

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

RECEIVED
2006 SEP -7 AM 9:56
IDAHO PUBLIC
UTILITIES COMMISSION



September 7, 2005

AVU-E-06-06

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
Statehouse Mail
W. 472 Washington Street
Boise, Idaho 83720

Dear Ms. Jewell:

Avista Utilities submits for approval by the Commission the original and seven copies of its **"Application of Avista Corporation to Approve Agreement Allocating Territory with Northern Lights."** This submittal is pursuant to the Idaho Electric Supplier Stabilization Act (I.C. § 61-332 *et. seq.*).

Please direct any questions on this matter to Susan Baldwin at (208) 769-1340 or myself at (509) 495-4975.

Sincerely

A handwritten signature in cursive script that reads "Linda Gervais".

Linda Gervais,
Regulatory Analyst,
Avista Corp.
linda.gervais@avistacorp.com

c: Marc Shaffner, Avista
Susan Baldwin, Avista

enclosure

RECEIVED

2006 SEP -7 AM 9:56

IDAHO PUBLIC UTILITIES COMMISSION

BRIAN HIRSCHKORN
MANAGER, PRICING
AVISTA CORPORATION
P.O. BOX 3727
1411 EAST MISSION AVENUE
SPOKANE, WASHINGTON 99220-3727
TELEPHONE: (509) 495-4723
FACSIMILE: (509) 495-8058

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. AVU- E-06-06
OF AVISTA CORPORATION TO APPROVE)	APPLICATION OF
AGREEMENT ALLOCATING TERRITORY)	AVISTA
WITH NORTHERN LIGHTS, INC.)	

I. INTRODUCTION

Avista Corporation doing business as Avista Utilities (hereinafter Avista or Company), at 1411 East Mission Avenue, Spokane, Washington, respectfully requests that the Commission approve the enclosed Customer Allocation Agreement (Attachment 1) with Northern Lights, Inc. (hereinafter referred to as Northern Lights), sometimes hereinafter referred to individually, as a "Party", and collectively, as the "Parties".

The Parties have entered into an agreement pursuant to the Idaho Electric Supplier Stabilization Act) "IESS", Idaho Code §§ 61-332 et seq. in order to allow Avista to supply electric service to Northern Lights customer Treeland Partners LLC (the "Developer").

Northern Lights currently provides electric service to two (2) adjacent structures in the northeasterly portion of the Development, these structures are currently scheduled for demolition. A portion of a new road that will be located within the Development will traverse the property at the demolition site. The Developer has requested that Northern

1 Lights remove its electric facilities from the demolition site to enable the construction of the
2 access road. Once Northern Lights removes its electric facilities at the demolition site,
3 Avista will be the closest utility to the majority of the thirty-four lots within the development.

4 Northern Lights has agreed to relinquish the right to serve the Development's thirty-
5 four (34) lot parcel of land in Sandpoint, Idaho to Avista, development plan and preliminary
6 plat map enclosed as "Exhibit B."

7 Per the attached Agreement (Attachment 1), the Developer has requested Avista to
8 provide the backbone infrastructures to provide electric and natural gas services to the entire
9 Development. Northern Lights has agreed to allow Avista to provide service to the entire
10 Development as it is in the best interest of the Developer, Northern Lights, and Avista.

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

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

14
15 Linda Gervais
16 Regulatory Analyst
17 State and Federal Regulation
18 Avista Corporation
19 1411 E. Mission Avenue
20 Spokane, Washington 99220
21 Phone: (509) 495-4975
22 Fax: (509) 777-5110
23 linda.gervais@avistacorp.com
24
25

26 II. PROPOSED ASSIGNMENT

27 Through the proposed Agreement, Northern Lights has released its electric service
28 rights of the Developer, and has authorized Avista to serve the property. Avista, by and
29 through its usual procedures, will provide the backbone infrastructures that will supply

1 electric and natural gas services to the entire Development, in accordance with the IESS and
2 subject to the schedules and Rules and Regulations of Avista on file with the Commission,
3 including Schedules 51 and 151, in effect at the time electric and natural gas service is
4 provided to the Development.

