

AVISTA CORP.

COST OF DEBT AND PREFERRED

**Avista Corp.
Calculation of the Effective Cost Rate of Long-Term Debt by Series**

Series	Nominal Date of Issue	Date of Maturity	Average Term in Years (1)	Principal Amount Issued	Total (Expense) Premium/(Discount) at Issuance	Net Proceeds	Net Proceeds Ratio	Effective Cost Rate to Maturity (2)
First Mortgage Bonds								
7.125% due 2013	11/01/89	12/01/13	24	\$ 66,700,000	(4,417,140) (3)	\$ 62,282,860	93.38	7.738%
7.400% due 2016	11/01/89	12/01/16	27	\$ 17,000,000	(997,073) (3)	\$ 16,002,927	94.13	7.931%
Secured Medium Term Notes (Series A)								
7.530% due 2023	05/06/93	05/05/23	30	\$ 5,500,000	(915,890) (3)	\$ 4,584,110	83.35	9.168%
6.150% due 2000	05/06/93	05/08/00	7	\$ 4,900,000	(890,223) (3)	\$ 4,009,777	81.83	9.795%
6.130% due 2000	05/06/93	05/08/00	7	\$ 5,000,000	(908,391) (3)	\$ 4,091,609	81.83	9.772%
7.540% due 2023	05/07/93	05/05/23	30	\$ 1,000,000	(183,178) (3)	\$ 816,822	81.68	9.375%
7.370% due 2012	05/10/93	05/10/12	19	\$ 7,000,000	(1,276,997) (3)	\$ 5,723,003	81.76	9.455%
7.390% due 2018	05/11/93	05/11/16	23	\$ 7,000,000	(1,282,247) (3)	\$ 5,717,753	81.68	9.340%
6.950% due 2008	06/03/93	06/03/08	15	\$ 10,000,000	(145,092) (3)	\$ 9,854,908	98.55	7.109%
6.890% due 2008	06/04/93	06/04/08	15	\$ 10,000,000	(145,092) (3)	\$ 9,854,908	98.55	7.048%
7.450% due 2016	06/09/93	06/11/16	23	\$ 15,500,000	(2,311,037) (3)	\$ 13,188,963	85.09	8.995%
6.320% due 2002	07/08/93	07/08/02	9	\$ 15,000,000	(2,165,387) (3)	\$ 12,834,613	85.56	8.663%
6.390% due 2005	07/08/93	07/08/05	12	\$ 1,500,000	(216,914) (3)	\$ 1,283,086	85.54	8.318%
7.440% due 2023	07/08/93	07/07/23	30	\$ 1,000,000	(145,859) (3)	\$ 854,141	85.41	8.832%
6.280% due 2002	07/09/93	06/28/02	9	\$ 5,000,000	(721,796) (3)	\$ 4,278,204	85.56	8.624%
6.280% due 2002	07/09/93	07/09/02	9	\$ 5,000,000	(721,796) (3)	\$ 4,278,204	85.56	8.618%
6.670% due 2010	07/12/93	07/12/10	17	\$ 5,000,000	(725,546) (3)	\$ 4,274,454	85.49	8.275%
7.260% due 2018	07/22/93	07/23/18	25	\$ 5,000,000	(729,296) (3)	\$ 4,270,704	85.41	8.700%
7.300% due 2023	08/02/93	08/02/23	30	\$ 10,000,000	(906,220) (3)	\$ 9,093,780	90.94	8.109%
7.180% due 2023	08/12/93	08/11/23	30	\$ 7,000,000	(219,406) (3)	\$ 6,780,594	96.87	7.443%
6.250% due 2003	11/19/93	11/19/03	10	\$ 5,000,000	(31,737)	\$ 4,968,263	99.37	6.337%
6.250% due 2003	11/24/93	11/24/03	10	\$ 10,000,000	(63,475)	\$ 9,936,525	99.37	6.337%
7.900% due 2006	08/25/94	08/25/06	12	\$ 4,000,000	(29,176)	\$ 3,970,824	99.27	7.996%
Secured Medium Term Notes (Series B)								
7.89% due 2006	08/25/94	08/25/06	12	\$ 26,000,000	(196,331) (3)	\$ 25,803,669	99.24	7.989%
8.25% due 1999	12/13/94	12/13/99	5	\$ 20,000,000	(105,112)	\$ 19,894,888	99.47	8.381%
8.20% due 1999	12/13/94	12/13/99	5	\$ 1,000,000	(5,256)	\$ 994,744	99.47	8.331%
8.20% due 2000	01/24/95	01/24/00	5	\$ 10,000,000	(51,146)	\$ 9,948,854	99.49	8.327%
8.20% due 2000	01/25/95	01/25/00	5	\$ 5,000,000	(25,573)	\$ 4,974,427	99.49	8.327%
7.60% due 2001	03/06/95	03/06/01	6	\$ 10,000,000	(56,146)	\$ 9,943,854	99.44	7.719%
7.59% due 2001	03/08/95	03/06/01	6	\$ 5,000,000	(28,073)	\$ 4,971,927	99.44	7.709%
6.90% due 2010	06/09/95	07/01/10	15	\$ 5,000,000	(37,944)	\$ 4,962,056	99.24	6.982%

