price</u> ¹	<u>Per Share</u> ²	<u>Ratio</u>	<u>2016</u>	<u>3-5 Years</u>	<u>(6)</u>	<u>(7)</u>	<u>(8)</u>	<u>(9)</u>
		(1)	(2)	(3)	(4)	(5)				
1	ALLETE, Inc.	\$74.50	\$38.17	1.95	49.60	52.50	1.14%	2.23%	48.77%	1.09%
2	Ameren Corporation	\$57.52	\$29.27	1.97	242.63	242.63	0.00%	0.00%	49.12%	0.00%
3	Avangrid, Inc.	\$46.30	\$48.90	0.95	308.99	309.00	0.00%	0.00%	- 5.62%	- 0.00%
4	Black Hills Corporation	\$69.31	\$30.25	2.29	53.38	61.00	2.70%	6.20%	56.36%	3.49%
5	CMS Energy Corporation	\$47.21	\$15.23	3.10	279.21	289.00	0.69%	2.14%	67.74%	1.45%
6	Dominion Resources, Inc.	\$77.86	\$23.26	3.35	627.80	615.00	- 0.41%	- 1.38%	70.13%	- 0.97%
7	DTE Energy Company	\$108.83	\$50.22	2.17	179.43	187.00	0.83%	1.80%	53.85%	0.97%
8	Edison International	\$79.27	\$36.82	2.15	325.81	325.81	0.00%	0.00%	53.55%	0.00%
9	El Paso Electric Company	\$53.37	\$26.52	2.01	40.52	41.00	0.24%	0.47%	50.31%	0.24%
10	Exelon Corporation	\$37.41	\$27.96	1.34	924.04	970.00	0.98%	1.31%	25.25%	0.33%
11	Hawaiian Electric Industries, Inc.	\$33.01	\$19.03	1.73	108.58	112.00	0.62%	1.08%	42.35%	0.46%
12	IDACORP, Inc.	\$87.39	\$42.74	2.04	50.40	50.65	0.10%	0.20%	51.09%	0.10%
13	NorthWestern Corporation	\$60.05	\$34.68	1.73	48.33	49.10	0.32%	0.55%	42.25%	0.23%
14	Otter Tail Corporation	\$41.10	\$17.03	2.41	39.35	44.00	2.26%	5.45%	58.57%	3.19%
15	PG&E Corporation	\$68.43	\$35.39	1.93	506.89	535.00	1.09%	2.10%	48.29%	1.01%
16	Portland General Electric Company	\$46.07	\$26.35	1.75	88.95	90.00	0.23%	0.41%	42.81%	0.18%
17	Sempra Energy	\$115.57	\$51.77	2.23	250.15	236.00	- 1.16%	- 2.58%	55.21%	- 1.43%
18	Average	\$64.90	\$32.56	2.07	242.59	247.63	0.75%	1.60%	50.98%	0.91%

Sources and Notes:

¹ SNL Financial, Downloaded on September 26, 2017.

² *The Value Line Investment Survey*, July 28, August 18, and September 15, 2017.

³ Expected Growth in the Number of Shares, Column (3) * Column (6).

⁴ Expected Profit of Stock Investment, [1 - 1 / Column (3)].