

## Attachment A

## CONFIRMATION AGREEMENT

This Confirmation Agreement (“Agreement”) is entered into on March 1, 2010, between Avista Corporation (fka The Washington Water Power Company), a Washington corporation (“Avista”), and Avista Energy, Inc., a Washington corporation (“Energy”). Avista and Energy are each sometimes referred to as a “Party” and collectively as “Parties.”

WHEREAS, Avista is a one third owner of the Jackson Prairie Storage Project (“Storage Project”), an underground natural gas storage facility;

WHEREAS, Avista and Energy are parties to that certain Agreement to Convey Ownership Interest in Jackson Prairie Storage Project Expansion dated October 5, 1998, as amended by that Amendment #1 dated October 30, 2002, and by the Agreement to Extend Agreement to Convey Ownership Interest in Jackson Prairie Storage Project Expansion dated June 30, 2007 (“Conveyance Agreement”);

WHEREAS, in the Conveyance Agreement, Avista conveyed to Energy its ownership interest in the Jackson Prairie Storage Project Expansion for a limited term, which conveyance shall expire by its term on April 30, 2011;

WHEREAS, in that certain Agreement to Temporarily Assign Rights to Use Jackson Prairie Expansion Capacity (“Temporary Assignment”), Energy has temporarily assigned its rights to use its expansion capacity in the Storage Project to Coral Energy Resources L.P. (“Coral”) through April 30, 2011;

WHEREAS, upon expiration of the Conveyance Agreement and the Temporary Assignment on April 30, 2011, the Assigned Capacity will revert from Coral directly to Avista; and

WHEREAS, Avista and Energy wish to confirm their respective rights and responsibilities upon such events.

NOW THEREFORE, Avista and Energy confirm the following:

1. Effective Date.

This Agreement shall become effective on April 30, 2011.

2. Recall of Ownership Interest.

2.1 Upon expiration of the Conveyance Agreement and the Temporary Assignment on April 30, 2011, the capacity in the Storage Project conveyed to Energy in the Conveyance agreement, including such capacity Energy temporarily assigned to Coral, will revert back directly to Avista.

2.2 Pursuant to the terms of the Conveyance Agreement, upon expiration of the Conveyance Agreement on April 30, 2011, Energy shall take all necessary actions to arrange for the transfer of the ownership interest conveyed to Energy in the Conveyance Agreement back to Avista. Avista shall, pursuant to the terms of the Conveyance Agreement, compensate Energy in an amount equal to the lesser of the depreciated book value or market value, as determined by Avista, which is associated with the ownership interest which is being recalled. The depreciation method used shall be half year convention straight line depreciation.

3. Acknowledgment of FERC Approval.

The Parties acknowledge that on April 19, 2007, Energy filed with the Federal Energy Regulatory Commission ("FERC") an Abbreviated Application for Limited Jurisdiction Certificate of Public Convenience and Necessity ("Application") authorizing the temporary assignment of storage capacity in the Storage Project to Coral. In the Application, Energy also requested pregranted abandonment upon expiration of the Temporary Assignment to allow the assigned capacity to revert from Coral to Avista. FERC granted Avista's Application and the requested approval for abandonment in an order issued on May 25, 2007. *Avista Energy, Inc.*, 119 FERC ¶ 62,161 (2007).

4. Relationship with Other Agreements.

This Agreement confirms the agreements between the Parties in the Conveyance Agreement and is not intended to, and shall not be construed to, amend or modify the Conveyance Agreement. To the extent that any term in this Agreement conflicts with the Conveyance Agreement, the Conveyance Agreement shall control.

DATED this 1st day of March 2010.

AVISTA CORPORATION

By: 

AVISTA ENERGY, INC.

By: 