

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF**

FROM: DON HOWELL

DATE: APRIL 30, 2003

**RE: AMENDMENT OF THE SERVICE TERRITORY AGREEMENT BETWEEN
AVISTA AND KOOTENAI ELECTRIC, CASE NO. AVU-E-03-1**

On March 11, 2003, Avista submitted an amendment ("Amendment No. 1") to its existing Service Territory Agreement with Kootenai Electric. In Order No. 29217 the Commission issued a Notice of Modified Procedure soliciting public comments on the parties' amendment to their Agreement. The only comment received was submitted by the Commission Staff recommending approval.

THE APPLICATION

On December 26, 2002, Avista and Kootenai agreed to amend their existing Service Territory Agreement approved by the Commission in Order No. 28681 issued in March 2001. More specifically, Avista requested that the Commission review and approve two changes to the Agreement. First, the parties propose to change the name of "The Washington Water Power Company" to "Avista Corporation dba Avista Utilities."

Second, the parties proposed to delete Section 7 of the underlying Agreement. This section included provisions to determine which of two electric suppliers would serve a development when build-out of the development intersects a competing supplier's service line. The parties assert that Section 7 is ambiguous and they have agreed that it should be deleted in its entirety. In addition, 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.

STAFF COMMENTS

Staff recommended that the Commission approve the amendments to the parties' Service Territory Agreement originally approved in Order No. 28681. The Staff noted that *Idaho Code* § 61-333 requires the Commission to review, approve or reject Service Territory Agreements between cooperatives and public utilities. The Staff also maintained that deletion of Section 7 of the Agreement removes an ambiguity.

Commission Decision

Does the Commission find that the two changes to the Service Territory Agreement recognize Avista's new business name and remove an ambiguity? Does the Commission find the changes consistent with the purpose of the Electric Supplier Stabilization Act, i.e., to promote harmony, discourage duplication, and stabilize the territories and consumers served by electric suppliers?



Don Howell

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