

YOUNG DEC 16 2009 9:14 am VIA FEDEX - M7

ASSIGNMENT CONSENT AGREEMENT

This ASSIGNMENT AGREEMENT (Agreement) is executed by and among the United States of America, Department of Energy, acting by and through the Bonneville Power Administration (Transmission Provider), Avista Energy, Inc. (Assignor), and Avista Corporation (Assignee). Transmission Provider, Assignor, and Assignee are sometimes referred to individually as "Party," and collectively as "Parties" as the context suggests below.

RECITALS

WHEREAS Transmission Provider has an Interconnection Agreement with Cogentrix Energy, Inc. (Rathdrum) which was executed on October 22, 1999;

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~~WHEREAS Assignor is the purchaser of the power generated by the Rathdrum generating project (Project);~~

WHEREAS Assignor and Transmission Provider are parties to a Letter Agreement (Letter Agreement) dated April 11, 2002, Agreement No. 02TX-11007 pursuant to which Transmission Provider agreed to bill Assignor and Assignor agreed to pay for Control Area Services charges incurred by the Project;

WHEREAS the Assignor wishes to transfer the Letter Agreement No. 02TX-11007 to the Assignee; and

WHEREAS contemporaneously with the execution of this Agreement, Transmission Provider, Assignee and Assignor are entering into an Agreement to transfer to Assignee the 250 MW of transmission rights to deliver capacity from the Project.

NOW THEREFORE, Assignor and Assignee agree, and Transmission Provider consents, to the assignment from Assignor to Assignee of the rights, interests, liabilities, and obligations of Assignor arising out of or related to the Letter Agreement under the following terms and conditions to which Assignor and Assignee agree:

TERMS

1. EFFECTIVE DATE

This assignment takes effect on January 1, 2010.

2. ASSIGNMENT

Assignor hereby assigns to Assignee and its successors all of Assignor's rights, interests, liabilities, and obligations arising out of or related to the Letter Agreement for the Control Area Service charges incurred by the Project, from and after the Effective Date.

3. ACCEPTANCE

From and after the Effective Date, Assignee assumes and accepts the assignment of all of the rights, interests, liabilities and obligations of Assignor arising out of or related to the Letter Agreement for the Control Area Service charges incurred by the Project. Assignee agrees to be bound by, perform and observe, and pay and discharge when due any and all of the obligations and liabilities that arise out of or in connection to the Control Area Service charges incurred by the Project.

4. NO WAIVER

The execution of this Agreement and the consummation of the transaction contemplated in this Agreement are not, and shall not be deemed to constitute, a waiver, forbearance or cure of any default arising prior to the Effective Date.

5. GOVERNING LAW

This Agreement shall be interpreted, construed, and enforced in accordance with Federal law.

6. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties. It supersedes all previous communications, representations, or contracts, either written or oral, which purport to describe or embody the subject matter of this Agreement.

7. CONSENT

Transmission Provider's consent to the assignment of the Letter Agreement is subject to the express conditions that: (i) Assignee executes with Transmission Provider the Avista Corporation, Exhibit C, Tables 1J and 1K, Contract No. 96MS-96008; and (ii) Assignor executes with Transmission Provider Exhibit C, Revision No. 3, Table 1, Contract No. 97TX-50002.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized officials.

AVISTA ENERGY, INC.

AVISTA CORPORATION

By: Tracy Van Orden

By: Dennis P. Vermillion

Name: Tracy Van Orden
(Print/Type)

Name: Dennis P. Vermillion
(Print/Type)

Title: Controller

Title: President, Avista Utilities

Date: 12/11/09

Date: 12/14/09

ACKNOWLEDGEMENT AND CONSENT:

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By: Toni L. Timberman

Name: Toni L. Timberman
(Print/Type)

Title: Senior Transmission Account Executive

Date: December 21, 2009

PHoward:slv:6060:11/10/2009 (W:\TMC\CT\Avista Energy, Inc\Contract Final\14605 Assignment Consent Agreement.doc)



Department of Energy

Bonneville Power Administration
P.O. Box 491
Vancouver, Washington 98666-0491

TRANSMISSION BUSINESS LINE

April 11, 2002

In reply refer to: TM/Ditt2

Letter Agreement No. 02TX-11007

Mr. Brent Guyer
Manager, Northwest Trading
AVISTA Energy, Inc.
201 West North River Drive, Suite 610
Spokane, WA 99201

Mr. Gerald B. Mack
Vice President, Development
Cogentrix Energy, Inc.
9405 Arrowpoint Boulevard
Charlotte, NC 28273-8110

Gentlemen:

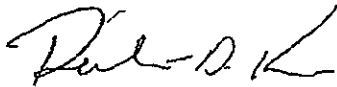
Interconnection Agreement No. 99TX-10261 (Agreement) was executed October 22, 1999, by the Bonneville Power Administration Transmission Business Line (Bonneville) and Cogentrix of Rathdrum, acting in its capacity as Manager for Rathdrum Power, LLC (Rathdrum). Section 6(d) of the Agreement provides, among other things, that "Rathdrum shall compensate Bonneville for any discrepancies between the amounts of Project generation scheduled by Rathdrum or its Scheduling Agent on the FCRTS on a given hour and the actual amounts of Project generation delivered to the FCRTS for such hour shall be pursuant to Bonneville's Transmission Rate Schedules, Ancillary Products and Services Rate Schedules, and General Rate Schedule Provisions," thereby giving Bonneville the right to bill Rathdrum for Generation Imbalance and other Control Area Services as appropriate.

AVISTA Energy (Avista), the output purchaser of the power generated by the Rathdrum generating project (Project), has verbally notified Bonneville that Avista desires to be billed for Control Area Services charges incurred by the Project in lieu of assessing such charges to Rathdrum. This letter agreement memorializes the consent of the Parties hereto to the above-mentioned billing of Avista.

If Avista and Cogentrix agree to the above determination, please indicate such agreement by signing three original copies of this letter and returning the three signed originals to Bonneville at the address listed below. Upon receipt of all countersigned originals, Bonneville shall forward one executed original to each of the other Parties.

Bonneville Power Administration
P.O. Box 491
Vancouver, WA 98666-0491
Attn: Robert D. King - TM/DITT2

Sincerely,



Robert D. King
Transmission Account Executive
Transmission Marketing and Sales

AVISTA ENERGY

Approved: Brent Guyer

By: Its Manager

Name: Brent Guyer
(Print/Type)

Title: Rathdrum Project Manager

Date: 4-18-02

RATHDRUM POWER, LLC

Approved: Jim Pagano
Cogentrix of Rathdrum, Inc.

By: Its Manager

Name: Jim Pagano
(Print/Type)

Title: SVP

Date: 11-27-02