

COST OF DEBT AND PREFERRED

Avista Corp.  
 Calculation of the Composite Cost Rate of  
 Preferred Securities Outstanding  
 Actual at June 30, 1999

	<u>Amount Outstanding</u>	<u>Effective Cost Rate (2)</u>	<u>Annualized Cost</u>	<u>Composite Cost Rate</u>
<u>Preferred Stock</u>				
\$6.950, Series K	\$ 35,000,000	8.151	\$ 2,852,850	8.151%
<u>Preferred Trust Securities</u>				
Trust Originated Preferred Securities				
7 7/8% TOPrS, Series A	\$ 60,000,000	8.768	\$ 5,260,800	
Floating Rate Capital Securities				
6.6875%, Series B	<u>\$ 50,000,000</u>	7.328	<u>\$ 3,664,000</u>	
Total Preferred Trust Securities	\$ 110,000,000		\$ 8,924,800	8.113%

Notes: (1) Includes current maturities, if any.  
 (2) As developed on page 6 of this Schedule.

Source of Information: Company-provided data