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Attorney for the Commission Staff

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION OF )  
AVISTA CORPORATION TO APPROVE ) CASE NO. AVU-E-05-3  
AGREEMENT TO RELEASE CUSTOMER )  
WITH INLAND POWER & LIGHT COMPANY )  
 )  
 ) COMMENTS OF THE  
 ) COMMISSION STAFF  
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The Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Donovan E. Walker, Deputy Attorney General, in response to the Notice of Application and Notice of Modified Procedure issued on March 28, 2005, submits the following comments.

**BACKGROUND**

On February 17, 2005, Avista Corporation dba Avista Utilities filed an Application seeking the Commission's approval of a contract between Avista and Inland Power & Light Company (Inland Power) to release a customer. The parties' "Agreement to Release Customer" is dated January 25, 2005. The Agreement was executed pursuant to the provisions of the Electric Supplier Stabilization Act (ESSA) and specifically *Idaho Code* § 61-333(1).

*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." Under the ESSA, both

Avista and Inland Power are defined as electric suppliers. *Idaho Code* § 61-332A(4). After notice and opportunity for hearing, the Commission may approve agreements allocating service territories and customers between electric suppliers only upon finding that the allocation is in conformance with the purposes of the ESSA. *Idaho Code* §§ 61-333(1), 61-334B(1). The purposes of the ESSA are to: discourage duplication of facilities; prohibit the “pirating” of consumers; stabilize service territories and consumers; and promote harmony between electric suppliers. *Idaho Code* § 61-332(2).

### **STAFF ANALYSIS**

Avista and Inland Power have proposed an agreement whereby Inland Power has agreed to relinquish the right to serve the West Bonner Library Districts’ new facility located in Spirit Lake, Idaho. The West Bonner Library District intends to construct a library in Spirit Lake. Avista has existing service lines near the property; however, Inland Power’s existing service lines are closer and therefore it had the right to serve the customer. Based upon the physical location of Inland Power’s infrastructure, with a building in the way of the service access, its cost to serve the new library would be substantially more than Avista’s cost to serve. The Application states that the Agreement is in the best interest of the customer, will avoid duplication of facilities, avoid disputes between parties, and provides the consumer with the best possible service. The Agreement and property description are attached to the Company’s Application.

### **RECOMMENDATION**

Staff believes the January 25, 2005 Agreement between Avista and Inland Power and Light Company to release a customer is in conformance with the provisions and purposes of the ESSA. More specifically, the Agreement will allow the parties to avoid duplication of services, stabilize service territories and customers, and promote harmony by avoiding interconnection disputes. *Idaho Code* § 61-332(2). Staff recommends that the Agreement be approved.

Respectfully submitted this 18<sup>th</sup> day of April 2005.

A handwritten signature in black ink, appearing to read "Donovan E. Walker", written over a horizontal line.

Donovan E. Walker  
Deputy Attorney General

Technical Staff: Dave Schunke

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## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 18<sup>TH</sup> DAY OF APRIL 2005, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. AVU-E-05-3, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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SECRETARY

CERTIFICATE OF SERVICE