

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)
)
)
 AVISTA CORPORATION, d/b/a AVISTA)
 UTILITIES,)
)
 For Continuation of the Company's Energy)
 Recovery Mechanism, with Certain)
 Modifications.)
 _____)

Docket No. UE-060181

EXHIBIT NO.__(MPG-11)

AVISTA RESPONSE TO ICNU DATA REQUEST NO. 1.45

April 21, 2006

**AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	Washington	DATE PREPARED:	03/21/2006
CASE NO:	UE-060181	WITNESS:	Malyn Malquist
REQUESTER:	ICNU	RESPONDER:	Diane Thoren
TYPE:	Data Request	DEPT:	Finance
REQUEST NO.:	ICNU -1.45	TELEPHONE:	(509) 495-4331

REQUEST:

Reference Exhibit No. __ (MKM-1T), page 5, lines 5-11. What does Avista project to be its current cost of debt for new issues?

RESPONSE:

Based on interest rates and market conditions as of March 20, 2006, the Company's current estimated cost of secured debt would be approximately 5.75% for 10 years. For unsecured debt, the current estimated cost of debt would be approximately 6.10%. These rates change as Treasury rates and credit spreads fluctuate and are not necessarily indicative of what rates would be at the time the company accesses the capital market and issues debt. Rates will also vary depending on the maturity of the debt actually issued.