

**BEFORE THE WASHINGTON  
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Complainant,

v.

CASCADE NATURAL GAS CO.,

Respondent.

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DOCKET UG-240008

**MICHAEL P. GORMAN  
ON BEHALF OF THE  
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL  
PUBLIC COUNSEL UNIT**

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**EXHIBIT MPG-15**

Equity Risk Premium – Treasury Bond

September 25, 2024

## Cascade Natural Gas Corporation

### Equity Risk Premium - Treasury Bond

<u>Line</u>	<u>Year</u>	<u>Authorized Gas Returns<sup>1</sup></u> (1)	<u>30 yr. Treasury Bond Yield<sup>2</sup></u> (2)	<u>Indicated Risk Premium</u> (3)	<u>Rolling 5 - Year Average</u> (4)	<u>Rolling 10 - Year Average</u> (5)
1	1986	13.46%	7.80%	5.66%		
2	1987	12.74%	8.58%	4.16%		
3	1988	12.85%	8.96%	3.89%		
4	1989	12.88%	8.45%	4.43%		
5	1990	12.67%	8.61%	4.06%	4.44%	
6	1991	12.46%	8.14%	4.32%	4.17%	
7	1992	12.01%	7.67%	4.34%	4.21%	
8	1993	11.35%	6.60%	4.75%	4.38%	
9	1994	11.35%	7.37%	3.98%	4.29%	
10	1995	11.43%	6.88%	4.55%	4.39%	4.42%
11	1996	11.19%	6.70%	4.49%	4.42%	4.30%
12	1997	11.29%	6.61%	4.68%	4.49%	4.35%
13	1998	11.51%	5.58%	5.93%	4.73%	4.55%
14	1999	10.66%	5.87%	4.79%	4.89%	4.59%
15	2000	11.39%	5.94%	5.45%	5.07%	4.73%
16	2001	10.95%	5.49%	5.46%	5.26%	4.84%
17	2002	11.03%	5.43%	5.60%	5.45%	4.97%
18	2003	10.99%	4.96%	6.03%	5.47%	5.10%
19	2004	10.59%	5.05%	5.54%	5.62%	5.25%
20	2005	10.46%	4.65%	5.81%	5.69%	5.38%
21	2006	10.40%	4.87%	5.53%	5.70%	5.48%
22	2007	10.22%	4.83%	5.39%	5.66%	5.55%
23	2008	10.39%	4.28%	6.11%	5.68%	5.57%
24	2009	10.22%	4.07%	6.15%	5.80%	5.71%
25	2010	10.15%	4.25%	5.90%	5.81%	5.75%
26	2011	9.92%	3.91%	6.01%	5.91%	5.81%
27	2012	9.94%	2.92%	7.02%	6.24%	5.95%
28	2013	9.68%	3.45%	6.23%	6.26%	5.97%
29	2014	9.78%	3.34%	6.44%	6.32%	6.06%
30	2015	9.60%	2.84%	6.76%	6.49%	6.15%
31	2016	9.54%	2.60%	6.94%	6.68%	6.29%
32	2017	9.63%	2.90%	6.74%	6.62%	6.43%
33	2018	9.59%	3.11%	6.48%	6.67%	6.47%
34	2019	9.71%	2.58%	7.13%	6.81%	6.56%
35	2020	9.46%	1.56%	7.90%	7.04%	6.76%
36	2021	9.56%	2.05%	7.51%	7.15%	6.91%
37	2022	9.52%	3.12%	6.41%	7.08%	6.85%
38	2023	9.60%	4.09%	5.51%	6.89%	6.78%
39	2024 <sup>3</sup>	9.60%	4.45%	5.15%	6.49%	6.65%
40	<b>Average</b>	<b>10.76%</b>	<b>5.14%</b>	<b>5.62%</b>	<b>5.66%</b>	<b>5.67%</b>
41	<b>Minimum</b>				<b>4.17%</b>	<b>4.30%</b>
42	<b>Maximum</b>				<b>7.15%</b>	<b>6.91%</b>

Sources:

<sup>1</sup> *Regulatory Research Associates, Inc.*, Regulatory Focus, Major Rate Case Decisions, Jan. 1997 p. 5, and Jan. 2011 p. 3.  
S&P Global Market Intelligence, RRA Regulatory Focus, Major Electric Rate Case Decisions in the US  
January - June 2024, July 29, 2024 at page 4

<sup>2</sup> St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org/>.

The yields from 2002 to 2005 represent the 20-Year Treasury yields obtained from the Federal Reserve Bank

<sup>3</sup> Data represents January - June, 2024.