"Redacted Attachment A"

Avista Corporation
Monthly Power Cost Deferral Report
Month of November 2008

Long-term Power Transaction
(See attached)

AGREEMENT FOR PURCHASE AND SALE OF POWER

This agreement, dated as of January 1, 2009, is made by and between Public Utility District No. 1 of Douglas County, a Washington Municipal Corporation acting through its Electric Distribution System (the "District") and Avista Corporation, a Washington Corporation ("Avista Corp."). The District and Avista Corp. agree as follows:

Section 1. Definitions

Whenever used in this Agreement, the following terms will have the following specified meanings:

1.1 "Delivering Party" means the party obligated to deliver energy to the other party under this Agreement.

1.2 "Energy" and "Capacity" means energy or capacity, as the case may be, which is made available or sold by the District from a District resource for the account of the District's Electric Distribution system.

1.3 "Heavy Load Hours" means the hours ending from 0800 to 2200 on any Monday, Tuesday, Wednesday, Thursday, Friday and Saturday.

1.4 "Hours" means hours measured by Pacific Time, Standard or Daylight, whichever is in effect at the pertinent time.

1.5 "Month" means a calendar month.

1.6 "Person" means any corporation, municipal corporation, cooperative, partnership, association, agency, firm, organization, individual, governmental authority or other entity.

1.7 "Point of Delivery" means the 230-kV bus in the Douglas Switchyard or such other point as the parties may agree upon for the delivery or return of energy under this Agreement.

1.8 "Receiving Party" means the party entitled to receive the delivery of energy by the other party under this Agreement.

1.9 "Term" means the period commencing at 0000 Hours on January 1, 2009 and ending at 2400 Hours on December 31, 2009.

Section 2. Capacity and Energy

2.1 Minimum Capacity. The District shall make available to Avista Corp., and Avista Corp. shall purchase from the District, Capacity at the Point of Delivery during Heavy Load Hours at the following demand levels for each Month included in the Term:

Month	Capacity (kW)
January 2009	[redacted]
February 2009	
March 2009	
April 2009	
May 2009	
June 2009	
July 2009	
August 2009	
September 2009	
October 2009	
November 2009	
December 2009	

2.2 Additional Capacity. If and to the extent that the District determines that it has Capacity in excess of (a) the District's contractual commitments in effect on the date of this Agreement, (b) the District's needs to service its own service area loads, and (c) the amount of Capacity required to be made available to Avista Corp. under paragraph 2.1, then the District will offer to make such Capacity available to Avista Corp. under this Agreement prior to offering such excess Capacity to any other Person. The District will make available to Avista Corp., and Avista Corp. will purchase from the District, at the point of Delivery so much of such excess Capacity as Avista Corp. agrees to purchase.

2.3 Estimates of Additional Capacity. Upon execution of this Agreement, the District will deliver to Avista Corp. the District's best estimate of the amount of excess Capacity that it will offer to Avista Corp. under paragraph 2.2 for each Month included in the Term. The District will notify Avista Corp. of the amount of such excess Capacity that it has to offer for each Month included in the Term on or before the twentieth (20th) day of the preceding Month. Avista Corp. will notify the District of Avista Corp.'s intent to purchase all, none or a portion of such excess Capacity offered by the District for any Month included in the Term on or before the twenty-fifth (25th) day of the preceding Month.

2.4 Delivery of Energy by the District. The District will deliver to Avista Corp. Energy associated with the Capacity made available to Avista Corp. pursuant to paragraphs 2.1 and 2.2 if and to the extent that such energy is scheduled by Avista Corp. pursuant to paragraph 2.6. The District shall not be obligated to deliver Energy during any continuous Heavy Load Hour period in excess of the product of nine (9) hours and the Capacity made available to Avista Corp. pursuant to paragraphs 2.1 and 2.2.

