

Avista Corp.
1411 East Mission PO Box 3727
Spokane, Washington 99220-3727
Telephone 509-489-0500
Toll Free 800-727-9170



Corp.

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IDAHO PUBLIC
UTILITIES COMMISSION

June 15, 2007

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
Statehouse Mail
W. 472 Washington Street
Boise, Idaho 83720

AVU-E-07-05

Dear Ms. Jewell:

Avista Utilities submits for approval by the Commission the original and seven copies of its **"Application of Avista Corporation to Approve Agreement Allocating Territory with Northern Lights."** This submittal is pursuant to the Idaho Electric Supplier Stabilization Act (I.C. § 61-332 *et. seq.*).

Please direct any questions on this matter to Susan Baldwin at (208) 769-1340 or myself at (509) 495-4975.

Sincerely

A handwritten signature in cursive script that reads "Linda Gervais".

Linda Gervais,
Regulatory Analyst,
Avista Corp.
linda.gervais@avistacorp.com

c: Ken Boni, Avista
Susan Baldwin, Avista

enclosure

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IDAHO PUBLIC UTILITIES COMMISSION

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BRIAN HIRSCHKORN
MANAGER, PRICING
AVISTA CORPORATION
P.O. BOX 3727
1411 EAST MISSION AVENUE
SPOKANE, WASHINGTON 99220-3727
TELEPHONE: (509) 495-4723
FACSIMILE: (509) 495-8058

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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IN THE MATTER OF THE APPLICATION) CASE NO. AVU-E-07-05
OF AVISTA CORPORATION TO APPROVE) APPLICATION OF
AGREEMENT ALLOCATING TERRITORY) AVISTA
WITH NORTHERN LIGHTS, INC.)

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I. INTRODUCTION

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Avista Corporation doing business as Avista Utilities (hereinafter Avista or Company), at 1411 East Mission Avenue, Spokane, Washington, respectfully requests that the Commission approve the enclosed Customer Allocation Agreement (Exhibit A) with Northern Lights, Inc. (hereinafter referred to as Northern Lights), sometimes hereinafter referred to individually, as a "Party", and collectively, as the "Parties".

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The Parties have entered into an agreement pursuant to the Idaho Electric Supplier Stabilization Act) "IESS", Idaho Code §§ 61-332 et seq. in order to allow Northern Lights to supply electric service to customers Jerry VanOoyen and Mike Dougherty (the "Developer").

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Northern Lights and Avista cooperatively agree that it is in the best interest of both utilities and the customer to allow Northern Lights to provide electric service to the initial 15

1 lots within the Development located in Bonner County, Idaho, territory map enclosed as
2 “Exhibit B.”

3 Both Northern Lights and Avista have infrastructure in place that can adequately
4 serve the initial 15 lots within the Development. However, Northern Light’s existing
5 facilities are closer to the majority of the 15 lots being developed; Avista serves the LDS
6 Church located to the southeast of the project. Northern Lights has an existing service line on
7 Boyer Avenue which could provide a single continuous backbone within the Development.

8 Per the attached Agreement (Exhibit A), the Developer has requested Northern Lights
9 to provide the backbone infrastructure to provide electric services to the initial 15 lots within
10 the Development. Avista has agreed to allow Northern Lights to provide service to the initial
11 15 lots within the Development as it is in the best interest of the Developer, Northern Lights,
12 and Avista. Avista’s agreement should not be construed as Avista’s relinquishment of its
13 right to serve future phases of the Development or adjoining plats.

14 The Company requests that this filing be processed under the Commission’s Modified
15 Procedure rules.

16 Communications in reference to this Application should be addressed to:

17
18 Linda Gervais
19 Regulatory Analyst
20 State and Federal Regulation
21 Avista Corporation
22 1411 E. Mission Avenue
23 Spokane, Washington 99220
24 Phone: (509) 495-4975
25 Fax: (509) 777-5110
26 linda.gervais@avistacorp.com
27

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29 **II. PROPOSED ASSIGNMENT**



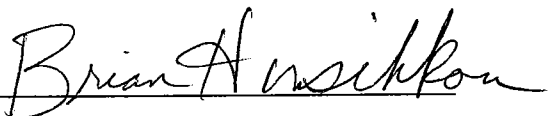
1 Through the proposed Agreement, Avista has released its electric service rights of the
2 Development, and has authorized Northern Lights to serve the property. Northern Lights, by
3 and through its usual procedures, will provide the backbone infrastructures that will supply
4 electric services to the initial 15 lots within the Development, in accordance with the IESS.

5 **III. REQUEST FOR APPROVAL**

6 Avista, therefore, respectfully requests approval of the "Customer Allocation
7 Agreement" so that Northern Lights can provide the backbone infrastructures for electric
8 services to the initial 15 lots within the Development. Avista believes that the Agreement is
9 in the best of the Customer, it will avoid duplication of facilities, avoid disputes between
10 parties, and provide the consumer with the best possible service.

