

**Exh. CRM-3  
Dockets UE-170485/UG-170486  
Witness: Chris R. McGuire**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**AVISTA CORPORATION d/b/a  
AVISTA UTILITIES,**

**Respondent.**

**DOCKETS UE-170485 and  
UG-170486 (*Consolidated*)**

**EXHIBIT TO  
TESTIMONY OF**

**Chris R. McGuire**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Avista Response to UTC Staff Data Request No. 100*

**October 27, 2017**

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	08/31/2017
CASE NO.:	UE-170485 & UG-170486	WITNESS:	Mark Thies
REQUESTER:	UTC Staff	RESPONDER:	Jason Lang
TYPE:	Data Request	DEPT:	Finance
REQUEST NO.:	Staff - 100	TELEPHONE:	(509) 495-2930
		EMAIL:	jason.lang@avistacorp.com

**REQUEST:**

Please provide a schedule in the format of Exh. MTT-2C that excludes any “hedging” costs.

**RESPONSE:**

Please see Staff\_DR\_100 Attachment A, which excludes hedging gains and losses, including those previously approved by the UTC through December 2014.

**AVISTA CORPORATION**  
**Cost of Long-Term Debt Detail - Washington**  
**May 1, 2018**

Line No.	Description	Coupon Rate	Maturity Date	Settlement Date	Principal Amount	Issuance Costs	SWAP Loss/(Gain)	Discount (Premium)	Loss/Reacq Expenses	Net Proceeds	Yield to Maturity	Principal Outstanding 5/1/2018
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(g)	(h)	(i)	(j)	(k)
1	FMBS - SERIES A	7.530%	5/5/2023	5/6/1993	5,500,000	42,712	-	-	963,011	4,494,277	9.359%	5,500,000
2	FMBS - SERIES A	7.540%	5/5/2023	5/7/1993	1,000,000	7,766	-	-	175,412	816,822	9.375%	1,000,000
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%	7,000,000
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%	15,500,000
5	FMBS - SERIES A	7.180%	8/11/2023	8/12/1993	7,000,000	54,364	-	-	-	6,945,636	7.244%	7,000,000
6	ADVANCE ASSOCIAT	2.688% <sup>1</sup>	6/1/2037	6/3/1997	40,000,000	1,296,086	-	-	(1,769,125)	40,473,039	2.640%	40,000,000
7	FMBS - SERIES C	6.370%	6/19/2028	6/19/1998	25,000,000	158,304	-	-	188,649	24,653,047	6.475%	25,000,000
8	5.45% SERIES	5.450%	12/1/2019	11/18/2004	90,000,000	1,192,681	-	239,400	7,244,918	81,323,001	6.462%	90,000,000
9	FMBS - 6.25%	6.250%	12/1/2035	11/17/2005	150,000,000	1,812,935	-	367,500	1,700,376	146,119,188	6.446%	150,000,000
10	FMBS - 5.70%	5.700%	7/1/2037	12/15/2006	150,000,000	4,702,304	-	222,000	-	145,075,696	5.934%	150,000,000
11	5.95% SERIES	5.950%	6/1/2018	4/3/2008	250,000,000	2,246,419	-	835,000	-	246,918,581	6.113%	250,000,000
12	5.125% SERIES	5.125%	4/1/2022	9/22/2009	250,000,000	2,284,788	-	575,000	2,875,817	244,264,396	5.379%	250,000,000
13	3.89% SERIES	3.890%	12/20/2020	12/20/2010	52,000,000	385,129	-	-	6,273,664	45,341,207	5.578%	52,000,000
14	5.55% SERIES	5.550%	12/20/2040	12/20/2010	35,000,000	258,834	-	-	5,263,822	29,477,345	6.788%	35,000,000
15	4.45% SERIES	4.450%	12/14/2041	12/14/2011	85,000,000	692,833	-	-	-	84,307,167	4.500%	85,000,000
16	4.23% SERIES	4.230%	11/29/2047	11/30/2012	80,000,000	730,833	-	-	105,020	79,164,147	4.288%	80,000,000
17	4.11% SERIES	4.110%	12/1/2044	12/18/2014	60,000,000	428,205	-	-	-	59,571,795	4.152%	60,000,000
18	4.37% SERIES	4.370%	12/1/2045	12/16/2015	100,000,000	590,761	-	-	-	99,409,239	4.406%	100,000,000
19	3.54% SERIES	3.540%	12/1/2051	12/15/2016	175,000,000	1,001,382	-	-	-	173,998,618	3.569%	175,000,000
20	Forecasted issuance	4.031% <sup>7</sup>	9/30/2047	9/30/2017	80,000,000 <sup>4</sup>	800,000 <sup>5</sup>	-	-	-	79,199,995	4.089%	80,000,000
21												1,658,000,000
22												
23	Repurchase	2 8.85%	6/5/2028	5/24/2002	10,000,000				(2,228,153)	12,228,153	6.981%	
24	Repurchase	2 8.83%	6/5/2028	4/3/2003	10,000,000				(450,769)	10,450,769	8.395%	
25	Repurchase	2 8.83%	12/29/2022	3/11/2003	5,000,000				92,363	4,907,637	9.029%	
26	Repurchase	2 5.72%	3/1/2034	12/30/2009	17,000,000				1,916,297	15,083,703	6.661%	
27	Repurchase	2 6.55%	10/1/2032	12/31/2008	66,700,000				3,709,174	62,990,826	7.034%	
28												1,658,000,000
29		<sup>6</sup> Short Term-Debt			100,000,000						3.264%	100,000,000
30		<b>WASHINGTON'S TOTAL DEBT OUTSTANDING AND COST OF DEBT AT May 1, 2018</b>										<b>1,758,000,000</b>
31												
32									<b>Adjusted Weighted Average Cost of Debt</b>		<b>5.20%</b>	
33												
34												
35												

