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**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION )	CASE NO. AVU-E-21-01
OF AVISTA CORPORATION FOR THE )	CASE NO. AVU-G-21-01
AUTHORITY TO INCREASE ITS RATES )	
AND CHARGES FOR ELECTRIC AND )	
NATURAL GAS SERVICE TO ELECTRIC )	EXHIBIT NO. 2
AND NATURAL GAS CUSTOMERS IN THE )	OF
STATE OF IDAHO )	MARK T. THIES

FOR AVISTA CORPORATION

(ELECTRIC AND NATURAL GAS)

**AVISTA CORPORATION**  
Long-term Securities Credit Ratings

	<b>Standard &amp; Poor's</b>		<b>Moody's</b>
<b>Credit Outlook</b>	Stable		Stable
	<b>A+</b>		<b>A1</b>
	<b>A</b>		<b>A2</b>
	<b>A-</b> First Mortgage Bonds Secured Medium-Term Notes		<b>A3</b> First Mortgage Bonds Secured Medium-Term Notes
	<b>BBB+</b>		<b>Baa1</b>
	<b>BBB</b> Avista Corp./Corporate credit rating		<b>Baa2</b> Avista Corp./Issuer rating
	<b>BBB-</b>		<b>Baa3</b> Trust-Originated Preferred Securities
<b>INVESTMENT GRADE</b>			
	<b>BB+</b> Trust-Originated Preferred Securities		<b>Ba1</b>
	<b>BB</b>		<b>Ba2</b>
	<b>BB-</b>		<b>Ba3</b>

<b>AVISTA CORPORATION</b>			
<b>Proposed Cost of Capital</b>			
<b>December 31, 2023</b>			
	<u>Percent of Total Capital</u>	<u>Cost</u>	<u>Component Cost</u>
Total Debt	50%	4.92%	2.46%
Common Equity	50%	10.25% <sup>(1)</sup>	5.13%
Total	<u>100%</u>		<u>7.59%</u>

<b>AVISTA CORPORATION</b>			
<b>Actual Cost of Capital</b>			
<b>June 30, 2022</b>			
	<u>Percent of Total Capital</u>	<u>Cost</u>	<u>Component Cost</u>
Total Debt	50%	4.84%	2.42%
Common Equity	50%	9.40% <sup>(2)</sup>	4.70%
Total	<u>100%</u>		<u>7.12%</u>

(1) Proposed return on common equity

(2) Last approved ROE as of 09-01-2021.

**AVISTA CORPORATION**  
 Cost of Long-Term Debt Detail - Idaho  
 December 31, 2023

Line No.	Description	Coupon Rate	Maturity Date	Settlement Date	Principal Amount	Issuance Costs	SWAP Loss/(Gain)	Discount (Premium)	Loss/Reacq Expenses	Net Proceeds	Yield to Maturity	Outstanding 12/31/23
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(g)	(h)	(i)	(j)	(k)
1	ADVANCE ASSOCIAT	6.090% <sup>1</sup>	6/1/37	6/3/97	40,000,000	1,296,086	-	-	(1,769,125)	40,473,039	6.011%	40,000,000
2	FMBS - SERIES	6.370%	6/19/28	6/19/98	25,000,000	158,304	-	-	188,649	24,653,047	6.475%	25,000,000
3	FMBS - 6.25%	6.250%	12/1/35	11/17/05	150,000,000	1,812,935	(4,445,000)	367,500	-	152,264,565	6.139%	150,000,000
4	FMBS - 5.70%	5.700%	7/1/37	12/15/06	150,000,000	4,702,304	3,738,000	222,000	-	141,337,696	6.120%	150,000,000
5	5.55% SERIES	5.550%	12/20/40	12/20/10	35,000,000	258,834	-	-	5,263,822	29,477,345	6.788%	35,000,000
6	4.45% SERIES	4.450%	12/14/41	12/14/11	85,000,000	692,833	10,557,000	-	-	73,750,167	5.340%	85,000,000
7	4.23% SERIES	4.230%	11/29/47	11/30/12	80,000,000	730,833	18,546,870	-	105,020	60,617,277	5.868%	80,000,000
8	4.11% SERIES	4.110%	12/1/44	12/18/14	60,000,000	428,205	(5,429,000)	-	-	65,000,795	3.650%	60,000,000
9	4.37% SERIES	4.370%	12/1/45	12/16/15	100,000,000	590,761	9,383,299	-	-	90,025,940	5.017%	100,000,000
10	3.54% SERIES	3.540%	12/1/51	12/15/16	175,000,000	1,042,569	53,966,197	-	-	119,991,233	5.598%	175,000,000
11	3.91% SERIES	3.910%	12/1/47	12/14/17	90,000,000	552,539	8,823,322	-	-	80,624,139	4.550%	90,000,000
12	4.35% SERIES	4.350%	6/1/48	5/22/18	375,000,000	4,246,448	26,580,102	378,750	-	343,794,700	4.881%	375,000,000
13	3.43% SERIES	3.430%	12/1/49	11/26/19	180,000,000	1,108,340	13,330,106	-	-	165,561,554	3.885%	180,000,000
14	3.07% SERIES	3.070%	9/30/50	9/30/20	165,000,000	1,065,856	33,503,119	-	-	130,431,025	4.323%	165,000,000
	2.90% SERIES	2.900%	10/1/51	9/28/21	140,000,000	1,100,000	17,244,100	-	-	121,655,900	3.619%	140,000,000
15	4.00% SERIES	4.000%	4/1/52	3/17/22	400,000,000	4,564,042	17,035,230	-	-	378,400,729	4.323%	400,000,000
17	Forecasted Issuance	5.577%	10/1/53	10/1/23	140,000,000	1,400,000	(9,265,422)	-	-	147,865,422	5.205%	140,000,000
18												2,390,000,000
19	Repurchase	2 5.72%	3/1/34	12/30/09	17,000,000				1,916,297	15,083,703	6.661%	
20	Repurchase	2 6.55%	10/1/32	12/31/08	66,700,000				3,709,174	62,990,826	7.034%	
21												
22												<u>2,390,000,000</u>
23												
24					<b>IDAHO TOTAL DEBT OUTSTANDING AND COST OF DEBT AT December 31, 2023</b>						<b>Adjusted Weighted Average Cost of Debt</b>	<b>4.92%</b>
25												
26												
27												
28												
29												

