

DECISION MEMORANDUM

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

FROM: KIRA DALE PFISTERER

DATE: AUGUST 18, 2005

RE: APPLICATION OF AVISTA CORPORATION TO APPROVE AN AGREEMENT BETWEEN AVISTA CORPORATION AND IDAHO COUNTY LIGHT & POWER COOPERATIVE TO RELEASE AN ELECTRIC CUSTOMER, CASE NO. AVU-E-05-5.

On August 4, 2005, Avista Corporation filed an Application seeking the Commission's approval of a contract between Avista and Idaho County Light & Power Cooperative (ICLPC) to exchange a customer. The exchange agreement is submitted for the Commission's review pursuant to the provisions of the Electric Suppliers Stabilization Act (ESSA). *Idaho Code* § 61-332 *et seq.*

THE AGREEMENT

The parties propose to exchange a single customer, Ronda Edwards. ICLPC has agreed to relinquish the right to serve Ms. Edwards' property in Grangeville, Idaho to Avista.

According to the Agreement, ICLPC has a transmission line within 250 feet of Ms. Edwards' property, and Avista has an existing line within 600 feet of the property. However, it would cost ICLPC considerably more than it would cost Avista to provide service to Ms. Edwards' property. Avista is willing to supply the electric service to Ms. Edwards; ICLPC is willing to release Ms. Edwards as a customer; and Ms. Edwards supports the exchange.

THE ESSA

Under the ESSA, if more than one service supplier has an existing service line within 1,320 feet of a new customer, the electric supplier whose existing service line is closest to the new service entrance shall have the right to serve the customer. However, the ESSA also allows

electric suppliers to contract with one another for the purpose of exchanging customers provided that the Commission approves the agreement. *Idaho Code* § 61-333.

The Commission approves customer exchange contracts only upon finding that the transfer is consistent with the purposes of the ESSA. *Idaho Code* § 61-334(B)(1). The purposes of the ESSA are: (1) to promote harmony among and between electric suppliers; (2) prohibit the “pirating” of consumers; (3) discourage the duplication of electric facilities; (4) actively supervise the conduct of electric suppliers; and (5) stabilize the territories and consumers served with electricity by such electric suppliers. *Idaho Code* § 61-332(2). Pursuant to the ESSA, the Commission has authority to approve or reject a contract between a municipality and a cooperative; however, the Commission has jurisdiction only over the cooperative in such a proceeding. *Idaho Code* §§ 61-333, 61-334B(1).

STAFF RECOMMENDATION

Staff recommends that the Application be processed under Modified Procedure.

COMMISSION DECISION

Does the Commission wish to process Avista’s Application under Modified Procedure?



Kira Dale Pfisterer

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