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2006 DEC 26 PM 3:41  
IDAHO PUBLIC  
UTILITIES COMMISSION

December 21, 2006

Ms. Jean Jewell, Commission Secretary  
Idaho Public Utilities Commission  
472 West Washington  
Boise, ID 83702

RE: *Case No. AVU-06-10*  
*First Amendment to Power Purchase Agreement and Generator Interconnection*  
*Agreement between Stimson Lumber Company and Avista Corporation*

Dear Ms. Jewell:

Please find enclosed for filing the original and seven (7) copies of the following documents:

- 1) First Amendment to the Power Purchase Agreement between Stimson Lumber Company and Avista Corporation.
- 2) First Amendment to the Generator Interconnection Agreement Between Stimson Lumber Company and Avista Corporation;

These amendments reflect the intention of the parties to correct typographical errors contained in the original Power Purchase Agreement and Generator Interconnection Agreement.

Please conform and return the additional copies in the enclosed self-addressed stamped enveloped.

Very truly yours,

PAINE, HAMBLÉN, COFFIN, BROOKE  
& MILLER LLC



Terry L. York  
Paralegal for R. Blair Strong

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Enclosures

cc: David J. Meyer (w/enc.)  
William E. Peressini (w/enc.)  
Scott Woodbury

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IDAHO PUBLIC UTILITIES COMMISSION

FIRST AMENDMENT TO THE POWER PURCHASE AGREEMENT

BETWEEN

STIMSON LUMBER COMPANY

AND

AVISTA CORPORATION

This First Amendment to the Power Purchase Agreement dated October 1, 2006, is made by and between Avista Corporation, a Washington corporation ("Avista"), and Stimson Lumber Company ("Project Developer"). Avista and Project Developer are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

1. Section 1.12 is amended as follows:

"Market Energy Cost" means eighty-five percent (85%) of the weighted average of the daily On-Peak and Off-Peak Dow Jones Mid-Columbia Index (Dow Jones Mid-C Index) non-firm prices for non-firm energy. If the Dow Jones Mid-Columbia Index price is discontinued by the reporting agency, both Parties will mutually agree upon a replacement index, which is similar to the Dow Jones Mid-C Index. The selected replacement index will be consistent with other similar agreements and a commonly used index by the electric industry.

2. This amendment shall be deemed to be effective October 1, 2006.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the first date herein above set forth.

STIMSON LUMBER COMPANY

AVISTA CORPORATION

By: W.E. Peressini  
Printed Name: W.E. PERESSINI  
Title: VP/CFO

By: [Signature]  
Printed Name: Gary G. Ely  
Title: Chairman of the Board, President & CEO

12/21/2006

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IDAHO PUBLIC UTILITIES COMMISSION

FIRST AMENDMENT TO THE GENERATOR INTERCONNECTION AGREEMENT

BETWEEN

STIMSON LUMBER COMPANY

AND

AVISTA CORPORATION

This First Amendment to the Generator Interconnection Agreement dated October 11, 2006, is made by and between Avista Corporation, a Washington corporation ("Avista"), and Stimson Lumber Company ("Project Developer"). Avista and Project Developer are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

1. The definition of "Good Utility Practice" contained within the Glossary of Terms is amended as follows:

Good Utility Practice or Prudent Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

2. This amendment shall be deemed to be effective October 11, 2006

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the first date herein above set forth.

STIMSON LUMBER COMPANY

AVISTA CORPORATION

By: [Signature]
Printed Name: W.E. DEARSSINI
Title: VP/CFO

By: [Signature]
Printed Name: Gary G. Ely
Title: Chairman of the Board, President & CEO

12/21/2006