

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

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

EXHIBIT NO.__(MPG-5)

ROE AT ACTUAL COMMON EQUITY RATIO

April 21, 2006

AVISTA UTILITIES

ROE at Actual Common Equity Ratio

Imputed Common Equity Ratio

<u>Line</u>	<u>Description</u>	<u>Weight</u> (1)	<u>Cost</u> (2)	<u>Weighted Cost</u> (3)	<u>Pre-Tax Weighted Cost</u> (4)
1	Total Debt	53.40%	8.441%	4.51%	4.51%
2	Trust Preferred	5.18%	6.603%	0.34%	0.34%
3	Preferred Stock	1.42%	7.391%	0.10%	0.17%
4	Common Equity	<u>40.00%</u>	10.400%	<u>4.16%</u>	<u>6.69%</u>
5	Total	100.00%		9.11%	11.71%

6 Conversion factor 0.621611

Actual Common Equity Ratio

<u>Line</u>	<u>Description</u>	<u>Weight</u> (1)	<u>Cost</u> (2)	<u>Weighted Cost</u> (3)	<u>Pre-Tax Weighted Cost</u> (4)
6	Total Debt	66.40%	8.441%	5.60%	5.60%
7	Trust Preferred	5.18%	6.603%	0.34%	0.34%
8	Preferred Stock	1.42%	7.391%	0.10%	0.17%
9	Common Equity	<u>27.00%</u>	<u>12.88%</u>	<u>3.48%</u>	<u>5.59%</u>
10	Total	100.00%		9.53%	11.71%

11 Conversion factor 0.621611

Sources: WUTC Docket UE-050482, and UG-050483 Exh. No__(MKM-2),
Ex.No__(DMF-2), and Ex. No__(DMF-3)