

AVISTA
Turbine Power, Inc.

December 24, 2009

Via Facsimile and Overnight Courier

Rathdrum Power, LLC
9405 Arrowpoint Boulevard
Charlotte, NC 28273-8110
Attn: Vice President – Controller
Facsimile: 704-523-6373

Re: Power Purchase Agreement dated as of December 10, 1998 between Rathdrum Power, LLC and Avista Turbine Power, Inc., assignee of Avista Energy, Inc. under that certain Assignment and Assumption Agreement dated as of June 11, 1999, and as amended by that certain First Amendment to Power Purchase Agreement, dated as of June 23, 1999, by that certain Second Amendment to Power Purchase Agreement, dated as of December 28, 1999, by that certain Third Amendment to Power Purchase Agreement, dated as of March 2, 2001 and by that certain Fourth Amendment to Power Purchase Agreement, dated as of October 9, 2001 (collectively, the “PPA”)

Ladies and Gentlemen:

As you are aware, on June 30, 2007, Avista Turbine Power, Inc. entered into an agreement with Coral Power, L.L.C. (the “Coral Contract”), under which Avista Turbine Power transferred certain rights and obligations under the PPA to Coral Power, L.L.C. The Coral Contract will expire under its terms on December 31, 2009, and the rights of Coral Power, L.L.C. to serve as the generation control center of Purchaser under the PPA shall expire as of 11:59 p.m. local time in Spokane, Washington on December 31, 2009. Avista Turbine Power has requested Rathdrum Power’s consent to the assignment of the PPA to Avista Corporation, but the process of obtaining the necessary consents and approvals to such assignment is not anticipated to be completed prior to December 31, 2009. Therefore, Avista Turbine Power has entered into a new agreement with Avista Corporation in order to similarly transfer certain rights and obligations under the PPA to Avista Corporation pending receipt of the necessary consents and approvals. Consistent with this interim measure, Avista Turbine Power desires to designate Avista Corporation as the generation control center of Purchaser under the PPA as of 00:00 local time in Spokane, Washington on January 1, 2010. Capitalized terms used in this letter without definition shall have the meaning given to such terms under the PPA.

This letter constitutes Avista Turbine Power’s designation in writing of Avista Corporation’s offices in Spokane, Washington, to be located at 1411 E. Mission Ave., Spokane, Washington 99202, as the generation control center of Purchaser within the meaning given to the term Control Center under the PPA as being the primary control center for the Dispatch of

the Facility. Such designation shall be effective as of 00:00 local time in Spokane, Washington on January 1, 2010 and shall remain in effect, unless sooner revoked by Avista Turbine Power, Inc. until 23:59 local time in Spokane, Washington on December 31, 2026.

Under the terms of the PPA, Avista Turbine Power's designation of a Control Center shall be reasonably acceptable to you. Please let us know immediately if this designation is not reasonably acceptable to you and the basis for your determination.

Sincerely

Avista Turbine Power, Inc.



Mark Thies
Sr. Vice President and Chief Financial Officer

cc: Rathdrum Power, LLC
9405 Arrowpoint Boulevard
Charlotte, North Carolina 28273
Attention: General Counsel
Facsimile: 704-529-1006