<sup>1</sup> Average Monthly Average Rate over a twelve month period  
 # Coupon Rate at the time of repurchase  
 # Calculated using the Internal Rate of Return method

**AVISTA CORPORATION**  
 Cost of Long-Term Variable Rate Debt Detail  
 December 31, 2023

	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Avg of
(a)	(b)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(o)
Trust Preferred*	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$ 40,000,000
Number of Days in Month	31	31	28	31	30	31	30	31	31	30	31	30	31	
Forecasted Rates Trust Preferred	5.5720%	5.5720%	5.5720%	5.7439%	5.7439%	5.7439%	5.2002%	5.2002%	5.2002%	5.5614%	5.5614%	5.5614%	5.7404%	
Trust Preferred Interest Expense	\$ 191,924	\$ 191,924	\$ 173,351	\$ 197,845	\$ 191,463	\$ 197,845	\$ 173,340	\$ 179,118	\$ 179,118	\$ 185,380	\$ 191,559	\$ 185,380	\$ 197,725	\$ 2,435,974

Description	Coupon Rate	Maturity Date	Settlement Date	Principal Amount	Issuance Costs	Loss/Reacq Expenses	Net Proceeds	Yield to Maturity	Outstanding 12/31/23	Effective Cost
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Trust Preferred	6.09%	6/1/37	6/3/97	\$ 40,000,000	\$ 1,296,086	\$ (1,769,125)	\$ 40,473,039	6.011%	\$ 40,000,000	\$ 2,404,589

15 \*Original issue principal amount was \$50 million. The Company repurchased \$10 million of the securities outstanding.

16 \*\*Forecasted Rates are based on forward rates from Thomson Reuters analysis tools plus the 87.5 basis points pursuant to the debt agreement.

**AVISTA CORPORATION**

Capital Structure Reconciliation  
(dollars in thousands)

	10-Q 06/30/2022	Adjustments	Adjusted Regulatory Balance 6/30/2022	Activity	Adjusted Regulatory Balance 12/31/2023
<b>Short-term Debt</b>					
Avista Corp	\$ 158,000	\$ (58,000)	\$ 100,000		\$ 100,000
Subsidiaries					
Total short-term debt	<u>\$ 158,000</u>	<u>\$ (58,000)</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
<b>Long-term Debt</b>					
Long-term debt	\$ 2,287,606	\$ (70,606)	\$ 2,217,000	\$ 133,000	\$ 2,350,000
Current Portion of long-term debt and capital leases	6,500	-	6,500	(6,500)	\$ -
Debt to Affiliated Trust	51,547	(11,547)	40,000		\$ 40,000
Total long-term debt	<u>\$ 2,345,653</u>	<u>\$ (82,153)</u>	<u>\$ 2,263,500</u>	<u>\$ 126,500</u>	<u>\$ 2,390,000</u>
<b>Equity</b>					
Total Avista Corporation stockholders' equity	<u>\$ 2,237,494</u>	<u>\$ (81,262)</u>	<u>\$ 2,156,232</u>	<u>\$ 222,264</u>	<u>\$ 2,378,496</u>

a Adjusted to reflect short term debt balances on a monthly average.

b We exclude short-term borrowings outstanding at our subsidiaries.

c These adjustments are made to reflect our actual principal amount outstanding. We exclude amounts related to settled interest rate swaps and unamortized debt discount. The amounts related to settled interest rate swaps and unamortized debt discount are included as a cost of debt. Additionally, amounts related to capital leases and subsidiary long-term debt are excluded from Avista Utilities long-term debt.

d We hold \$11.547 million of these securities. The \$40 million adjusted balance relates to the current outstanding balance to third party investors.

e We exclude the following: capital stock expense; in order to recover the costs incurred for issuing equity, an amount equivalent to the investment in AERC, and accumulated other comprehensive loss; in order to reflect our actual equity balance.

Equity Adjustments (dollars in thousands):

Capital Stock Expense	\$ 20,732
Accumulated other comprehensive loss	\$ 10,490
Investment in AERC	\$ (112,484)
<b>Total</b>	<u>\$ (81,262)</u>

f Represents the issuance of long-term debt. There are forecasted issuance of \$140 million in 2023. For additional details related to this issuance see page 3 of this Exhibit.

g \$6.5 million of debt matures in May 2023 and \$7 million matures in August 2023.

h Forecasted Equity Activity (dollars in thousands):

Equity Activity	\$ 219,409
Change in equity in AERC	\$ 2,855
<b>Total</b>	<u>\$ 222,264</u>

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**Interest Rate Risk Management Plan**

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