<sup>1</sup> Average Monthly Average Rate over a twelve month period  
<sup>2</sup> Coupon Rate at the time of repurchase  
<sup>3</sup> Calculated using the Internal Rate of Return method

**AVISTA CORPORATION**  
Cost of Short-Term Debt Detail  
April 30, 2018

	Apr-17 (B)	May-17 (C)	Jun-17 (D)	Jul-17 (E)	Aug-17 (F)	Sep-17 (G)	Oct-17 (H)	Nov-17 (I)	Dec-17 (J)	Jan-18 (K)	Feb-18 (L)	Mar-18 (M)	Apr-18 (N)	Avg of (O)
3 Short-term Borrowings - Month End Balances	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000
5 Number of Days in Month		31	30	31	31	30	31	30	31	31	28	31	30	365
7 Avg Monthly Forecasted Borrowing Rate*		2.22%	2.22%	2.32%	2.32%	2.32%	2.50%	2.50%	2.50%	2.64%	2.64%	2.64%	2.71%	
9 Credit Facility Interest Expense	\$ 191,167	\$ 185,000	\$ 199,778	\$ 199,778	\$ 193,333	\$ 215,278	\$ 208,333	\$ 215,278	\$ 227,333	\$ 205,333	\$ 227,333	\$ 225,833	\$ 225,833	\$ 2,493,778
10 Credit Facility Fees	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	336,000
11 Credit Facility Amort of up-front costs	36,194	36,194	36,194	36,194	36,194	36,194	36,194	36,194	36,194	36,194	36,194	36,194	36,194	434,328
12 Total S/T Debt Expense	\$ 255,361	\$ 249,194	\$ 263,972	\$ 263,972	\$ 257,527	\$ 279,472	\$ 272,527	\$ 279,472	\$ 291,527	\$ 269,527	\$ 291,527	\$ 290,027	\$ 290,027	\$ 3,264,106

**Total Borrowing Cost \$ 3,264,106**  
**Total Average Borrowings \$100,000,000**  
**Cost Rate 3.26%**

15 \*Forecasted Rates are based on forward rates from Thomson Reuters analysis tools plus a spread pursuant to the credit facility agreement.

**AVISTA CORPORATION**  
Cost of Long-Term Variable Rate Debt Detail  
April 30, 2018

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	Avg of
(a)	(b)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(o)
Trust Preferred*	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$ 40,000,000
Number of Days in Month	30	31	30	31	31	30	31	30	31	31	28	31	30	
Forecasted Rates Trust Preferred**	2.2325%	2.2325%	2.2325%	2.3544%	2.3544%	2.3544%	2.4680%	2.4680%	2.4680%	2.6422%	2.6422%	2.6422%	2.7646%	
Trust Preferred Interest Expense	\$ 74,417	\$ 76,897	\$ 74,417	\$ 81,096	\$ 81,096	\$ 78,480	\$ 85,009	\$ 82,267	\$ 85,009	\$ 91,009	\$ 82,202	\$ 91,009	\$ 92,153	\$ 1,075,060

Description	Coupon Rate	Maturity Date	Settlement Date	Principal Amount	Issuance Costs	Loss/Reacq Expenses	Net Proceeds	Yield to Maturity	Outstanding 4/30/2018	Effective Cost
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Trust Preferred	2.688%	6/1/2037	6/3/1997	\$ 40,000,000	\$ 1,296,086	\$ (1,769,125)	\$ 40,473,039	2.640%	\$ 40,000,000	\$ 1,055,838

15 \*Original issue principal amount was \$50 million. The Company repurchased \$10 million of the securities outstanding.  
16 \*\*Forecasted Rates are based on forward rates from Thomson Reuters analysis tools plus a spread pursuant to the debt agreement.