

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	
)	Docket No. UE-050482
Complainant,)	
)	Docket No. UG-050483
vs.)	
)	<i>(consolidated)</i>
AVISTA CORPORATION,)	
)	
Respondent.)	
_____)	

EXHIBIT NO. ___(KEI-5)

SUMMARY OF SETTLEMENT AGREEMENT RATE SPREAD PROPOSAL

September 22, 2005

AVISTA UTILITIES

Summary of Settlement Agreement Rate Spread Proposal
(\$000 Dollars)

Line	Class	Present Base Revenue (1)	Proposed Base Revenue (2)	Base Rate Change			Proposed		Movement to Unity ¹ (9)	
				Amount (3)	Percent (4)	Relative (5)	ROR (6)	Return Ratio (7)		Change (8)
1	Residential	\$ 122,064	\$ 132,918	\$ 10,854	8.9%	115%	6.11%	0.71	0.09	24.0%
2	General Service	29,421	31,126	1,705	5.8%	75%	14.67%	1.70	(0.21)	23.4%
3	Large General Service	89,467	95,356	5,889	6.6%	85%	12.12%	1.40	(0.13)	24.4%
4	Extra Large General Service	34,839	37,725	2,886	8.3%	107%	6.41%	0.74	0.08	23.0%
5	Pumping Service	6,068	6,536	468	7.7%	100%	9.05%	1.05	(0.01)	15.0%
6	Street & Area Lights	4,291	4,623	332	7.7%	100%	9.88%	1.14	(0.00)	0.8%
7	Total Retail	\$ 286,150	\$ 308,284	\$ 22,134	7.7%	100%	8.64%	1.00		

¹ The movement to a Return Ratio of 1.00 is calculated as (Proposed Return Ratio - Present Return Ratio) / (1.00 - Present Return Ratio).