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6.67% due 2005	06/09/95	06/09/05	10	\$	5,000,000	(35,444)	\$	4,964,556	99.29	6.769%
6.68% due 2005	06/09/95	06/09/05	10	\$	3,000,000	(21,266)	\$	2,978,734	99.29	6.779%
6.61% due 2002	06/30/95	06/28/02	7	\$	15,000,000	(102,582)	\$	14,897,418	99.32	6.734%
6.50% due 2005	11/28/95	11/28/05	10	\$	15,000,000	(124,017)	\$	14,875,983	99.17	6.614%
6.24% due 2000	09/30/97	10/02/00	3	\$	15,000,000	(601,648) (3)	\$	14,398,352	95.99	8.951%
6.20% due 2000	10/01/97	08/30/00	3	\$	5,000,000	(332,536) (3)	\$	4,667,464	93.35	10.090%
6.50% due 2005	11/28/95	11/15/05	10	\$	5,000,000	(41,339)	\$	4,958,661	99.17	6.614%
<u>Kettle Falls Pollution Control Bonds</u>										
6.000% due 2023	07/01/93	12/01/23	30.5	\$	4,100,000	(274,275) (3)	\$	3,825,725	93.31	6.507%
<u>Medium Term Notes (Series A)</u>										
8.880% due 1999	07/26/89	10/01/99	10	\$	7,500,000	(53,817)	\$	7,446,183	99.28	8.986%
9.570% due 2001	03/07/90	03/07/01	11	\$	10,000,000	(69,665)	\$	9,930,335	99.30	9.674%
8.990% due 2003	04/30/91	05/01/03	12	\$	10,000,000	(433,881) (3)	\$	9,566,119	95.66	9.607%
8.010% due 2001	12/17/91	12/17/01	10	\$	8,000,000	(258,752) (3)	\$	7,741,248	96.77	8.497%
7.940% due 2007	01/22/92	01/22/07	15	\$	3,000,000	(119,901) (3)	\$	2,880,099	96.00	8.414%
<u>Medium Term Notes (Series B)</u>										
8.140% due 2006	12/17/91	01/18/06	15	\$	8,000,000	(55,152)	\$	7,944,848	99.31	8.222%
8.010% due 2001	12/17/91	12/17/01	10	\$	2,000,000	19,980	\$	2,019,980	101.00	7.864%
8.040% due 2001	12/17/91	12/17/01	10	\$	5,000,000	(31,971)	\$	4,968,029	99.36	8.135%
7.900% due 2007	01/22/92	01/22/07	15	\$	9,000,000	(360,047) (3)	\$	8,639,953	96.00	8.373%
8.150% due 2002	04/15/92	04/15/02	10	\$	10,000,000	(412,369) (3)	\$	9,587,631	95.88	8.778%
7.420% due 2004	08/07/92	08/09/04	12	\$	30,000,000	(1,694,566) (3)	\$	28,305,434	94.35	8.167%
8.050% due 2012	09/10/92	09/10/12	20	\$	12,000,000	(229,937) (3)	\$	11,770,063	98.08	8.247%
8.150% due 2022	09/15/92	09/15/22	30	\$	5,000,000	(40,917)	\$	4,959,083	99.18	8.224%
8.230% due 2022	12/29/92	12/29/22	30	\$	5,000,000	(520,045) (3)	\$	4,479,955	89.60	9.261%
7.990% due 2023	02/03/93	02/03/23	30	\$	5,000,000	(491,057) (3)	\$	4,508,943	90.18	8.936%
6.750% due 2003	04/15/93	04/15/03	10	\$	5,000,000	(910,837) (3)	\$	4,089,163	81.78	9.628%
<u>Medium Term Notes (Series C)</u>										
6.88% due 2028	06/04/98	06/05/28	30	\$	20,000,000	(278,901) (3)	\$	19,721,099	98.61	6.860%
6.37% due 2028	06/19/98	06/19/28	30	\$	15,000,000	(93,750)	\$	14,906,250	99.38	6.799%
6.37% due 2028	06/19/98	06/19/28	30	\$	10,000,000	(62,500)	\$	9,937,500	99.38	6.799%
5.99% due 2007	12/10/98	12/10/07	9	\$	14,000,000	(85,641)	\$	13,914,359	99.39	6.842%
6.06% due 2008	12/10/98	12/10/08	10	\$	25,000,000	(159,181)	\$	24,840,819	99.36	6.839%
					\$	590,700,000				

Notes: (1) Determined by taking into account the effect of annual sinking fund requirements, if any, which are met by the retirement of bonds which reduce the average term of each series.

(2) The effective cost rate for each issue is the cost rate to maturity using as inputs the average term of issue, coupon rate and net proceeds ratio.

(3) Reflects inclusion of initial Unamortized Loss/Redemption Expenses, Initial Original Issuance Expenses and Initial Unamortized Issuance Discount of refinanced issues.

Source of Information: Company - provided data