

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Complainant,

v.

CASCADE NATURAL GAS CO.,

Respondent.

DOCKET UG-240008

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

EXHIBIT MPG-20

CAPM Return

September 25, 2024

Cascade Natural Gas Corporation

CAPM Return

<u>Line</u>	<u>Description</u>	<u>Current Market Risk Premium</u> (1)	<u>Normalized Market Risk Premium</u> (2)
1	Risk-Free Rate ^{1,2}	4.40%	4.30%
2	Risk Premium ³	6.90%	7.01%
3	Beta ^{4,5}	0.87	0.75
4	CAPM	10.41%	9.54%

Sources:

¹ *Blue Chip Financial Forecasts*, August 1, 2024.

² Exhibit MPG-18.

³ *Morningstar Direct*.

⁴ Exhibit MPG-19, Page 1.

⁵ Exhibit MPG-19, Page 2.