

**Exh. DCP-3
Dockets UE-170485/UG-170486
Witness: David C. Parcell**

**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**

David C. Parcell

**ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Avista Total Cost of Capital

October 27, 2017

**AVISTA CORPORATION
TOTAL COST OF CAPITAL**

Item	Percent	Cost	Weighted Cost
Short-Term Debt	2.90% 1/	3.26% 3/	0.09%
Long-Term Debt	48.60% 1/	5.54% 4/	2.69%
Common Equity	48.50% 2/	8.70% 9.10% 9.50%	4.22% 4.41% 4.61%
Total	100.00%		7.01% 7.39% 7.20%

1/ Percentages of short-term and long-term debt derived from relative amounts of short-term debt and long-term debt as of December 31, 2016, as contained in Exh. MTT-2C, page 7:

	Amount	Percent	Ratio to 51.5%
Short-Term Debt	\$100,000	5.62%	2.90%
Long-Term Debt	<u>\$1,678,000</u>	94.38%	<u>48.60%</u>
Total Debt	<u>\$1,778,000</u>		51.50%

2/ Common equity ratio approved for Avista by Commission in Dockets UE-150204/UG-150205.

3/ As shown on Exh. MTT-2C, page 3.

4/ Cost of long-term debt proposed by Commission Staff, long-term debt portion, as derived from Exh. MTT-2C (i.e., excluding the \$54 million SWAP loss from 3.54% Series and short-term debt costs and proceeds).