

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. AVU-E-19-10
OF AVISTA CORPORATION TO APPROVE)	
AGREEMENT ALLOCATING TERRITORY)	
WITH KOOTENAI ELECTRIC)	ORDER NO. 34498
COOPERATIVE)	
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On August 20, 2019, Avista Corporation dba Avista Utilities (“Avista” or the “Company”) filed an Application requesting approval of its Agreement to Release Electric Service (“Agreement”) with Kootenai Electric Cooperative (“Kootenai Electric”) and Michael Lee (“Customer”) under the Electric Supplier Stabilization Act (“ESSA”), *Idaho Code* §§ 61-332 through 61-334C.

The Commission issued its Notice of Application, Notice of Modified Procedure and Order setting comment and reply deadlines. The Commission Staff (“Staff”) filed written comments on October 25, 2019.

With this Order we approve the Company’s Application and Agreement.

BACKGROUND

The purposes of the ESSA are to: (1) promote harmony between electric suppliers; (2) prohibit the “pirating” of consumers; (3) discourage duplication of electric facilities; (4) actively supervise the conduct of electric suppliers; and (5) stabilize service territories and consumers. *Idaho Code* § 61-332(2). The ESSA generally prohibits an electric supplier from serving another electric supplier’s existing or former customers. *See Idaho Code* §§ 61-332 and 61-332B. However, the ESSA allows electric suppliers to contract for “allocating territories, consumers, and future consumers . . . and designating which territories and consumers are to be served by which contracting electric supplier.” *Idaho Code* § 61-333(1). All such allocation contracts must be filed with the Commission and, after notice and opportunity for hearing, the Commission will review and approve or reject the contract depending on whether the Commission finds the contract conforms to the provisions and purposes of the ESSA. *See Idaho Code* § 61-333(1).

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APPLICATION

Avista provides electric service to the Customer at his real property at 3970 N. Jonquil Ct. in Coeur d'Alene, Idaho. The Customer is planning on building a shop on the property and needs electric service for it. *See Application* at 1. Avista would have to obtain a permit to cross the Williams Pipeline on the property before Avista could serve the shop, which creates difficulties. *Id.* Avista states it would be in the best interests of all parties to the Agreement if another electric supplier, Kootenai Electric, was allowed to serve the Customer's shop. Avista notes Kootenai Electric can more cost-effectively serve the shop because Kootenai Electric has nearby equipment and would not need to obtain a permit to cross the Williams Pipeline before serving the shop. *See Id.* at 1-2. Avista asserts that the Agreement is consistent with the ESSA's provisions and purposes and that the Commission should approve the Agreement.

STAFF COMMENTS

Staff reviewed the Company's Application and the Agreement to ensure the Agreement complies with the ESSA. Staff noted that because of the ESSA's anti-pirating provisions, the parties can only agree to allocate service to the Customer's shop if the Commission approves the Agreement as being consistent with the ESSA. *Staff Comments* at 2. Staff believes the Agreement is consistent with the ESSA because it would avoid facility duplication and promote harmony between the suppliers. *Id.* at 2-3. Staff also asserted that Kootenai Electric's provision of service would decrease the Customer's line extension costs and avoid construction delay that would otherwise occur if Avista had to obtain permits to cross the Williams Pipeline. *Id.* at 3. Staff thus recommended that the Commission approve the Agreement.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-119, 61-129, 61-502, 61-503 and 61-332 through 61-334C.

The Commission has reviewed the record in this case, including the Application, the proposed Agreement, and Staff's Comments. The ESSA's anti-pirating provision prohibits Kootenai Electric from supplying electricity to a customer served by Avista "except as provided in [the ESSA]." *Idaho Code* § 61-332B. However, *Idaho Code* § 61-333 allows the parties to exchange customers, territory, and equipment, subject to Commission supervision and approval.

Based on the record, the Commission finds the Agreement conforms to the ESSA's provisions and purposes because it will avoid facility duplication and promote harmony between the suppliers. In addition, allowing Kootenai Electric to serve the Customer will decrease the Customer's line extension costs and avoid construction delay that would otherwise occur if Avista had to obtain a permit to cross the Williams Pipeline. We thus find it reasonable to approve the Application and Agreement.

ORDER

IT IS HEREBY ORDERED that the Application and Agreement are approved.

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.*

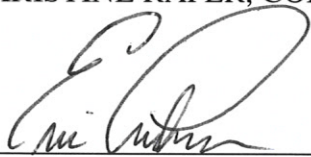
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this *3rd* day of December 2019.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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