11
12 Dated at Spokane, Washington this 15th day of June 2007.

13
14 AVISTA CORPORATION

15
16 BY 

17 Brian Hirschorn
18 Manager, Pricing
19 State and Federal Regulation
20

AVU-E-07-05

CUSTOMER ALLOCATION AGREEMENT

THIS AGREEMENT is entered into by and between **Avista Corporation dba Avista Utilities** (hereinafter referred to as "**Avista**"), and **Northern Lights, Inc.** (hereinafter referred to as "**Northern Lights**"), sometimes hereinafter referred to individually as a "Party", and collectively as the "Parties".

RECITALS:

WHEREAS, Jerry VanOoyen and Mike Dougherty (hereinafter referred to as the "Developers") own property known as Spring Haven located east of North Boyer Rd and north and south of Jenny Lane, better described as SE ¼ Section 3, Range 57 N, Township 2 West in Bonner County, Idaho (hereinafter referred to as the "Development");

WHEREAS, both Northern Lights and Avista have infrastructure in place that can adequately serve the initial 15 lots within the Development;

WHEREAS, because the majority of the 15 lots are closer to Northern Light's existing facilities, the Developer has requested that Northern Lights provide the backbone infrastructures to provide electric service to the initial 15 lots within the Development in order to avoid duplication of facilities; and

WHEREAS, because it is in the best interest of the Developers to have a single source-utility provider to serve the initial 15 lots within the Development, Avista has agreed to allow Northern Lights to provide electric service to such 15 lots.

THEREFORE, in consideration of the covenants and agreements herein contained, IT IS AGREED AS FOLLOWS:

1. The "Recitals" set forth above are an integral part of this Agreement and are incorporated herein for all legal intent and purposes.
2. For the reasons set forth above in the "Recitals", the Parties agree to allow Northern Lights to extend its facilities to provide electric service to the initial 15 lots within the Development.
3. Avista's agreement to allow Northern Lights to provide electric service to the initial 15 lots within the Development shall not be construed as Avista's relinquishment of its rights to serve future phase of the Development or adjoining plats thereto, and may not be used as precedence for the purpose of determining which Party is entitled to provide electric service under the Idaho Electric Supplier Stabilization Act ("IESS") to new service entrances located in the remaining phases of the Development or property adjoining such Development which is not allocated pursuant to this Agreement.
4. This Agreement is subject to the approval of the Idaho Public Utilities Commission ("Commission"). Avista shall prepare and submit the application for approval before the Commission, and Northern Lights shall join in or otherwise cooperate in the application; provided, however, that the Parties shall support this Agreement and associated electric service rights with their existing customers.
5. In the event the Commission does not approve the customer allocation and associated electric service rights described herein, then this Agreement shall be void ab initio, and the Parties agree to renegotiate an agreement that is ultimately acceptable to the Commission.

6. If approved by the Commission, this Agreement shall be binding upon the Parties, their successors and/or their assigns.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in duplicate by the respective officers hereto, duly authorized as of the date first above written.

Avista Corporation
dba Avista Utilities

Northern Lights, Inc.

[Signature]
(Signature)

[Signature]
(Signature)

Ken Bond
(Printed Name)

Jon Shelby
(Printed Name)

ENERGY SOLUTIONS MLP.
(Title)

General Manager
(Title)

5-16-2007
(Date)

4-24-07
(Date)

Agreement of Developers:

The undersigned represents that he/she is an authorized representative for owners Jerry VanOoyen and Mike Dougherty ("Developers") with full authority to bind the Developers hereunder. The undersigned acknowledges and represents that he/she has reviewed the foregoing Agreement between Avista and Northern Lights, approves of its content, and signs it voluntarily as their own free act and deed, fully intending to be bound by same.

[Signature]
(Signature)

JERRY L. VAN OYEN
(Printed Name)

OWNER-DEVELOPER
(Title)