5 **III. REQUEST FOR APPROVAL**

6 Avista, therefore, respectfully requests approval of the "Customer Allocation
7 Agreement" so that Avista can provide the backbone infrastructures for electric and natural
8 gas services to the entire Development. Avista believes that the Agreement is in the best of
9 the Customer, it will avoid duplication of facilities, avoid disputes between parties, and
10 provide the consumer with the best possible service.

11

12 Dated at Spokane, Washington this 7th day of September 2006.

13

14

AVISTA CORPORATION

15

16

BY 

17

18

19

20

Brian Hirschorn
Manager, Pricing
State and Federal Regulation

21

22

CUSTOMER ALLOCATION AGREEMENT

THIS AGREEMENT is entered into by and between **Avista Corporation dba Avista Utilities** (hereinafter referred to as "**Avista**"), and **Northern Lights, Inc.** (hereinafter referred to as "**Northern Lights**"), sometimes hereinafter referred to individually, as a "**Party**", and collectively, as the "**Parties**".

RECITALS:

WHEREAS, Treeland Partners LLC (hereinafter referred to as the "**Developer**") owns property located on the east side of Boyer Road in Sandpoint, Idaho, better described as the NE ¼ of Section 10, Range 57 North, Township 2 West (hereinafter referred to as the "**Development**");

WHEREAS, Northern Lights currently provides electric service to two (2) adjacent structures in the northeasterly portion of the Development, which structures are scheduled for demolition in early April 2006 (the "**Demolition Site**");

WHEREAS, a portion of a new road that will be located within the Development will traverse the property at the Demolition Site described above;

WHEREAS, Developer has requested that Northern Lights remove its electric facilities from the Demolition Site to enable Developer to construct the access road described herein;

WHEREAS, once Northern Lights removes its electric facilities at the Demolition Site, Avista will be the closest utility to the majority of the thirty-four (34) lots within the Development;

WHEREAS, Developer has requested Avista to provide the backbone infrastructures to provide electric and natural gas services to the entire Development, which request is attached hereto and incorporated herein as "**Exhibit A**";

WHEREAS, Northern Lights has agreed to allow Avista to provide electric service to the entire Development; and

WHEREAS, it is in the best interest of the Developer to have a single source-utility provider to serve the Development;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, **IT IS AGREED AS FOLLOWS:**

1. The Recitals set forth above are an integral part of this Agreement and are incorporated herein for all legal intents and purposes.
2. For the reasons set forth above in the Recitals, the Parties agree to allow Avista to extend its facilities to provide electric service to the Development. The map which sets forth the existing and proposed electric utility infrastructures is attached hereto and incorporated herein as "**Exhibit B**".
3. This Agreement is subject to the approval of the Idaho Public Utilities Commission ("**Commission**"). Avista shall prepare and submit the application for approval before the Commission, and Northern Lights shall join in or otherwise cooperate in the application; provided, however, that the Parties shall support this Agreement and associated electric service rights with their existing customers.

- 4. In the event the Commission does not approve the customer allocation and associated electric service rights described herein, then this Agreement shall be void ab initio, and the Parties agree to renegotiate an agreement that is ultimately acceptable to the Commission.
- 5. If approved by the Commission, this Agreement shall be binding upon the Parties, their successors and/or their assigns.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in duplicate by the respective officers hereto, duly authorized as of the date first above written.

**Avista Corporation
dba Avista Utilities**

Ken Boni
 (Signature)
KEN BONI
 (Printed Name)
ENERGY SOLUTIONS MGC.
 (Title)
06/06/06
 (Date)

Northern Lights, Inc.

Jon Shelby
 (Signature)
Jon Shelby
 (Printed Name)
General Manager
 (Title)
7/24/06
 (Date)

Agreement of Treeland Partners LLC:

The undersigned represents that he/she is an authorized representative of Treeland Partners LLC ("Developer") with full authority to bind the Developer hereunder. The undersigned acknowledges and represents that he/she has reviewed the foregoing Agreement between Avista and Northern Lights, approves of its content, and signs it voluntarily as their own free act and deed, fully intending to be bound by same.

