

Exhibit No. \_\_\_ (KLE-3)  
Dockets UE- 140188/UG-140189  
Witness: Kenneth L. Elgin

BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION, dba  
AVISTA UTILITIES,

Respondent.

DOCKETS UE-140188 and  
UG-140189 (*Consolidated*)

EXHIBIT TO  
TESTIMONY OF

Kenneth L. Elgin

STAFF OF WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION

*Avista Cost of Debt*

July 22, 2014

AVISTA CORPORATION  
Cost of Debt Detail - Washington  
December 31, 2013

Line No.	Description (a)	Coupon Rate (b)	Maturity Date (c)	Settlement Date (d)	Principal Amount (e)	Issuance Costs (f)	SWAP Loss/(Gain) (g)	Discount (Premium) (g)	Loss/Reacq Expenses (h)	Net Proceeds (i)	Yield to Maturity (j)	Principal Outstanding December 31, 2013. (k)	Effective Cost (l)
1	FMBS - SERIES A	7.530%	5/5/2023	5/6/1993	5,500,000	42,712	-	-	963,011	4,494,277	9.359%	-	-
2	FMBS - SERIES A	7.540%	5/5/2023	5/7/1993	1,000,000	7,766	-	-	175,412	816,822	9.375%	-	-
3	FMBS - SERIES A	7.390%	5/11/2018	5/11/1993	7,000,000	54,364	-	-	1,227,883	5,717,753	9.287%	-	-
4	FMBS - SERIES A	7.450%	6/11/2018	6/9/1993	15,500,000	120,377	-	50,220	2,140,440	13,188,963	8.953%	-	-
5	FMBS - SERIES A	7.180%	8/1/2023	8/2/1993	7,000,000	54,364	-	-	(1,789,125)	40,473,039	1.429%	-	-
6	ADVANCE ASSOCIAT	1.468%	6/1/2037	6/3/1997	40,000,000	1,296,086	-	-	24,653,047	24,653,047	6.475%	-	-
7	FMBS - SERIES C	6.370%	6/19/2028	6/19/1998	25,000,000	158,304	-	-	188,649	81,323,001	6.462%	-	-
8	FMBS - 5.45% SERIES	5.450%	12/1/2019	11/18/2004	90,000,000	1,192,681	(4,445,000)	239,400	1,700,376	150,564,188	6.222%	-	-
9	FMBS - 6.25% SERIES	6.250%	12/1/2035	11/17/2005	150,000,000	1,812,935	-	367,500	-	141,337,696	6.120%	-	-
10	FMBS - 5.70% SERIES	5.700%	7/1/2037	12/15/2006	4,702,304	4,702,304	3,738,000	222,000	-	230,523,581	7.034%	-	-
11	FMBS - 5.95% SERIES	5.950%	6/1/2018	4/3/2008	250,000,000	2,246,419	16,395,000	835,000	-	255,040,618	4.907%	-	-
12	5.125% SERIES	5.125%	9/22/2009	9/22/2009	250,000,000	2,284,788	(10,776,222)	575,000	2,875,817	45,342,997	5.578%	-	-
14	3.89% SERIES	3.890%	12/20/2020	12/20/2010	52,000,000	383,338	-	-	6,273,664	29,477,345	6.788%	-	-
15	5.55% SERIES	5.550%	12/20/2040	12/20/2010	35,000,000	258,834	-	-	5,263,822	73,750,167	5.340%	-	-
16	4.45% SERIES	4.450%	12/14/2041	12/14/2011	85,000,000	692,833	10,557,000	-	-	60,617,277	5.868%	-	-
17	4.23% SERIES	4.230%	11/29/2047	11/30/2012	80,000,000	730,833	18,546,870	-	105,020	92,388,542	-0.044%	-	-
18	0.84% SERIES	0.840%	8/14/2016	8/14/2013	90,000,000	512,138	(2,900,680)	-	-	-	-	-	-
21													
22													
23	Repurchase	8.85% 1	6/5/2028	5/24/2002	10,000,000	-	-	(2,228,153)	-	12,228,153	6.881%	4	-188,084
24	Repurchase	8.83% 1	6/5/2028	4/3/2003	10,000,000	-	-	(450,769)	-	10,450,769	8.395%	4	-43,661
25	Repurchase	8.83% 1	12/29/2022	3/11/2003	5,000,000	-	-	92,363	-	4,907,637	9.029%	4	10,341
26	Repurchase	5.72% 1	3/1/2034	12/30/2009	17,000,000	-	-	1,916,297	-	15,083,703	6.661%	4	159,446
27	Repurchase	6.55% 1	10/1/2032	12/31/2008	66,700,000	-	-	3,709,174	-	62,990,826	7.034%	4	324,360
28												0	262,402
29												112,064,583	2,661,700
30												112,064,583	2,924,102
31													
32													
33													
34													
35													
36													

2 Short Term-Debt  
TOTAL DEBT OUTSTANDING AND COST OF DEBT AT December 31, 2013

Adjusted Weighted Average Cost of Debt 2.609%

1 The amounts are calculated using the IRR function  
2 Updated June 2014

AVISTA CORPORATION  
Cost of Short-Term Debt Detail  
December 31, 2014

	Dec-13 (B)	Jan-14 (C)	Feb-14 (D)	Mar-14 (E)	Apr-14 (F)	May-14 (G)	Jun-14 (H)	Jul-14 (I)	Aug-14 (J)	Sep-14 (K)	Oct-14 (L)	Nov-14 (M)	Dec-14 (N)	Avg of (O)
1														
2	\$ 171,000,000	\$ 156,030,000	\$ 124,061,000	\$ 110,999,000	\$ 109,015,000	\$ 98,732,000	\$ 153,908,000	\$ -	\$ -	\$ 147,518,000	\$ 170,128,000	\$ 118,480,000	\$ 136,808,000	\$ 112,064,583
3														
4														
5	31	31	28	31	31	30	31	31	31	30	31	30	31	365
6	1.21%	1.21%	1.21%	1.21%	1.21%	1.34%	1.34%	1.51%	1.51%	1.51%	1.74%	1.74%	1.74%	
7														
8														
9	\$ 171,415	\$ 132,739	\$ 122,460	\$ 122,841	\$ 122,841	\$ 119,858	\$ 141,057	\$ 100,062	\$ -	\$ 92,813	\$ 237,970	\$ 209,241	\$ 191,253	\$ 1,641,711
10	39,178	39,178	39,178	39,178	39,178	39,178	39,178	39,178	39,178	39,178	39,178	39,178	39,178	470,136
11	45,821	45,821	45,821	45,821	45,821	45,821	45,821	45,821	45,821	45,821	45,821	45,821	45,821	549,884
12	\$ 256,415	\$ 217,739	\$ 207,459	\$ 207,840	\$ 207,840	\$ 204,858	\$ 226,056	\$ 185,061	\$ 84,999	\$ 177,813	\$ 322,969	\$ 294,240	\$ 276,252	\$ 2,661,700
13														
14														
15														

Total Borrowing Cost \$ 2,661,700  
Total Average Borrowings \$112,064,583  
Cost Rate 2.38%

\*Forecasted Rates are based on forward rates from Thomson Reuters analysis tools plus the 87.5 basis points pursuant to the credit facility agreement.