

**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-7)

**SUMMARY OF PUBLIC COUNSEL RATE SPREAD PROPOSAL
AT SAME INCREASE AS SETTLEMENT PROPOSAL**

September 22, 2005

AVISTA UTILITIES

Summary of Public Counsel Rate Spread Proposal at Same Increase as Settlement Agreement
(\$000 Dollars)

Line	Class	Present Base Revenue (1)	Proposed Base Revenue (2)	Base Rate Change			ROR (6)	Proposed		Movement to Unity ¹ (9)
				Amount (3)	Percent (4)	Relative (5)		Return Ratio (7)	Change (8)	
1	Residential	\$ 122,064	\$ 132,679	\$ 10,615	8.7%	112%	6.07%	0.70	0.09	22.8%
2	General Service	29,421	31,128	1,707	5.8%	75%	14.67%	1.70	(0.21)	23.4%
3	Large General Service	89,467	95,350	5,882	6.6%	85%	12.12%	1.40	(0.13)	24.4%
4	Extra Large General Service	34,839	37,869	3,030	8.7%	112%	6.50%	0.75	0.09	26.1%
5	Pumping Service	6,068	6,596	528	8.7%	112%	9.28%	1.07	0.02	-33.1%
6	Street & Area Lights	<u>4,291</u>	<u>4,664</u>	<u>373</u>	<u>8.7%</u>	<u>112%</u>	<u>10.11%</u>	<u>1.17</u>	<u>0.03</u>	<u>-17.9%</u>
7	Total Retail	\$ 286,150	\$ 308,285	\$ 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).