Dan M. Micetic
 (Signature)
DAN M. MICETIC
 (Printed Name)
President
 (Title)
6-29-06
 (Date)

**SIG
HEI**

(Rev. 1-99)

"EXHIBIT A"

RESIDENTIAL ELECTRIC/GAS DEVELOPMENT

APPLICATION FOR ELECTRIC LINE EXTENSION AND SERVICE

The Customer described below hereby requests that Avista Utilities design and determine the cost to install facilities to supply electric service in accordance with its Line Extension, Conversion and Relocation Schedule 51.

ELECTRIC DEVELOPMENT DATA

A. IDENTIFICATION

1. Name of Development Spring Creek
2. Location East side of Boyer Ave, across from airport runway
 Township 57N Range 2W Section 10 Qtr Sec NE1/4
3. Developer's Name Larry and June Toppenburg, Don and Joyce Tinseth, Dale and Wanda Micetic
4. Billing Address 4576 E. Encinas Ave, Higley, AZ 85236 Phone 480-854-2261
5. Consultant's Name _____
 Address _____ Phone _____
6. Engineering Firm's Name James A. Sewell and Associates
 Address 9 S. Washington, Suite 708, Spokane, WA 99201
 Phone 509-747-5794
7. Date Electric Service Required (Estimate based on completion of sewer and water) 5/15/06
8. Is previous extension less than five years old? N/A Yes No Don't Know
9. Is natural gas a consideration for this development? Yes No

B. PLAT

1. Provide final plan approved by proper government authorities. Attached Not applicable
2. Provide penciled boundary line around proposed development area on plat.
3. Provide a street light location plan. Attached Not applicable **PENDING**
4. Provide street profile & water, sewer and drainage plans. Attached
 Date to be sent 2-10-06
5. Provide plans for building elevations, and landscape plans. (For Apts. or Small Commercial Loads)
 Attached Not applicable

C. TYPE OF DEVELOPMENT

1. Residential
 - Single Family (including modular) Number of dwellings (lots or spaces) 34
 - Mobile Home (including trailers) Number of dwellings (lots or spaces) _____
 - Multi Family Number of dwellings (lots or spaces) _____
2. Apartment or Small Commercial
 - a. Number of separate structures: _____
 - b. Number of units per structure _____

"EXHIBIT A"

3. Other Requirements for provisions:

	Yes	No	Load		Yes	No	Load
a. Swimming Pool	<input type="radio"/>	<input checked="" type="radio"/>	_____	e. Entry Gates	<input type="radio"/>	<input checked="" type="radio"/>	_____
b. Recreation Building	<input type="radio"/>	<input checked="" type="radio"/>	_____	f. Sign Lighting	<input type="radio"/>	<input checked="" type="radio"/>	_____
c. Pumping or Disposal	<input checked="" type="radio"/>	<input type="radio"/>	<u>2@1hp</u>	g. Sprinkler Controls	<input type="radio"/>	<input checked="" type="radio"/>	X
d. Street/Area Lighting	<input checked="" type="radio"/>	<input type="radio"/>	<u>11@150W</u>	h. Other	_____		

D. LOAD DATA

- Lift Station: 277-480 , Three phase, 4 wire
1. Voltage required Residential: 120-240 , Single phase, 3 wire.
2. Residential Heating Load
- a. Electric: Furnaces Baseboards Heat Pumps Air Conditioning
 - b. Gas: Furnaces Water Heaters Fireplace Inserts
 - c. Other Unknown at this time
3. Apartments or Small Commercial Loads
- a. Attach breakdown of loads for each structure, including electrical and mechanical plans

E. RIGHTS OF WAY

1. Utility Easement included in approved plat
2. Developer will obtain easements
3. Avista Utilities will obtain easements at developer's expense

F. MISCELLANEOUS

1. Avista Utilities to provide trenching? Yes No
2. Have you contacted the Phone Company? Yes No
3. Have you contacted the cable TV Company? Yes No
4. Type of electric requested: Overhead Underground
5. Total project size (lots in addition to this development) No other lots (41 total)
6. Expected date sewer to be completed 5/15/06
7. Expected date water to be completed 5/15/06
8. Expected date site to be within six inches of final grade 6/01/06

