

**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-6)

SETTLEMENT REVENUE ABOVE AVISTA'S COSTS AT 10.4% ROE

April 21, 2006

AVISTA UTILITIES

Settlement Revenue above Avista's Cost at a 10.4% ROE

Imputed Common Equity Ratio

Line	Description	<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%	8.440%	4.51%	4.51%
2	Trust Preferred	5.18%	6.600%	0.34%	0.34%
3	Preferred Stock	1.42%	7.390%	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	Coversion Factor	0.621611			

Actual Common Equity Ratio

Line	Description	<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%	8.440%	5.60%	5.60%
7	Trust Preferred	5.18%	6.600%	0.34%	0.34%
8	Preferred Stock	1.42%	7.390%	0.10%	0.17%
9	Common Equity	<u>27.00%</u>	10.40%	<u>2.81%</u>	<u>4.52%</u>
10	Total	100.00%		8.86%	10.63%
11	Coversion Factor	0.621611			
12	Rate Base Electric		(000)		795,845
13	Additional Electric Revenues		(000)		\$ 8,578
14	Rate Base Gas		(000)		\$ 130,718
15	Additional Gas Revenues		(000)		\$ 1,409
16	Increase in surcharge		(000)		\$ 2,700
17	Total Additional Revenues		(000)		\$ 12,686

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