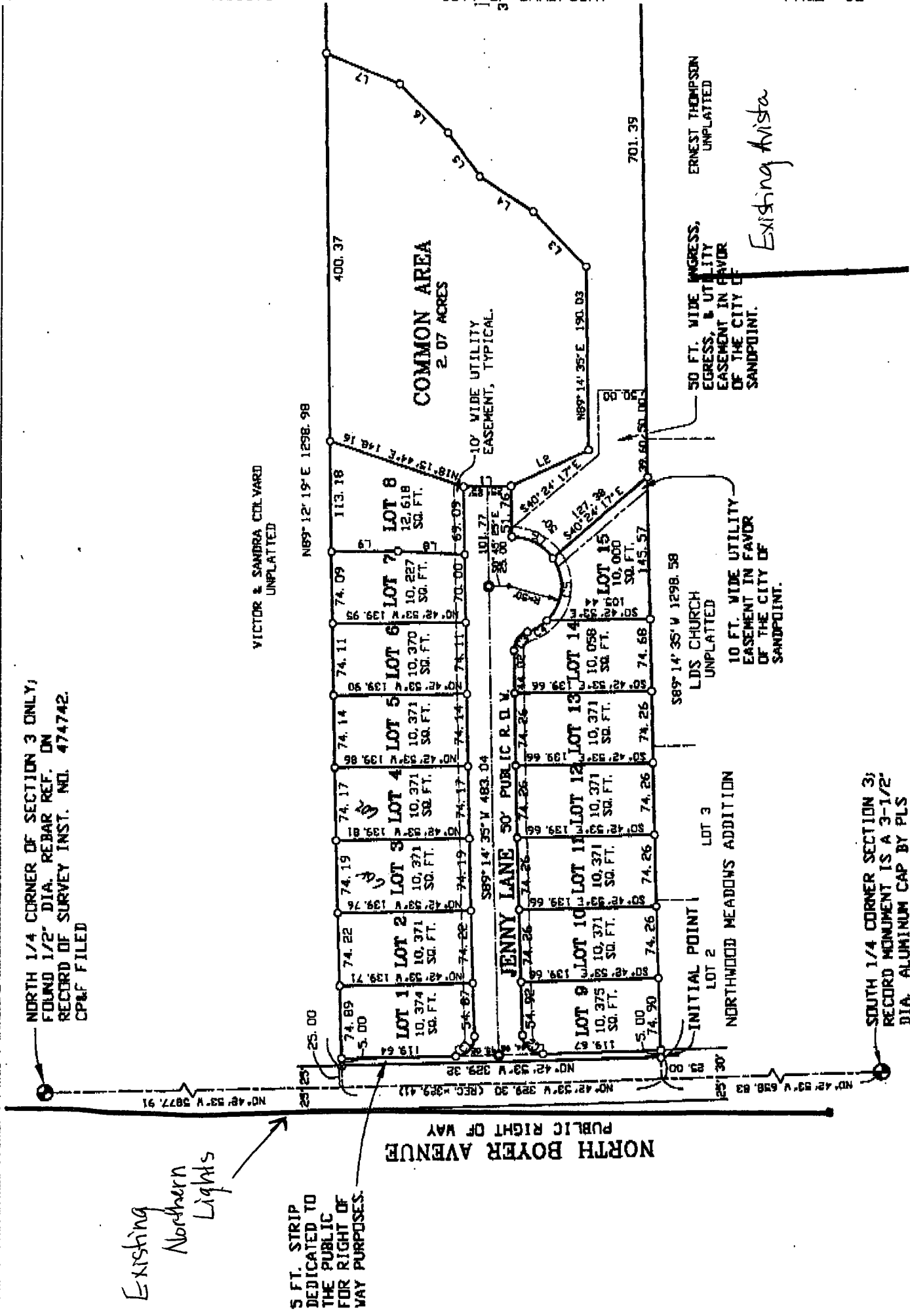
5/23/07
(Date)

NORTH 1/4 CORNER OF SECTION 3 ONLY;
FOUND 1/2" DIA. REBAR REF. ON
RECORD OF SURVEY INST. NO. 474742.
CP&F FILED

Existing
Northern
Lights

5 FT. STRIP
DEDICATED TO
THE PUBLIC
FOR RIGHT OF
WAY PURPOSES.

NORTH BOYER AVENUE
PUBLIC RIGHT OF WAY



VICTOR & SANDRA COLVARD
UNPLATTED

N89°12'19"E 1298.98'

COMMON AREA
2.07 ACRES

10' WIDE UTILITY
EASEMENT, TYPICAL.

JENNY LANE 50' PUBLIC R.O.W.

N89°14'35"W 483.04'

S89°14'35"W 1298.58'

ERNEST THOMPSON
UNPLATTED

Existing Avista

50 FT. WIDE EGRESS,
& UTILITY
EASEMENT IN FAVOR
OF THE CITY OF
SANDPOINT.

10 FT. WIDE UTILITY
EASEMENT IN FAVOR
OF THE CITY OF
SANDPOINT.

LOT 15
10,000
SQ. FT.

LOT 14
10,058
SQ. FT.

LOT 13
10,371
SQ. FT.

LOT 12
10,371
SQ. FT.

LOT 11
10,371
SQ. FT.

LOT 10
10,371
SQ. FT.

LOT 9
10,375
SQ. FT.

LOT 8
12,618
SQ. FT.

LOT 7
10,227
SQ. FT.

LOT 6
10,370
SQ. FT.

LOT 5
10,371
SQ. FT.

LOT 4
10,371
SQ. FT.

LOT 3
10,371
SQ. FT.

LOT 2
10,371
SQ. FT.

LOT 1
10,374
SQ. FT.

INITIAL POINT 1

INITIAL POINT 2

LOT 3

NORTHWOOD MEADOWS ADDITION

SOUTH 1/4 CORNER SECTION 3;
RECORD MONUMENT IS A 3-1/2"
DIA. ALUMINUM CAP BY PLS