G. SPECIAL PROVISIONS

AVISTA UTILITIES
 100 N LINCOLN
 SANDPOINT, IDAHO 83864

CUSTOMER
 NAME OR
 COMPANY DON TINSETH
 ADDRESS 4576 ERUCINAS AVE

BY _____

ON _____, 20__

Higley, AZ 85236

PREVIOUS EXTENSION NO. _____

BY Dan Tinsley

NEW EXTENSION NO. _____

2-13-06

"EXHIBIT A"

42295

"EXHIBIT A"

Return to:

CATHERINE L. DULLEA, CHTD.
Attorney at Law
101 North Fourth Avenue Suite 204
Sandpoint, ID 83864
PHONE: (208) 265-2276
FAX: (208) 265-1558

FILED BY
SANDPOINT TITLE INSURANCE
2005 MAR 25 1 P 4: 08
182
MARIE SCOTT
BONNER COUNTY RECORDER
DEPUTY

672978

WARRANTY DEED

FOR VALUE RECEIVED LODI Z. CARLSON, a married woman, and as Trustee to the interests of Tami D. Carlson and Ryan D. Carlson, and TAMI D. FERREY, a married woman, shown of record as Tami D. Carlson, and RYAN D. CARLSON, a married man, as Beneficiaries under Trust referenced by Instrument No. 176785 and 332657, records of Bonner County, Idaho, the Grantors, do hereby GRANT, BARGAIN, SELL and CONVEY unto LARRY TOPPENBERG and JUNE TOPPENBERG, husband and wife, as to an undivided one-third interest, and DON TINSETH and JOYCE TINSETH, husband and wife, as to an undivided one-third interest, and DALE M. MICETIC AND WANDA S. MICETIC, TRUSTEES OF THE MICETIC FAMILY TRUST, as to an undivided one-half interest, the Grantees, of c/o 1340 N. Hazelton, Chandler, AZ 85226, the following described real property situate in the County of Bonner, State of Idaho, to wit:

The North Half of the South Half of the Southwest Quarter of the Northeast Quarter of Section 10, Township 57 North, Range 2 West, Boise Meridian, Bonner County, Idaho, lying East of the right of way of Boyer Avenue.

AND

A tract of land in the Southwest Quarter of the Northeast Quarter of Section 10, Township 57 North, Range 2 West, Boise Meridian, Bonner County, Idaho, more specifically described as follows:

From the Southwest corner of said Southwest Quarter of the Northeast Quarter, thence North 89°19'00" East a distance of 25.00 feet to the East right of way line of Boyer Avenue; thence North 00°28'54" West along said right of way line a distance of 1321.21 feet; thence North 89°18'08" East a distance of 968.20 feet (N. 89°18'51" E. by deed); thence South 12°20'59" West a distance of 36.50 feet (S. 12°20' 33" W. by deed) to the true point of beginning; thence South 12°20'59" West a distance of 641.72 feet (S. 12°20'33" W. by deed); thence South 89°18'33" West a distance of 249.68 feet; thence North 31°33'40" East a distance of 738.75 feet to the true point of beginning.

WARRANTY DEED 1

"Exhibit B"

Development: Spring Creek
Re: Electric Service Agreement _____
Job No: _____

Line Extension: _____
Completion Date: _____
Expiration Date: _____

PROMISSORY NOTE FOR PAYMENT OF LINE EXTENSION FEES

WHEREAS, pursuant to the Electric Service Agreement referred to above, _____ on behalf of _____ ("Developer") has asked Avista Corporation dba Avista Utilities ("Avista") to extend electrical service to a certain residential development which will ultimately consist of approximately Thirty Four (34) residential lots, described as Spring Creek, located East of Boyer Ave across from Airport runway in the City of Sandpoint, Bonner County, Idaho ("the Development"); and

WHEREAS Avista has agreed to extend electrical service to the Development and to extend credit to the Developer for certain line extension fees payable by Developer under Schedule 51 of Avista's Tariff, on file with the Idaho Public Utilities Commission.

