

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

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IDAHO PUBLIC
UTILITIES COMMISSION



February 3, 2012

State of Idaho
Idaho Public Utilities Commission
P. O. Box 83720
Boise, Idaho 83720-0074

Case No. AVU-E-12-02

Attention: Ms. Jean D. Jewell

Enclosed for filing with the Commission is an original and seven copies of Avista's Application related to an agreement between Clearwater Power Company and Avista.

Please direct any questions regarding this filing to me at (509) 495-8620 or pat.ehrbar@avistacorp.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Ehrbar", with a long horizontal line extending to the right.

Patrick Ehrbar
Manager, Rates & Tariffs

Enclosures

cc: K. David Hagen, General Manager, Clearwater Power Company
P.O. Box 997
Lewiston, Idaho 83501

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IDAHO PUBLIC UTILITIES COMMISSION

1 PATRICK EHRBAR
 2 MANAGER, RATES & TARIFFS
 3 AVISTA CORPORATION
 4 P.O. BOX 3727
 5 1411 EAST MISSION AVENUE
 6 SPOKANE, WASHINGTON 99220-3727
 7 TELEPHONE: (509) 495-8620
 8 FACSIMILE: (509) 777-5259
 9 PAT.EHRBAR@AVISTACORP.COM

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11
12
13 **BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

14
15
16 IN THE MATTER OF THE APPLICATION) CASE NO. AVU-E-12-02
 17 OF AVISTA CORPORATION TO APPROVE) APPLICATION OF AVISTA
 18 AGREEMENT ALLOCATING TERRITORY)
 19 WITH CLEARWATER POWER COMPANY)

20
21
22 **I. INTRODUCTION**

23 Avista Corporation doing business as Avista Utilities (hereinafter Avista or
 24 Company), at 1411 East Mission Avenue, Spokane, Washington, respectfully requests that
 25 the Commission approve the enclosed Electric Service Letter of Agreement (Attachment 1)
 26 with Clearwater Power Company (hereinafter referred to as CPC), sometimes hereinafter
 27 referred to individually, as a "Party", and collectively, as the "Parties".

28 The Parties have entered into an agreement pursuant to the Idaho Electric Supplier
 29 Stabilization Act) "IESS", Idaho Code §§ 61-332, et seq., in order to allow Avista to supply
 30 electric service to CPC customer Steven A. Henderson (the "Customer").

31 Clearwater currently provides single-phase electric service to a residential dwelling
 32 owned by the Customer. CPC is entitled to provide electric service to a shop being
 33 constructed by Customer on the premises which requires three-phase electric services. CPC
 34 does not have three-phase power available at a cost-effective distance from the premises;

1 however, Avista has existing overhead distribution lines approximately 650 feet from
2 Customer's new shop site. As such, Customer's cost for Avista extending three-phase
3 electric service to the shop site would be substantially less than Customer's cost for CPC
4 extending such service. Further, the Parties agree that it would be more convenient for the
5 Customer to receive one billing for electric service at this location.

6 The Company requests that this filing be processed under the Commission's Modified
7 Procedure rules.

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

9
10 Patrick Ehrbar
11 Manager, Rates & Tariffs
12 Avista Corporation
13 1411 E. Mission Avenue
14 Spokane, Washington 99220
15 Phone: (509) 495-8620
16 Fax: (509) 777-5259
17 Pat.ehrbar@avistacorp.com
18
19

20 II. PROPOSED ASSIGNMENT

21 Through the proposed Agreement, CPC has released its electric service rights of the
22 Customer, and has authorized Avista to serve the existing residence and proposed shop.
23 Therefore, per the attached Agreement (Attachment 1), the Parties have agreed that, among
24 other things:

- 25 1. CPC shall release Customer and allow Avista to provide electric service to
26 Customer's premises, including Customer's current single-phase electric
27 requirements and its new, three-phase electric requirements.
- 28 2. Avista will extend its existing electrical facilities to provide electric service to
29 Customer's entire premises.

January 6, 2011

K. David Hagen
Clearwater Power Company
4230 Hatwai Road
PO Box 997
Lewiston, ID 83501

RE: Electric Service Letter of Agreement ("LOA")
Avista Contract No M-16220

Clearwater Power Company ("CPC") currently provides single-phase electric service to a residential dwelling owned by Steven A. Henderson ("Customer") located at 4956 Highway 8, in Deary, ID (the "Premises"). Pursuant to the Idaho Electric Supplier Stabilization Act ("Stabilization Act"), CPC is entitled to provide electric service to a shop being constructed by Customer on the Premises which requires three-phase electric services. CPC does not have three-phase power available at a cost-effective distance from the Premises; however Avista has existing overhead distribution lines approximately 650 feet from Customer's new shop site. As such, Customer's cost for Avista extending three-phase electric service to the shop site would be substantially less than Customer's cost for CPC extending such service.


Because of the cost differential, it is in the best interest of Customer to have Avista provide electric service to the shop, and because it would be more convenient for Customer to receive electric service *and* monthly bills from a single entity, CPC agree to release Customer to Avista and allow Avista to extend its facilities to provide electric service to Customer's Premises subject to the conditions set forth below. Therefore, CPC and Avista (collectively, the "Parties") agree to and agree as follows.

1. CPC shall release Customer and allow Avista to provide electric service to Customer's Premises, including Customer's current single-phase electric requirements and its new, three-phase electric requirements.
2. Avista will extend its existing electrical facilities to provide electric service to Customer's entire Premises.
3. Avista will prepare and submit the application for approval of CPC's assignment of Customer to Avista before the Idaho Public Utilities Commission ("Commission"), CPC shall join in or otherwise cooperate in the application, and both Parties shall support the Customer assignment and associated electric service rights with their existing customers.
4. For purposes of determining electric service rights to other customers under the Stabilization Act:
 - 4.1 The electric service line being installed by Avista to serve Customer's Premises will not be used as a measuring point to determine Avista's electric service right.
 - 4.2 The location of the poles being removed by CPC to accommodate Customer's request (latitude 46.798887 longitude -116.576669, CPC Pole No. U1R1 P58 and latitude 46.799485 longitude -116.575039, CPC Pole No. U1R1 P57) will be used as a measuring point to determine CPC electric service rights to other customers in the vicinity of the Premises.

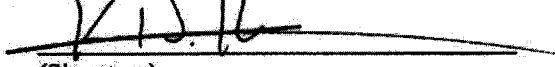
5. In the event the Commission does not approve the Customer assignment and associated electric service rights described in this LOA, then this LOA will be void and the Parties will renegotiate an agreement that is ultimately acceptable to the Commission.
6. If approved by the Commission, this Agreement will be binding upon the Parties, their successors and/or assigns.

This LOA has been signed by each Party's authorized representative on the date(s) set forth below.

Avista Corporation

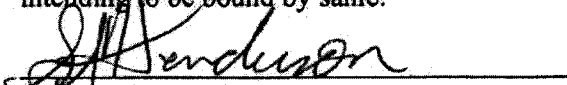

 (Signature)
Glenn F. Legsdon
 (Printed Name)
OPERATIONS MANAGER
 (Title)
1-16-12
 (Date Signed)

Clearwater Power Company


 (Signature)
K. David Hagen
 (Printed Name)
General Manager
 (Title)
1/16/12
 (Date Signed)

Agreement of Steven A. Henderson

I certify that I have reviewed the foregoing agreement between Avista and CPC to assign my electric service rights to Avista, approve of its content, and sign, voluntarily, as of my own free act, fully intending to be bound by same.


 (Signature)
Steven A. Henderson
 (Printed Name)
Owner
 (Title)
1/26/12
 (Date Signed)