

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )**  
**OF AVISTA CORPORATION TO APPROVE )** **CASE NO. AVU-E-05-3**  
**AGREEMENT TO RELEASE CUSTOMER )**  
**WITH INLAND POWER & LIGHT )**  
**COMPANY )** **ORDER NO. 29774**  
**)**

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On February 17, 2005, Avista Corporation dba Avista Utilities filed an Application seeking the Commission's approval of a contract between Avista and Inland Power & Light Company (Inland Power) to release a customer. The parties' "Agreement to Release Customer" is dated January 25, 2005. The Agreement was executed pursuant to the provisions of the Electric Supplier Stabilization Act (ESSA) and specifically *Idaho Code* § 61-333(1).

On March 28, 2005, the Commission issued Order No. 29741 requesting that interested persons file comments regarding the Agreement no later than April 18, 2005. Only the Commission Staff filed comments and it recommended that the Commission approve the Agreement. Based upon our review, we grant the Application and approve the parties' Agreement.

**THE ESSA AGREEMENT**

Avista and Inland Power have proposed an Agreement whereby Inland Power has agreed to relinquish the right to serve the West Bonner Library District's new facility located in Spirit Lake, Idaho. The West Bonner Library District intends to construct a library in Spirit Lake. Avista has existing service lines near the property; however, Inland Power's existing service lines are closer and therefore it had the right to serve the customer. Based upon the physical location of Inland Power's infrastructure, with a building in the way of the service access, its cost to serve the new library would be substantially more than Avista's cost to serve. The Application states that the Agreement is in the best interest of the customer, will avoid duplication of facilities, avoid disputes between parties, and provides the consumer with the best possible service. The Agreement and property description are attached to the Company's Application. The Agreement is also endorsed by a representative of the West Bonner Library District, the customer to be served by this Agreement. The customer approves, and agrees to be bound by, the Agreement.

*Idaho Code* § 61-333(1) provides that electric suppliers may contract for the purpose of “allocating territories, consumers, and future consumers...and designating which territories and consumers are to be served by which contracting electric supplier.” Under the ESSA, both Avista and Inland Power are defined as electric suppliers. *Idaho Code* § 61-332A(4). After notice and opportunity for hearing, the Commission may approve agreements allocating service territories and customers between electric suppliers only upon finding that the allocation is in conformance with the purposes of the ESSA. *Idaho Code* §§ 61-333(1), 61-334B(1). The purposes of the ESSA are to: discourage duplication of facilities; prohibit the “pirating” of consumers; stabilize service territories and consumers; and promote harmony between electric suppliers. *Idaho Code* § 61-332(2).

#### **STAFF COMMENTS**

After reviewing the Application and the accompanying Agreement, Staff recommended that the Commission approve the Agreement. Staff noted that the Agreement will allow Avista and Inland Power to avoid duplication of services, stabilize their respective service territories and customers, and promote harmony by avoiding interconnection disputes. *Idaho Code* § 61-332(2).

#### **FINDINGS**

*Idaho Code* § 61-333(1) requires the Commission to review consumer allocation Agreements between public utilities and electric cooperatives. Pursuant to this statute, we must determine whether the allocation of service territory and future customers is in conformance with the provisions and the purposes of the ESSA. After reviewing the Agreement and the Staff’s comments, we grant the Application and approve the allocation Agreement. In particular, the Agreement avoids duplication of services, stabilizes service territories and customers, and promotes harmony between Avista and Inland Power & Light. We further find that both electric suppliers are willing and able to furnish the requested service. We also note that there was no public opposition to the Agreement. Based upon these findings, we conclude that the “Agreement to Release Customer” comports with the purposes of the ESSA.

#### **ORDER**

IT IS HEREBY ORDERED that the “Agreement to Release Customer” dated January 25, 2005, between Avista Utilities and Inland Power & Light Company is approved. In addition, the Commission also grants Avista’s Application.

THIS IS A FINAL ORDER. Any person interested in this Order 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. 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 28<sup>th</sup> day of April 2005.

  
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PAUL KJELLANDER, PRESIDENT

  
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MARSHA H. SMITH, COMMISSIONER

  
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DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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