

SPOKANE RIVER

October 2, 2008



A S S O C I A T I O N

The Honorable Dirk Kempthorne
Secretary
United States Department of Interior
1849 C Street, N.W.
Washington, D.C. 20240

RE: Coeur d'Alene Tribe/Avista Post Falls Hydroelectric Project Settlement

Dear Secretary Kempthorne:

We were very pleased to learn that after many years of negotiation Avista and the Coeur d'Alene Tribe have reached an historic proposed settlement agreement regarding the Post Falls Hydroelectric Project on the Spokane River in Idaho.

As representatives of waterfront property owners near this facility, we clearly understand the benefits provided from the Post Falls Project in terms of reasonably priced power and control of the lake level during the summer months. Resolution of issues between the Tribe and Avista, however, could provide a multitude of other benefits to both the Tribe and members of the public who live near or utilize the waterways associated with this facility.

It is our understanding that in order to be finalized, the proposed Post Falls settlement must be agreed to by the Department of Interior. We are very concerned that if the settlement is not finalized shortly, it could slip over to the next Administration, be subject to significant delay during the transition in leadership, and potentially collapse. Moreover, FERC issuance of a Post Falls license without settlement terms could be very disruptive and might result in litigation, exactly the outcome the Tribe and Avista are seeking to avoid with the proposed agreement. It would be most unfortunate for all parties if this historic settlement opportunity were lost.

Therefore, in light of the many benefits this landmark settlement provides, we respectfully request that the Department move as expeditiously as possible to finalize the settlement agreement. Thank you for your consideration of this request.

Sincerely,

Steve Shamion
President, Spokane River homeowners Association

cc: Deputy Secretary of the Interior Lynn Scarlett