

|                                        |   |                      |
|----------------------------------------|---|----------------------|
| WASHINGTON UTILITIES AND               | ) |                      |
| TRANSPORTATION COMMISSION              | ) |                      |
|                                        | ) |                      |
| Complainant,                           | ) | DOCKET NO. UE-070804 |
|                                        | ) | and                  |
| v.                                     | ) | DOCKET NO. UG-070805 |
|                                        | ) | (consolidated)       |
|                                        | ) |                      |
| AVISTA CORPORATION d/b/a AVISTA        | ) |                      |
| UTILITIES                              | ) |                      |
|                                        | ) |                      |
| Respondent.                            | ) |                      |
| _____                                  | ) |                      |
| In the Matter of the Petition of       | ) |                      |
|                                        | ) |                      |
| AVISTA CORPORATION d/b/a AVISTA        | ) | DOCKET NO. UE-070311 |
| UTILITIES,                             | ) |                      |
|                                        | ) |                      |
| For an Accounting Order Regarding the  | ) |                      |
| Appropriate Treatment of the Net Costs | ) |                      |
| Associated With the Repurchase of Debt | ) |                      |
| _____                                  | ) |                      |

EXHIBIT NO.\_\_\_\_(MPG-10)  
GDP AND DIVIDEND GROWTH RATES

October 17, 2007

# Avista Corp.

## GDP and Dividend Growth Rates

| Line | <u>Electric Utility</u> | Dividend Growth                     |                                      |                                             | Inflation (CPI)*                    |                                      |                                             | Nominal GDP*                        |                                      |
|------|-------------------------|-------------------------------------|--------------------------------------|---------------------------------------------|-------------------------------------|--------------------------------------|---------------------------------------------|-------------------------------------|--------------------------------------|
|      |                         | Past<br>5 Years <sup>1</sup><br>(1) | Past<br>10 Years <sup>1</sup><br>(2) | 3-5 Years<br>Projection <sup>1</sup><br>(3) | Past 5<br>Years <sup>2</sup><br>(4) | Past 10<br>Years <sup>2</sup><br>(5) | 3-5 Years<br>Projection <sup>2</sup><br>(6) | Past<br>5 Years <sup>1</sup><br>(7) | Past<br>10 Years <sup>1</sup><br>(8) |
| 1    | Amer. Elec. Power       | -9.5%                               | -5.0%                                | 7.5%                                        |                                     |                                      |                                             |                                     |                                      |
| 2    | Dominion Resources      | 1.0%                                | 0.5%                                 | 7.0%                                        |                                     |                                      |                                             |                                     |                                      |
| 3    | DPL, Inc.               | 0.5%                                | 1.5%                                 | 3.5%                                        |                                     |                                      |                                             |                                     |                                      |
| 4    | DTE Energy              | N/A                                 | N/A                                  | 2.5%                                        |                                     |                                      |                                             |                                     |                                      |
| 5    | Edison Int'l            | 8.5%                                | -0.5%                                | 7.5%                                        |                                     |                                      |                                             |                                     |                                      |
| 6    | Empire Dist. Elec.      | N/A                                 | N/A                                  | 1.5%                                        |                                     |                                      |                                             |                                     |                                      |
| 7    | NiSource Inc.           | -1.5%                               | 1.5%                                 | 1.5%                                        |                                     |                                      |                                             |                                     |                                      |
| 8    | Northeast Utilities     | 16.5%                               | -8.5%                                | 6.5%                                        |                                     |                                      |                                             |                                     |                                      |
| 9    | Pepco Holdings          | N/A                                 | N/A                                  | 3.0%                                        |                                     |                                      |                                             |                                     |                                      |
| 10   | PG&E Corp.              | -1.5%                               | -9.0%                                | NMF                                         |                                     |                                      |                                             |                                     |                                      |
| 11   | PNM Resources           | 7.5%                                | N/A                                  | 6.0%                                        |                                     |                                      |                                             |                                     |                                      |
| 12   | PPL Corp.               | 13.0%                               | 1.5%                                 | 15.0%                                       |                                     |                                      |                                             |                                     |                                      |
| 13   | Progress Energy         | 2.5%                                | 3.0%                                 | 1.0%                                        |                                     |                                      |                                             |                                     |                                      |
| 14   | P.S. Enterprise         | 0.5%                                | 0.5%                                 | 3.0%                                        |                                     |                                      |                                             |                                     |                                      |
| 15   | Puget Energy            | -11.5%                              | -6.0%                                | 3.0%                                        |                                     |                                      |                                             |                                     |                                      |
| 16   | Westar Energy           | -11.0%                              | -8.0%                                | 6.0%                                        |                                     |                                      |                                             |                                     |                                      |
| 17   | Xcel Energy Inc.        | -10.5%                              | -4.5%                                | 4.5%                                        |                                     |                                      |                                             |                                     |                                      |
| 18   | <b>Average</b>          | <b>0.3%</b>                         | <b>-2.5%</b>                         | <b>4.9%</b>                                 | <b>2.6%</b>                         | <b>2.5%</b>                          | <b>2.5%</b>                                 | <b>5.5%</b>                         | <b>5.4%</b>                          |

### Sources:

<sup>1</sup> The Value Line Investment Survey; August 10, August 31, September 28, 2007.

<sup>2</sup> Value Line Investment Survey, June 29, 2007.