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IDAHO PUBLIC
UTILITIES COMMISSION



January 28, 2011

Jean Jewell, Commission Secretary
Idaho Public Utilities Commission
Statehouse Mail
472 W. Washington Street
Boise, ID 83702

Re: Case No. AVU-E-01-2
Service Territory Agreement between Avista Utilities and Kootenai Electric Cooperative, Inc.

Dear Ms. Jewell:

In Order 28621 in Docket AVU-E-01-2, the Commission approved the Service Territory Agreement (Agreement) between Avista Utilities and Kootenai Electric Cooperative, dated February 15, 1991. The Commission further ordered that "the agreement shall continue in force until February 15, 2011".

Pursuant to the terms and conditions outlined in the approved Agreement, at Page 3, "(t)he duration of this agreement shall be extended automatically for successive periods of ten (10) years upon the same terms and conditions set forth in this agreement, unless one of the parties notifies the other, not less than sixty (60) days before the end of the initial, or renewal, term of the intent not to renew the agreement".

Neither Avista Utilities nor Kootenai Electric notified each other regarding their intent not to renew the Agreement. As such, the Agreement is now in force until February 15, 2021, per the terms and conditions noted above.

Should you have any questions, please contact me at 509.495.8620.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Ehrbar", followed by a long horizontal line extending to the right.

Patrick Ehrbar
Manager, Rates & Tariffs

cc: Kootenai Electric Cooperative, Inc.