2.5 Return. If and to the extent any Energy is delivered by the District pursuant to paragraph 2.4, Avista Corp. will return an equivalent amount of energy to the District. Subject to the following, all energy to be returned to the District shall be scheduled by the District pursuant to paragraph 2.6. Upon Avista Corp.'s request, the District will schedule the return of

all or any portion of such energy within twenty-four (24) hours after delivery of the energy to Avista Corp.. The District may, however, limit the return of such energy to seventy-five percent (75%) of the energy delivered to Avista Corp. within the previous twenty-four (24) hours. Upon the District's request, Avista Corp. will return up to fifty percent (50%) of such energy within twenty four (24) hours after delivery of the energy to Avista Corp.. Unless otherwise agreed, the balance will be returned within 168 hours after delivery to Avista Corp.. Unless otherwise agreed, the aggregate quantity of energy not returned within twenty-four (24) hours after delivery to Avista Corp. shall not exceed the product of twenty-four (24) hours and the Capacity made available to Avista Corp. pursuant to paragraphs 2.1 and 2.2 as of 2400 hours on any Saturday over the Term hereof. Notwithstanding the foregoing provisions, Avista Corp. will not have any obligation to return or pay for energy not scheduled by the District for return within 168 hours after delivery to Avista Corp.. Unless otherwise agreed by Avista Corp., the District shall not schedule the return of any energy during Heavy Load Hours or at a rate in excess of the sum of the demand levels specified in paragraph 2.1 and 2.2 for the month in which such energy is to be returned.

2.6 Schedules. The Receiving Party shall submit to the Delivering Party schedules for the delivery or return of energy pursuant to this Agreement no later than 0730 hours on each preschedule day common to both parties consistent with standard utility practice for prescheduling on a five (5) day per week basis. The Receiving Party may at any time revise any such schedule; provided that any revision after 0730 Hours on the aforementioned preschedule day shall be subject to the approval of the Delivering Party, which approval shall not be unreasonably withheld. The Avista Corp. shall be responsible for providing all required interchange schedule "tags"; provided, further, that said "tags" are also required to have "implement" status by 1500 Hours on the aforementioned preschedule day.

2.7 Point of Delivery. All energy to be delivered or returned under this Agreement shall be delivered or returned, as the case may be, at the Point of Delivery.

Section 3. Compensation

3.1 Capacity. Avista Corp. will pay the District for Capacity made available by the District pursuant to paragraph 2.1 and for any Capacity made available by the District and purchased by Avista Corp. pursuant to paragraph 2.2 at the following rates for each Month included in the Term (if this Agreement commences or is terminated on other than the first or last day of a month, such rates shall be prorated on a daily basis for the Month):

Month	Rate ($/kW)
January 2009	[redacted]
February 2009	
March 2009	
April 2009	
May 2009	
June 2009	
July 2009	
August 2009	
September 2009	
October 2009	
November 2009	
December 2009	

3.2 Billing and Payment. The District shall render billings to Avista Corp. for Capacity purchased by Avista Corp. under this Agreement during any Month on or about the tenth (10th) day following the end of such Month. Avista Corp. shall pay the amount owing within twenty (20) days after Avista Corp.'s receipt of the District's billing. All payments are acknowledged to be moneys of the District, derived through ownership of the District's Electric Distribution System and shall accrue to the District's Electric Distribution System Revenue Fund.

Section 4. Miscellaneous

4.1 Force Majeure. Neither party shall be liable to the other for, or be considered to be in breach of or default under this agreement on account of, any delay in performance of its obligations under this Agreement if such delay is due to any cause beyond the control of the party claiming force majeure, including but not restricted to: failure or threat of failure of facilities; flood; earthquake; geohydrolic subsidence; tornado; storm; fire; civil disturbances or disobedience; labor dispute; labor or material shortage; sabotage; restraint by court order or public authority (whether valid or invalid); action or non-action by or inability to obtain or keep the necessary authorizations or approvals from any governmental agency or authority; reductions or interruptions in services which, in a party's reasonable judgment, are necessary to protect generation or transmission facilities; curtailments or interruptions of third party transmission service which is being used for transmitting energy hereunder; and necessary maintenance, repairs, replacements or installations of equipment or the investigation of such equipment. Nothing contained herein shall be construed so as to require a party to settle any strike or labor dispute in which it may be involved. Either party rendered unable to fulfill any of its obligations under this Agreement by reason of force majeure shall give prompt written notice of such fact to the other party together with the particulars of the occurrence and shall exercise due diligence to remove its inability to perform with all reasonable dispatch.

