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IDAHO PUBLIC
UTILITIES COMMISSION

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2 MANAGER, REGULATORY COMPLIANCE
3 AVISTA CORPORATION
4 P.O. BOX 3727
5 1411 EAST MISSION AVENUE
6 SPOKANE, WASHINGTON 99220-3727
7 TELEPHONE: (509) 495-8706
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11

12 **BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

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15 IN THE MATTER OF THE APPLICATION) CASE NO. AVU- E -05-03
16 OF AVISTA CORPORATION TO APPROVE) APPLICATION OF
17 AGREEMENT TO RELEASE CUSTOMER) AVISTA CORPORATION
18 WITH INLAND POWER & LIGHT COMPANY)
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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 Agreement To Release Customer (Attachment A) with
26 Inland Power & Light Company. (hereinafter referred to as Inland), 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 provide
30 electric service to the West Bonner Library District.

31 Inland Power and Light has agreed to relinquish the right to serve the West Bonner
32 Library Districts' new facility in Spirit Lake, Idaho to Avista.

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

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

4
5 Bruce Folsom
6 Manager,
7 Regulatory Compliance
8 Avista Corporation
9 1411 E. Mission Avenue
10 Spokane, Washington 99220
11 Phone: (509) 495-8706
12 Fax: (509) 495-8058
13

Susan Baldwin
Account Executive,
Market Services
Avista Corporation
1411 E. Mission Avenue
Spokane, Washington 99220
Phone: (208) 769-1340
Fax: (509) 777-5039
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16 II. PROPOSED ALLOCATION

17 The West Bonner Library District in Spirit Lake, Idaho intends to construct a library
18 (the description of the property is attached as Exhibit A). Avista has existing service lines
19 near the property, however Inlands' existing service lines were closer and therefore had the
20 right to serve the customer. Based on the physical location of Inlands' infrastructure (a
21 building was located in the way of service access), the cost to serve the new library would be
substantially greater than Avista's cost to provide electric service.

22 III. REQUEST FOR APPROVAL

23 Avista, therefore, respectfully requests approval of the "Agreement To Release
24 Customer" so that Avista can extend its facilities to provide electric service to the West
25 Bonner Library in Spirit Lake, Idaho. Avista believes that the Agreement is in the best of the
26 Customer, will avoid duplication of facilities, avoid disputes between parties, and provides
27 the consumer with the best possible service.
28

Dated at Spokane, Washington this 16th day of February 2005.

AVISTA CORPORATION

BY Bruce Folsom

Bruce Folsom
Manager, Regulatory Compliance

AGREEMENT TO RELEASE CUSTOMER

THIS AGREEMENT, dated as of January 25, 2005, is entered into by and between **Avista Corporation dba Avista Utilities** (hereinafter referred to as "**AVISTA**"), and **Inland Power & Light Company** (hereinafter referred to as "**Inland**"), sometimes hereinafter referred to individually, as a "Party", and collectively, as the "Parties".

RECITALS:

WHEREAS, Inland is authorized to provide electric service to the property upon which the West Bonner Library District intends to construct a library (the "Property"), the description of which Property is attached hereto and incorporated herein as "Exhibit A";

WHEREAS, AVISTA has existing service lines near the Property, and is able and willing to supply electric service to the Property;

WHEREAS, Inland's cost to provide electric service to the Property would be substantially greater than AVISTA's cost to provide such electric service;

WHEREAS, it is in the best interest of the West Bonner Library District (the "Customer") to receive electric service from AVISTA because of the cost differential; and

WHEREAS; the Parties desire to enter into an agreement pursuant to the Idaho Electric Supplier Stabilization Act ("IESS"), Idaho Code §§ 61-332 et seq. in order to allow AVISTA to provide electric service to the Customer;

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

1. The Parties agree to allow AVISTA to extend its facilities to provide electric service to Customer's Property.
2. AVISTA shall prepare and submit the application for approval before the Idaho Public Utilities Commission ("Commission"), and Inland shall join in or otherwise cooperate in the application; provided, however, that both Parties shall support this Customer release and associated electric service rights with the Parties' existing customers.
3. In the event the Commission does not approve the Customer release 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.
4. 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

Marc J. Schaffner
(Signature)
MARC J. SCHAFFNER
(Printed Name)
Director, Market Services
(Title)
01/17/05
(Date)

Inland Power & Light Company

Richard A. Damiano
(Signature)
Richard A. Damiano
(Printed Name)
Chief Engineer
(Title)
1/25/05
(Date)

Agreement of the West Bonner Library District

The undersigned represents that he/she is an authorized representative of the West Bonner Library District (the "Customer"), with full authority to bind the Customer hereunder. The undersigned acknowledges and represents that he/she has reviewed the foregoing Agreement between AVISTA and Inland to release the Customer and its associated electric service rights, approves of its content, and signs it voluntarily as their own free act and deed, fully intending to be bound by same.

L. Van Grimbergen
(Signature)
L. VANGRIMBERGEN
(Printed Name)
BOARD CHAIR
(Title)
1/14/05
(Date)

SEE CASE FILE

FOR MAP(S)