

Exhibit No. ____ (DCP-16)
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 15:
Avista Corp.
Pre-Tax Coverage*

October 17, 2007

AVISTA CORP. PRE-TAX COVERAGE

ITEM	PERCENT	COST RATE	WEIGHTED COST	PRE-TAX COST
Long-Term Debt	50.32%	6.49%	3.26%	3.26%
Trust Preferred	4.68%	6.58%	0.31%	0.51%
Common Equity	<u>45.00%</u>	10.200%	<u>4.59%</u>	<u>7.65%</u>
TOTAL CAPITAL	100.00%		8.16%	11.43%

Pre-tax coverage = $11.43\% / (3.26\%)$
3.50 X

Standard & Poor's Utility Benchmark Ratios:

BBB

Pre-tax coverage (X)
Business Position:

6

2.6 - 4.0x

Total Debt to Total Capital (%)
Business Position

6

48 - 58%

Note: Since 2004, S&P no longer uses the ratio "Pre-tax Coverage" as one of its benchmark ratios. The benchmark levels shown above reflect the 1999 levels cited by S&P.