

Exhibit No. ____ (DCP-10)
Docket Nos. UE-070804 et al.
Witness: David C. Parcell

**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Complainant,

vs.

AVISTA CORPORATION,

Respondent.

DOCKET NO. UE-070804

DOCKET NO. UG-070805

In the Matter of the Petition of

AVISTA CORPORATION d/b/a
AVISTA UTILITIES,

DOCKET NO. UE-070311

For an Accounting Order Regarding the
Appropriate Treatment of the Net Costs
Associated with the Purchase of Debt.

EXHIBIT TO TESTIMONY OF

DAVID C. PARCELL

ON BEHALF OF

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

*Schedule 9:
Standard & Poor's 500 Composite
20-Year U.S. Treasury Bond Yields – Risk Premiums*

October 17, 2007

**STANDARD & POOR'S 500 COMPOSITE
20-YEAR U.S. TREASURY BOND YIELDS
RISK PREMIUMS**

| Year | EPS | BVPS | ROE | 20-YEAR T-BOND | RISK PREMIUM |
|---------|---------|----------|--------|-------------------|-----------------|
| 1977 | | \$79.07 | | | |
| 1978 | \$12.33 | \$85.35 | 15.00% | 7.90% | 7.10% |
| 1979 | \$14.86 | \$94.27 | 16.55% | 8.86% | 7.69% |
| 1980 | \$14.82 | \$102.48 | 15.06% | 9.97% | 5.09% |
| 1981 | \$15.36 | \$109.43 | 14.50% | 11.55% | 2.95% |
| 1982 | \$12.64 | \$112.46 | 11.39% | 13.50% | -2.11% |
| 1983 | \$14.03 | \$116.93 | 12.23% | 10.38% | 1.85% |
| 1984 | \$16.64 | \$122.47 | 13.90% | 11.74% | 2.16% |
| 1985 | \$14.61 | \$125.20 | 11.80% | 11.25% | 0.55% |
| 1986 | \$14.48 | \$126.82 | 11.49% | 8.98% | 2.51% |
| 1987 | \$17.50 | \$134.07 | 13.42% | 7.92% | 5.50% |
| 1988 | \$23.75 | \$141.32 | 17.25% | 8.97% | 8.28% |
| 1989 | \$22.87 | \$147.26 | 15.85% | 8.81% | 7.04% |
| 1990 | \$21.73 | \$153.01 | 14.47% | 8.19% | 6.28% |
| 1991 | \$16.29 | \$158.85 | 10.45% | 8.22% | 2.23% |
| 1992 | \$18.86 | \$149.74 | 12.22% | 7.26% | 4.96% |
| 1993 | \$21.89 | \$180.88 | 13.24% | 7.17% | 6.07% |
| 1994 | \$30.60 | \$193.06 | 16.37% | 6.59% | 9.78% |
| 1995 | \$33.96 | \$216.51 | 16.58% | 7.60% | 8.98% |
| 1996 | \$38.73 | \$237.08 | 17.08% | 6.18% | 10.90% |
| 1997 | \$39.72 | \$249.52 | 16.33% | 6.64% | 9.69% |
| 1998 | \$37.71 | \$266.40 | 14.62% | 5.83% | 8.79% |
| 1999 | \$48.17 | \$290.68 | 17.29% | 5.57% | 11.72% |
| 2000 | \$50.00 | \$325.80 | 16.22% | 6.50% | 9.72% |
| 2001 | \$24.70 | \$337.37 | 7.45% | 5.53% | 1.92% |
| 2002 | \$27.59 | \$321.72 | 8.37% | 5.59% | 2.78% |
| 2003 | \$48.73 | \$367.17 | 14.15% | 4.80% | 9.35% |
| 2004 | \$58.55 | \$414.75 | 14.98% | 5.02% | 9.96% |
| 2005 | \$69.93 | \$453.06 | 16.12% | 4.69% | 11.43% |
| Average | | | | | 6.18% |

Sources: Standard & Poor's Analysts' Handbook and Ibbotson Associates 2006 Yearbook.