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Amanda Maxwell
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

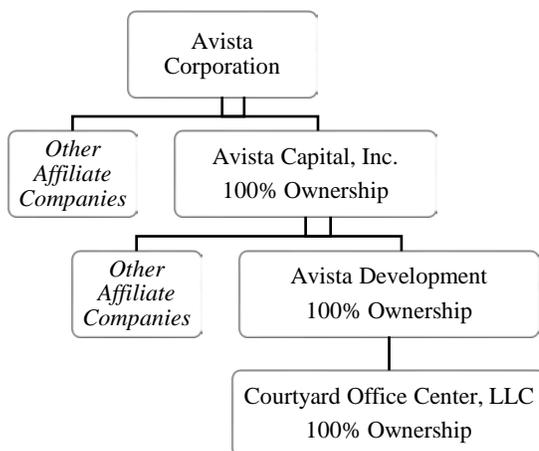
**RE: UE-220854 – Avista Corporation Affiliated Interest Filing AMENDMENT
(Courtyard Office Center, LLC)**

Dear Ms. Maxwell:

Pursuant to RCW 80.16.020 and WAC 480-100-245, please find enclosed for electronic filing with the Washington Utilities and Transportation Commission (UTC or “Commission”) an Amended Restrictive Covenant (the “Amendment”) from Courtyard Office Center, LLC (CYOC), an affiliate of Avista Corporation (Avista or the “Company”). This is the second requested Amendment the Company has filed in this docket; the original Restrictive Covenant was provided to the Commission on November 17, 2022 in Docket No. UE-220854, with review completed by Commission Staff and the docket closed on January 12, 2023. A first Amendment was then filed on March 31, 2023, with Commission staff re-opening and subsequently closing the docket again after its review in June 2023. The reason for this second, and final, Amendment is to further protect Avista’s long-term interests and ensure Avista has the ability to continue its remediation efforts on the property, as described herein, regardless of ownership. The Amendment achieves this by adding the following: (i) a “Definitions” section to further describe and distinguish the types of redevelopment activities subject to Avista’s approval, (ii) a further revised limited indemnity provision to clarify the remediation obligations for potential future owners, and (iii) a “Good Faith” section to ensure that Avista and any future owners will work together to protect the integrity of the existing remedial obligations. With this filing, Avista hereby requests Commission approval of the Amendment (or otherwise take no action), attached hereto as Attachment A. To

appropriately facilitate the sale of the CYOC property no later than August 11, 2023, the Company requests expedited review of these changes by Commission Staff, if possible.

As illustrated by the organizational chart below, Avista Development, Inc., a subsidiary of Avista Capital, Inc., and, by extension, Avista Corporation, holds 100% ownership in CYOC. Consequently, CYOC is an affiliate.



Background

Avista Corporation is party to the Amended Consent Decree filed December 2, 1996, in State of Washington, Department of Ecology v. The Washington Water Power Company, Spokane County Superior Court Cause No. 94-2-05788-4 (the “Consent Decree”). Pursuant to its obligations under the Consent Decree, Avista has installed, and must operate, monitor, and maintain various remediation and monitoring equipment including, without limitation, groundwater monitoring wells, oil recovery well vaults, bioventing injection wells, bioventing extraction wells, piping, and stormwater catch basins (collectively, the “Remediation System”). Portions of the Remediation System are located at the Courtyard Office Center, at 817, 819, and 827 West 1st Avenue, Spokane, Washington 99201, respectively (the “Property”). The tax parcel numbers for the Property are as follows: 35192.0901, 35192.0902, and 35192.0903. Avista also has installed in an enclosed space in the parking garage at the Property – and must operate, monitor, and maintain – electronic controls over the Remediation System (“Control Room”). The Control Room is used to control the Remediation System throughout the site.

On November 17, 2022, Avista provided notice to the Commission that it was Avista’s intent to record with the Spokane County Auditor an Amended Access Easement, an Amended Utility Right-of-Way easement, and a Restrictive Covenant to ensure that Avista Corporation

retains uninhibited access to the Remediation System and Control Room in order to continue fulfilling its obligations under the Consent Decree. The Company deemed these documents necessary in the event of any potential sale of the Property to a non-Avista entity. The Amended Access Easement, an Amended Utility Right-of-Way easement, and a Restrictive Covenant are designed to run with the land, such that Avista Corporation will be able to operate, monitor, and maintain electronic controls for as long as necessary or required by the Consent Decree. The Company then filed an Amendment to its original Restrictive Covenant on March 31, 2023, intended to further protect the long-term interests of Avista in the event of a Property sale. The first Amendment simply added a revised definition of the term “redevelopment” to describe the types of activities requiring Avista approval, in addition to including additional indemnity provisions.

In this final proposed Amendment, Avista’s incorporation of both the “Definitions” and “Good Faith” sections, as well as clarification of the ongoing remediation and indemnity obligations for potential future owners, will only serve to solidify the integrity of these documents as the Company endeavors to sell the Property. Avista believes this Amendment to be reasonable and within the public interest as it simply allows Avista to continue to access to the Remediation System and Control Room so that the Company may continue fulfilling its obligations under the Consent Decree. There is no monetary consideration for this transaction, and no customer impact. Avista respectfully requests that the Commission complete its review of this Amendment – by August 11, 2023, if possible – and promptly notify the Company if it believes that the agreement is inconsistent with public interest.

Please direct any questions regarding this filing to Jaime Majure at 509-495-7839 or jaime.majure@avistacorp.com.

Sincerely,



Patrick D. Ehrbar
Director of Regulatory Affairs

Enclosure