4.2 Payment during Force Majeure. If, because of force majeure, either party is unable to fulfill its obligations under Sections 2.4 or 2.5 above, the Delivering Party shall immediately notify the Receiving Party of such interruption, the cause of the interruption, and the expected duration of such reduction or nondelivery, and at such time the District may suspend its obligation under section 2.4 to deliver Energy associated with Capacity to Avista Corp.. If, because of force majeure, the District is unable to deliver Energy and Capacity as provided in section 2.4, the District shall, at its option and upon written notice within 24 hours of the force majeure, deliver such Energy and Capacity as soon as practical thereafter to Avista Corp., or, adjust payments due under this agreement for such prorata Capacity and Energy not delivered. If, because of force majeure, Avista Corp. is unable to return any Energy to the District within 168 hours as required in section 2.5, Avista Corp.'s obligation to return any such outstanding balance of Energy to the District shall remain until satisfied.

4.3 Invalid Provision. If this Agreement is determined by any court or regulatory authority having jurisdiction to be invalid in whole or in part or to place either party in violation of other agreements to which either the District or Avista Corp. is a party, this Agreement may be canceled by either party giving the other party at least 30 days advance written notice of such cancellation. In the event of such cancellation, neither party shall have any claim of any nature whatsoever against the other on account of the cancellation; provided, however, that the right to receive payment for capacity delivered prior to cancellation will survive such cancellation.

4.4 Survival. The provisions of Section 3 and 4 of this Agreement (together with any other provisions which may reasonably be interpreted or construed to survive the expiration, termination or cancellation of this Agreement) shall survive the expiration, termination or cancellation of this Agreement.

4.5 Amendment. No change, modification or amendment of this Agreement shall be valid unless set forth in a written instrument signed by the Party to be bound thereby.

4.6 Assignment. Neither Party shall assign this Agreement without the prior written consent of the other Party. Subject to the foregoing restriction on assignment, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the Parties and their successive successors and assigns.

4.7 No Third-Party Beneficiary. There are no third-party beneficiaries of this Agreement. This Agreement shall not confer any right or remedy upon any Person other than the parties and their respective successors and assigns permitted under paragraph 4.5. No action may be commenced or prosecuted against any party by any third party claiming as a third party beneficiary of this Agreement or the transactions contemplated hereby. This Agreement shall not release or discharge any obligation or liability of any third party to any party or give any third party any right of subrogation or action over or against any party.

4.8 No Dedication of Facilities. No undertaking by either party to the other party under any provision of this Agreement shall constitute a dedication of the electric system of such party (or any portion thereof) to the public or to the other party.

4.9 Governing Law. This Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of Washington or the laws of the United States of America, whichever is applicable, as if executed and to be performed wholly within the State of Washington. Venue of any legal action arising out of this Agreement shall be exclusively in a court of competent jurisdiction of Douglas County, State of Washington, or U.S. District Court for the Eastern District of Washington. In the event that litigation or other proceedings arise in relation to this Agreement, the substantially prevailing party shall be entitled to recover all reasonable costs of suit, including but not limited to, reasonable attorney fees, lodging and meals, and travel.

4.10 Entire Agreement. This Agreement sets forth the entire agreement of the parties with regard to the purchases and sales of Capacity described herein. There exists no promises, terms or conditions with regard to such purchases and sales other than those contained herein; all prior communication and negotiations between the parties, either verbal or written, relating to the subject matter of this Agreement, not herein contained, are hereby withdrawn and annulled.

4.11 Binding Agreement. Each party warrants to the other that it has duly entered into this Agreement and that this Agreement constitutes the valid, legal and binding obligation of such party, enforceable strictly against such party in accordance with its terms. If any court or regulatory authority having jurisdiction determines that either party is in breach of this warranty, this Agreement may be canceled by either party giving the other party at least thirty (30) days advance written notice of such cancellation. In the event of such cancellation, neither party shall have any claim of any nature whatsoever against the other on account of this breach or cancellation; provided, however, that the right to receive payment for Capacity or Energy delivered prior to cancellation will survive such cancellation.

AVISTA CORPORATION

By _____

Name: Dennis P. Vermillion

Title: VP Energy Resources

Date Signed: 12/1/08

PUBLIC UTILITY DISTRICT NO. 1
OF DOUGLAS COUNTY

By _____
William C. Dobbins
General Manager

Date Signed: December 8, 2008