



Avista Corp.

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January 11, 2021

Jan Noriyuki, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd. Bldg. 8, Ste. 201-A
Boise, Idaho 83714

RE: Case No. AVU-E-21-02

Dear Ms. Noriyuki:

Attached for filing with the Commission is Avista Corporation's, doing business as Avista Utilities', application requesting that the Commission approve Amendment No. 2 to the Service Territory Agreement between Avista and Kootenai Electric Cooperative, Inc.

Please direct any questions regarding this filing to Michael Andrea at 509-495-2564.

Sincerely,

/s/ Paul Kimball

Paul Kimball
Manager of Compliance & Discovery
Avista Utilities
509-495-4584
paul.kimball@avistacorp.com

Enclosure

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UTILITIES COMMISSION

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13 **BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

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16 IN THE MATTER OF THE APPLICATION) CASE NO. AVU-E-21-02
17 OF AVISTA CORPORATION FOR AN ORDER) APPLICATION OF AVISTA
18 APPROVING THE EXTENSION OF A SERVICE)
19 TERRITORY AGREEMENT BETWEEN AVISTA)
20 AND KOOTENAI ELECTRIC COOPERATIVE)
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23 **I. INTRODUCTION**

24 Avista Corporation doing business as Avista Utilities (hereinafter Avista or Company),
25 at 1411 East Mission Avenue, Spokane, Washington, respectfully requests that the
26 Commission approve the enclosed Amendment No. 2 (“Amendment”) to the Service Territory
27 Agreement between Avista and Kootenai Electric Cooperative, Inc. (hereinafter referred to as
28 KEC), sometimes hereinafter referred to individually, as a “Party”, and collectively, as the
29 “Parties”. The Amendment is attached hereto as Exhibit 1.

30 On March 21, 2001, the Commission issued Order No. 28681 approving a Service
31 Territory Agreement between Avista and KEC. In the Agreement, the Parties agreed that the
32 electric service to an entire residential development and subsequent additions to such
33 development shall be determined by which electric supplier serves at least one of the lots in
34 the subdivision pursuant to the provisions of the Idaho Electric Supplier Stabilization Act,

1 Idaho Code Section 61-332C. The Agreement also provides that it shall initially run for a
2 period of 10 years but shall be automatically extended for successive periods of ten (10) years
3 upon the same terms and conditions as set forth in this Agreement unless one of the Parties
4 elects to terminate the Agreement.

5 Either Party may terminate the Agreement by notifying the other not less than sixty
6 (60) days before the end of the initial, or renewal term of its intent not to renew the Agreement.
7 As approved by the Commission in Order No. 28681, the Agreement, unless extended, was set
8 to expire February 15, 2011.

9 On January 31, 2011, Avista filed a letter advising the Commission that neither Avista
10 nor KEC notified each other regarding their intent to terminate the Agreement. Consequently,
11 the letter stated that the Agreement has been extended for another ten-year term, or until
12 February 15, 2021. For purposes of updating the administrative record in Case No. AVU-E-
13 01-02, the Commission issued a Minute Order on February 24, 2011.

14 The current term of the Agreement is due to expire on February 15, 2021. Avista and
15 KEC have been negotiating a new service territory agreement to replace the Agreement. To
16 date, the Parties have not been able to reach agreement on all of the terms of a new service
17 territory agreement. To provide additional time to complete the negotiations on a new service
18 territory agreement without committing to another 10-year term, the Parties have agreed to
19 amend the Agreement to renew for successive 12-month terms.

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III. REQUEST FOR APPROVAL

For the reasons stated herein, Avista respectfully requests approval of the Amendment so that Avista and KEC can continue to operate in a manner consistent with the current Service Territory Agreement and at the same time continue discussions on the terms of a new Service Territory Agreement.

Dated at Spokane, Washington this 11th day of January 2021.

AVISTA CORPORATION

BY /s/ Michael Andrea

Michael Andrea
Senior Counsel
Avista Corporation

**AMENDMENT NO. 2
To Service Territory Agreement**

This AMENDMENT NO. 2 (“Amendment”) to the Service Territory Agreement: Agreement for Administering Residential Developments (as amended, the “agreement”), dated December ___, 2020, is entered into by and between Avista Corporation (“Avista”) and Kootenai Electric Cooperative (“KEC”). Avista and KEC are sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, on February 15, 1991, the Parties entered into a Service Territory Agreement: Agreement for Administering Residential Developments;

WHEREAS, on December 26, 2002, the Parties entered into Amendment No. 1 to the agreement;

WHEREAS, the agreement was for a duration or term of ten (10) years and, unless otherwise terminated in accordance with its terms, automatically renewed for successive ten-year terms.

WHEREAS, the Parties desire to enter into this Amendment to revise the term of the agreement as set forth herein:

NOW THEREFORE, it is agreed as follows:

AGREEMENT TO AMEND

1. Section 3 of the agreement sets forth the terms for automatically renewing the term. The Parties agree to amend the agreement by deleting Section 3 of the agreement in its entirety and replacing it with the following:

Section 3—Renewal:

The duration of this agreement shall be extended automatically for successive periods of one (1) year upon the same terms and conditions set forth in this agreement, unless one of the parties notifies the other, not less than sixty (60) days before the end of the then-current renewal term of the intent not to renew the agreement.

2. Except as expressly amended by the provisions set forth in this Amendment, all of the terms and conditions of the agreement shall remain in full force and effect following execution of this Amendment and each Party confirms, ratifies and approves the agreement as amended by this Amendment. For the avoidance of doubt, this Amendment is hereby incorporated in the agreement and all references to the agreement shall be deemed to be references to the agreement as amended, including as the agreement is amended by this Amendment.

3. This Amendment may be executed in two (2) or more counterparts, each of which shall be deemed as an original and together shall constitute one and the same document.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives as of the date first set forth above.

AVISTA CORPORATION

**KOOTENAI ELECTRIC
COOPERATIVE**

By: Latisha D. Hill

By: Douglas A. Elliott

Printed Name: Latisha D. Hill

Printed Name: Douglas A. Elliott

Title: VP Community & Economic Vitality

Title: General Manager / CEO