

220053-54-210854-AVA-BR-07 - Attachment A1

AVISTA CORP. RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	05/18/2022
CASE NO:	UE-220053 & UG-220054	WITNESS:	Mark Thies / Elizabeth Andrews
REQUESTER:	AWEC	RESPONDER:	Carly Guillory / Liz Andrews
TYPE:	Data Request	DEPT:	Finance
REQUEST NO.:	AWEC – 053 Supplemental	TELEPHONE:	(509) 495-2708
		EMAIL:	carly.guillory@avistacorp.com

SUBJECT: Cost of Capital

REQUEST:

Please provide in electronic spreadsheet format, Avista's actual debt terms with maturity of one year or more ("LT Debt"), for each LT Debt security as of December 31, 2021 and for each actual or pro-forma debt issuance in 2022 and 2023. Please include assumptions used for pro-forma issuances. For each individual LT Debt security listed, please provide the following information:

- a) Coupon rate;
- b) Description of the security;
- c) Issuance date;
- d) Maturity date;
- e) Original issue principal amount;
- f) Currently outstanding principal amount;
- g) Amount of any premium or discount at issuance;
- h) Redemption expenses;
- i) Issuance expenses;
- j) Net proceeds to the Avista in dollars; and
- k) Annual debt service cost.

RESPONSE:

AWEC-DR-053 Attachments A, in electronic spreadsheet format, are the Company's actual cost of long-term debt, for each long-term debt security as of December 31, 2021 and on a *pro forma* basis as of December 31, 2022, and December 31, 2023.

SUPPLEMENTAL RESPONSE: 05/18/2022

Please see attached AWEC-DR-053 Supplemental Attachment A providing the updated cost of debt on a *pro forma* basis as of December 31, 2022, and December 31, 2023 reflecting the impact of recent debt maturities. This file also provides the updated Thies Exh. pages to be filed with the Company's rebuttal testimony of Mr. Thies.

These changes reflect a revised total cost of debt of 4.80% versus the as-filed cost of debt of 4.54%, resulting in a revised Rate of Return (ROR) of 7.44% versus the as-filed ROR of 7.31%.

The impact of updating the Company's electric total cost of debt to 4.80%, and ROR to 7.44%, results in an increase to electric revenue requirement for RY1 (2023) of \$2,782,000 and \$109,000 for RY2 (2024).

The impact of updating the Company's natural gas total cost of debt to 4.80%, and ROR to 7.44%, results in an increase to electric revenue requirement for RY1 (2023) of \$701,000 and \$25,000 for RY2 (2024).