

Avista Utilities
Impact of Stipulation Cost of Capital Upon Public Counsel'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 Company Originally Proposed Before Tax Cost of Capital						
5						
6						
7	Capital Component	Capital Structure	ProForma Cost	ProForma Weighted Cost	Conversion Factor	ProForma Before-Tax Weighted Cost
8						
9	Total Debt	51.60%	5.76%	2.97%		2.97%
10	Common	<u>48.40%</u>	10.90%	<u>5.28%</u>	62.082%	<u>8.50%</u>
11	Total	100.00%		8.25%		11.47%
12	Difference in Before Tax COC - Company Proposed Versus Settlement					-1.02%
13	Public Counsel Proposed Electric Operations Retail Jurisdictional Rate Base					
14	Per Joint Issues List - Amount rounded \$000s					<u>\$1,122,363</u>
15	Reduction in Public Counsel's Originally Claimed Electric Operations Retail					
16	Jurisdictional Revenue Deficiency Attributable to Reflection of					
17	Stipulated Cost of Capital (Rounded \$000s)					<u>(\$11,438)</u>

Avista Utilities
Impact of Stipulation Cost of Capital Upon Public Counsel's
Claimed Gas 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>	62.095%	<u>7.42%</u>
3	Total	100.00%		7.64%		10.45%

4 Company 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
9	Total Debt	51.60%	5.76%	2.97%		2.97%
10	Common	<u>48.40%</u>	10.90%	<u>5.28%</u>	62.095%	<u>8.50%</u>
11	Total	100.00%		8.25%		11.47%

12 Difference in Before Tax COC - Company Proposed Versus Settlement **-1.02%**

13 Avista Proposed Gas Operations Retail Jurisdictional Rate Base
14 Per Joint Issues List - Amount rounded \$000s **\$210,004**

15 Reduction in Public Counsel's Originally Claimed Gas Operations Retail
16 Jurisdictional Revenue Deficiency Attributable to Reflection of
17 Stipulated Cost of Capital (Rounded \$000s) **(\$2,140)**