

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-3)

ROE ADJUSTMENT CALCULATIONS

REDACTED VERSION

(Confidential Information Removed)

October 17, 2007

## Avista Corp.

### Rate of Return Reduction Impact

Line	Description	<u>Amount (\$ 000s)</u> (1)	<u>Reference</u> (2)
1	Capital Structure Adjustment (\$ 000s)	\$2,398	Page 2, Line 12
2	Cost of Debt Adjustment (\$ 000s)	\$2,754	Page 3, Line 12
3	ROE Adjustment (\$ 000s)	\$8,500	Page 4, Line 12
4	<b>Total Revenue Impact (\$ 000s)</b>	<b><u><u>\$13,652</u></u></b>	

Source:

<sup>1</sup> Malquist Direct at 23.

<sup>2</sup> Exhibit No. \_\_\_\_ (EMA-2).

<sup>3</sup> Exhibit No. \_\_\_\_ (MPG-6).

**CONFIDENTIAL**

**INFORMATION**

**OMITTED**