

Avista Utilities
Impact of Stipulation Cost of Capital Upon Staff's
Claimed Electric Operations Revenue Deficiency

Settlement Before Tax Cost of Capital

Line No.	Capital Component	Capital Structure	ProForma Cost	ProForma Weighted Cost	Conversion Factor	ProForma Before-Tax Weighted Cost
1	Total Debt	53.00%	5.72%	3.03%		3.03%
2	Common	<u>47.00%</u>	9.80%	<u>4.61%</u>	62.082%	<u>7.42%</u>
3	Total	100.00%		7.64%		10.45%

4 Staff Originally Proposed Before Tax Cost of Capital

Line No.	Capital Component	Capital Structure	ProForma Cost	ProForma Weighted Cost	Conversion Factor	ProForma Before-Tax Weighted Cost
5						
6						
7	Capital Component	Capital Structure	ProForma Cost	ProForma Weighted Cost	Conversion Factor	ProForma Before-Tax Weighted Cost
8						
9	Total Debt	54.00%	5.70%	3.08%		3.08%
10	Common	<u>46.00%</u>	9.00%	<u>4.14%</u>	62.082%	<u>6.67%</u>
11	Total	100.00%		7.22%		9.75%

12 **Difference in Before Tax COC - Staff Proposed Versus Settlement** **0.70%**

13 **Staff Proposed Electric Operations Retail Jurisdictional Rate Base**
 14 **Per Joint Issues List - Amount rounded \$000s** **\$1,125,273**

15 **Increase in Staff's Originally Claimed Electric Operations Retail**
 16 **Jurisdictional Revenue Deficiency Attributable to Reflection of**
 17 **Stipulated Cost of Capital (Rounded \$000s)** **\$7,924**