

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-5)

ACCURACY OF INTEREST RATE FORECASTS

October 17, 2007

Avista Corp.

Accuracy of Interest Rate Forecasts (Long-Term Treasury Bond Yields - Projected Vs. Actual)

Line	Date	Publication Data			Actual Yield in Projected Quarter (4)	Projected Yield Higher (Lower) Than Actual Yield* (5)	Actual Yields Differential** (6)
		Actual Yield (1)	Projected Yield (2)	For Quarter (3)			
1	Dec-00	5.8%	5.8%	1Q, 02	5.6%	0.2%	0.2%
2	Mar-01	5.7%	5.6%	2Q, 02	5.8%	-0.2%	-0.1%
3	Jun-01	5.4%	5.8%	3Q, 02	5.2%	0.6%	0.2%
4	Sep-01	5.7%	5.9%	4Q, 02	5.1%	0.8%	0.6%
5	Dec-01	5.5%	5.7%	1Q, 03	4.9%	0.8%	0.6%
6	Mar-02	5.3%	5.9%	2Q, 03	4.7%	1.2%	0.6%
7	Jun-02	5.6%	6.2%	3Q, 03	5.2%	1.0%	0.4%
8	Sep-02	5.8%	5.9%	4Q, 03	5.2%	0.7%	0.6%
9	Dec-02	5.2%	5.7%	1Q, 04	4.9%	0.8%	0.3%
10	Mar-03	5.1%	5.7%	2Q, 04	5.4%	0.3%	-0.3%
11	Jun-03	5.0%	5.4%	3Q, 04	5.1%	0.3%	-0.1%
12	Sep-03	4.7%	5.8%	4Q, 04	4.9%	0.9%	-0.2%
13	Dec-03	5.2%	5.9%	1Q, 05	4.8%	1.1%	0.4%
14	Mar-04	5.2%	5.9%	2Q, 05	4.6%	1.3%	0.6%
15	Jun-04	4.9%	6.2%	3Q, 05	4.5%	1.7%	0.4%
16	Sep-04	5.4%	6.0%	4Q, 05	4.8%	1.2%	0.6%
17	Dec-04	5.1%	5.8%	1Q, 06	4.6%	1.2%	0.4%
18	Mar-05	4.9%	5.6%	2Q, 06	5.1%	0.5%	-0.3%
19	Jun-05	4.8%	5.5%	3Q, 06	5.0%	0.5%	-0.2%
20	Sep-05	4.6%	5.2%	4Q, 06	4.7%	0.5%	-0.2%
21	Dec-05	4.5%	5.3%	1Q, 07	4.8%	0.5%	-0.3%
22	Mar-06	4.8%	5.1%	2Q, 07	5.0%	0.1%	-0.2%
23	Apr-06	N/A	5.1%	3Q, 07			
24	May-06	4.6%	5.2%	3Q, 07			
25	Jun-06	4.6%	5.3%	3Q, 07			
26	Jul-06	5.1%	5.3%	4Q, 07			
27	Aug-06	5.1%	5.3%	4Q, 07			
28	Sep-06	5.1%	5.2%	4Q, 07			
29	Oct-06	5.0%	5.1%	1Q, 08			
30	Nov-06	5.0%	5.1%	1Q, 08			
31	Dec-06	5.0%	5.0%	1Q, 08			
32	Jan-07	4.7%	5.1%	2Q, 08			
33	Feb-07	4.7%	5.1%	2Q, 08			
34	Mar-07	4.7%	5.1%	2Q, 08			
35	Apr-07	4.8%	5.0%	3Q, 08			
36	May-07	4.8%	5.1%	3Q, 08			
37	Jun-07	4.8%	5.1%	3Q, 08			
38	Jul-07	5.0%	5.4%	4Q, 08			
39	August	5.0%	5.4%	4Q, 08			
40	September	5.0%	5.4%	4Q, 08			
41	October	4.9%	5.2%	1Q, 09			

Source:

Blue Chip Financial Forecasts, Various Dates.

* Col. 2 - Col. 4.

** Col. 1 - Col. 4.