

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
AVISTA CORPORATION DBA AVISTA)	CASE NO. AVU-E-03-1
UTILITIES FOR AN ORDER APPROVING AN)	
AMENDMENT TO A SERVICE TERRITORY)	
AGREEMENT BETWEEN AVISTA UTILITIES)	
AND KOOTENAI ELECTRIC COOPERATIVE,)	ORDER NO. 29244
INC.)	

On March 11, 2003, Avista Corporation dba Avista Utilities submitted an amendment to its existing Service Territory Agreement with Kootenai Electric Cooperative, Inc. In December 2002, Avista and Kootenai agreed to make two changes to their Service Territory Agreement that was approved by the Commission in Order No. 28681 issued in March 2001. In Order No. 29217 issued April 7, 2003, the Commission issued a Notice of Modified Procedure soliciting public comments on the parties' amendments (collectively referred to as Amendment No. 1) pursuant to the Idaho Electric Supplier Stabilization Act (ESSA). The only comments received were filed by the Commission Staff.

THE APPLICATION

In Order No. 28681 the Commission approved the Service Territory Agreement entered into by Avista's predecessor "The Washington Water Power Company" and Kootenai. The Commission approved the Agreement pursuant to the ESSA. In particular, *Idaho Code* § 61-333 provides that the Commission "shall after notice and opportunity for hearing, review and approve or reject contracts. . .between cooperatives and public utilities."

The parties propose two changes to their Service Territory Agreement. First, they propose to change the name of "The Washington Water Power Company" to "Avista Corporation dba Avista Utilities." Second, the parties propose to delete Section 7 of the underlying Agreement. This section includes provisions to determine which of two electric suppliers would serve a real estate development when build-out of the development intersects a competing supplier's service line. The parties assert that Section 7 is ambiguous and that it should be deleted in its entirety.

STAFF COMMENTS

Staff recommended that the Commission approve the amendments to the parties' Service Territory Agreement. The Staff also agreed with the parties that deletion of Section 7 of the Agreement removes an ambiguity. Staff noted that Section 6 of the Agreement currently allows a developer to utilize the same electric supplier throughout all phases of a development regardless of the presence of a competing supplier's intersecting electrical lines.

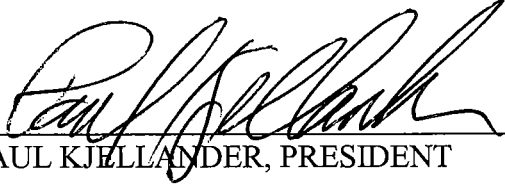
FINDINGS

Having reviewed the parties' proposed amendments to their Service Territory Agreement and the Staff's supporting comments, we find that it is reasonable to approve the changes to the Service Territory Agreement originally approved in Order No. 28681. More specifically, we find that the name change clarifies the identity of the utility. In addition, we also find that removal of Section 7 removes an ambiguity.

We further find that these changes are consistent with the purpose of the Electric Supplier Stabilization Act. In particular, we find that the amended Agreement promotes harmony among electric suppliers, discourages duplication, and, in particular, stabilizes the territories and consumers served by these two electric suppliers. Consequently, we approve the parties' Amendment No. 1 dated December 26, 2002.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. AVU-E-03-1 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this Case No. AVU-E-03-1. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

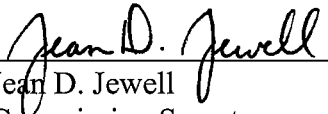
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 20th
day of May 2003.


PAUL KJELLANDER, PRESIDENT

Out of the Office on this Date
MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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