

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

In the Matter of the Petition of	)	
	)	
AVISTA CORPORATION, d/b/a AVISTA	)	<b>Docket No. UE-060181</b>
UTILITIES,	)	
	)	
For Continuation of the Company's Energy	)	
Recovery Mechanism, with Certain	)	
Modifications.	)	
_____	)	

**EXHIBIT NO.\_\_(MPG-4)**

**AVISTA RESPONSE TO ICNU DATA REQUEST NO. 2.27**

**April 21, 2006**

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

JURISDICTION:	Washington	DATE PREPARED:	03/22/2006
CASE NO:	UE-060181	WITNESS:	Malyn K. Malquist
REQUESTER:	ICNU	RESPONDER:	Greg Rahn
TYPE:	Data Request	DEPT:	Finance
REQUEST NO.:	ICNU -2.27	TELEPHONE:	(509) 495-2048

**REQUEST:**

Referring to pages 14 and 15 of Mr. Malquist's testimony, please identify the interest rate of debt that will be retired in 2007 and 2008, and swap agreements totaling \$200 million, and the interest rates that were locked in as a result of those agreements.

**RESPONSE:****Debt Maturing in 2007 & 2008**

<u>Description</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Principal Amount Outstanding</u>
FMB	7.750%	01/01/07	\$150,000,000
MTN A	7.940%	01/22/07	\$ 3,000,000
MTN B	7.900%	01/22/07	\$ 9,000,000
Series K	6.950%	09/15/07	\$ 26,250,000
MTN C	5.990%	12/10/07	<u>\$ 13,850,000</u>
Total			\$202,100,000
9.75% Notes	9.750%	06/01/08	\$279,735,000
SMTN A	6.950%	06/03/08	\$ 10,000,000
SMTN A	6.890%	06/04/08	\$ 10,000,000
MTN C	6.060%	12/10/08	<u>\$ 25,000,000</u>
Total			\$324,735,000

**Interest Rate Swap Agreements**

<u>Description</u>	<u>Fixed Rate*</u>	<u>Start Date</u>	<u>Term</u>	<u>Notional Amount</u>
07292004	5.746%	01/01/07	7 years	\$ 75,000,000 (a)
08042004	5.997%	06/01/08	10 years	\$ 75,000,000 (b)
12152004	5.444%	06/01/08	10 years	<u>\$ 50,000,000 (b)</u>
Total				\$200,000,000

\* Fixed rate is a hedge of 6 month LIBOR and does not include issuer credit spread that the company currently estimates at an approximate additional 100 basis points for secured first mortgage debt.

(a) Represents a 50% hedge against the forecasted refinance of the FMB 7.75% debt maturing 01/01/07 with an estimated 6.746% effective rate on the hedged amount.

(b) Represents a 45% hedge against the forecasted refinance of the 9.75% Notes maturing 06/01/08 with an estimated 6.776% weighted average effective rate on the hedged amount.