

**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-20**

CAPM Return

September 25, 2024

# Cascade Natural Gas Corporation

## CAPM Return

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

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Sources:

<sup>1</sup> *Blue Chip Financial Forecasts*, August 1, 2024.

<sup>2</sup> Exhibit MPG-18.

<sup>3</sup> *Morningstar Direct*.

<sup>4</sup> Exhibit MPG-19, Page 1.

<sup>5</sup> Exhibit MPG-19, Page 2.