

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

<b>WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,</b>	)	
	)	
<b>Complainant,</b>	)	
	)	
<b>v.</b>	)	<b>DOCKETS UE-160228 and UG-160229 (Consolidated)</b>
	)	
<b>AVISTA CORPORATION, DBA AVISTA UTILITIES,</b>	)	
	)	
<b>Respondent.</b>	)	
<hr/>	)	

**EXHIBIT NO. MPG-3**

**RATE OF RETURN**

**AUGUST 17, 2016**

# Avista Corporation

## Rate of Return

<u>Line</u>	<u>Description</u>	<u>Amount</u> (1)	<u>Weight</u> (2)	<u>Cost</u> (3)	<u>Weighted</u> <u>Cost</u> (4)
1	Total Debt	\$ 1,653,000,000	51.50%	5.51%	2.84%
2	Common Equity	<u>\$ 1,556,708,738</u>	<u>48.50%</u>	<b>9.10%</b>	<u>4.41%</u>
3	<b>Total</b>	<b>\$ 3,209,708,738</b>	<b>100.00%</b>		<b>7.25%</b>

Source:  
Exhibit No.\_\_(EMA-2).