

DECISION MEMORANDUM

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

FROM: DON HOWELL

DATE: JUNE 10, 2003

**RE: APPLICATION FOR APPROVAL OF AN ELECTRIC CUSTOMER
EXCHANGE AGREEMENT FILED BY AVISTA UTILITIES AND
KOOTENAI ELECTRIC COOPERATIVE, CASE NO. AVU-E-03-5**

On June 5, 2003, Avista Corporation dba Avista Utilities filed an Application seeking the Commission's approval of a contract between Avista and Kootenai Electric Cooperative to allocate service territories and consumers. The Agreement was executed pursuant to the provisions of the Electric Supplier Stabilization Act (ESSA) and specifically *Idaho Code* § 61-333(1). The "Agreement to Exchange Electric Customers" was executed by the parties on June 2, 2003.

THE APPLICATION

The parties propose to exchange one current customer and realign service areas for two subdivisions. More specifically, Avista will allow Kootenai to serve Roy Armstrong. Mr. Armstrong is currently an Avsita customer and has pumping facilities located within the new Field Stone development. Development of the Field Stone subdivision require Mr. Armstrong's existing service to be relocated underground.

Kootenai's service territory includes the Grayling Estates subdivision (approximately 41 lots) being developed by Prairie Falls L.L.C. Kootenai agrees that this subdivision may be transferred to and served by Avista. The Application asserts that it would be cost efficient for the utilities to exchange the one existing customer and service territories. The Agreement was also endorsed by Mr. Armstrong and by Prairie Falls, the developer of the Grayling Estates subdivision.

Idaho Code § 61-333(1) provides that electric suppliers may contract for the purpose of “allocating territories, consumers, and future consumers . . . and designating which territories and consumers are to be served by which contracting electric supplier.” This section further provides that the Commission may, after notice and opportunity for hearing, approve or reject the customer exchange contract between electric cooperatives and public utilities. *Id.*

STAFF RECOMMENDATION

Given the Agreement of the parties, the customer and the developer, Staff recommends that this process be processed under Modified Procedure.

COMMISSION DECISION

Does the Commission concur that this matter should be processed under Modified Procedure?



Don Howell

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