THEREFORE, for value received, the undersigned Developer hereby promises to pay to the order of Avista, the sum of Thirty One Thousand Two Hundred Eighty Dollars (\$31,280), without interest, due on or before the fifth anniversary of the date of this Note, to develop Thirty Four (34) Residential Lots. If, prior to the due date, Developer establishes to Avista's satisfaction that one or more customers within the Development have been permanently connected to Avista's electrical service, Avista shall reduce the balance due by crediting to Developer's account the Allowance Refund described in Schedule 51 of Avista's Tariff for each customer as designated in the Schedule on the date of this Note. Avista's records shall be the sole criteria for computation of Allowance Refund credits.

Developer shall provide Avista, upon request, complete financial statements certified by Developer or its principal officers. If, on the basis of Developer's financial information or otherwise, Avista reasonably believes that the prospect for timely payment of this Note is uncertain, Developer shall, within ten (10) days after demand, provide Avista a satisfactory Letter of Credit in the amount of the remaining principal balance or other security satisfactory to Avista.

If Developer defaults (i) in any payment due on this Note, (ii) in any other term, covenant, representation, warranty or condition herein, or (iii) under any other agreement between Developer and Avista, then, at the option of the holder of this Note, the entire unpaid principal amount of this Note shall become immediately due and payable. After default, the unpaid principal balance shall bear interest at eighteen percent (18%) per annum, or such lesser rate as may be the maximum rate allowed by law.

Each person or entity signing below signs as a maker and not as a surety, Developer and each other maker, endorser, guarantor, and surety of this Note (i) represent and warrant that this Note is given exclusively for commercial or business purposes; and (ii) waive presentment, demand, protest and notice of non-payment.

If this Note is placed in the hands of any attorney for collection, or any suit or action is instituted to interpret or enforce this Note, Developer and any other makers, endorsers, guarantors, and sureties of this Note jointly and severally shall pay such reasonable costs and attorneys' fees (including without limitation, filing of proofs of claim, preparation for and attendance of creditor's meetings or preparation for and participation in adversary proceedings or contested matters in any bankruptcy case) as may be incurred by the holder of this Note and affixed by the trial, bankruptcy or appellate court. In any action brought on this Note, venue shall be laid in Kootenai County, Idaho, without regard to the residence of the defendants. The law of the State of Idaho shall govern any interpretation and enforcement of this Note.

The recitals above and the Electric Service Agreement described above are incorporated herein by this reference and shall be deemed a part of this Note

Dated: JUNE 28th, 2006

Dated: JUNE 28, 2006

DEVELOPER (individual):
Treeland PARTNERS, LLC
Print Name: DALE M. MICETIC

DEVELOPER (individual)
By: Dale M. Micetic
Title: Member

Address: 4401 E. SUNSET DRIVE
City, State, Zip: PHOENIX AZ 85028
Phone Number: 480-948-8499

Address: 4401 E. SUNSET DRIVE
City, State, Zip: PHOENIX AZ 85028
Phone Number: 480-948-8499

Attach another sheet for additional Makers.

Dated: 6-29-06

DEVELOPER (individual):

Print Name: LARRY TOPPENBERG

Address: 1340 N. HAZELTON
City, State, Zip: Chandler, AZ 85226
Phone Number: _____

Dated: 6-29-06

DEVELOPER (individual):

Print Name: DONALD R. TINSETH

Address: 1340 N Hazelton
City, State, Zip: Chandler AZ 85226
Phone Number: 602-214-2473

DEVELOPER (individual):

By: Larry Toppenberg
Title: member

Address: 1340 N. Hazelton
City, State, Zip: Chandler AZ 85226
Phone Number: 480-821-2401

DEVELOPER (individual):

By: Donald Tinseth
Title: MEMBER

Address: 4576 E ENCINAS AVE
City, State, Zip: HIGLEY, AZ 85236
Phone Number: 480-654-2261