

DECISION MEMORANDUM

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

FROM: DONOVAN E. WALKER

DATE: MARCH 15, 2005

SUBJECT: AVISTA AND INLAND POWER & LIGHT'S AGREEMENT TO RELEASE
CUSTOMER – CASE NO. AVU-E-05-3

On February 17, 2005, Avista filed an Application to approve an Agreement to Release Customer with Inland Power & Light Company (Inland Power). The Company requests that this Application be processed by Modified Procedure. Staff also recommends processing the Application by Modified Procedure.

THE APPLICATION

According to the Application the parties have entered into an agreement pursuant to the Electric Supplier Stabilization Act (ESSA), *Idaho Code* §§ 61-332 *et seq.*, by which Inland Power has agreed to relinquish the right to serve the West Bonner Library Districts' 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.

STAFF RECOMMENDATION

Staff recommends that the Company's Application be processed by Modified Procedure with a 21 day comment period.

COMMISSION DECISION

Does the Commission preliminarily find that the public interest may not require a hearing to consider the issues presented in this case, and that this case is appropriate for Modified Procedure pursuant to Commission Rules of Procedure 201 through 204?



Donovan E. Walker