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IDAHO PUBLIC  
UTILITIES COMMISSION



September 11, 2005

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

AVU-E-06-07

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

1 BRIAN HIRSCHKORN  
2 MANAGER, PRICING  
3 AVISTA CORPORATION  
4 P.O. BOX 3727  
5 1411 EAST MISSION AVENUE  
6 SPOKANE, WASHINGTON 99220-3727  
7 TELEPHONE: (509) 495-4723  
8 FACSIMILE: (509) 495-8058

9  
10  
11 **BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

13  
14  
15 IN THE MATTER OF THE APPLICATION ) CASE NO. AVU- E-06-07  
16 OF AVISTA CORPORATION TO APPROVE ) APPLICATION OF  
17 AGREEMENT ALLOCATING TERRITORY ) AVISTA CORPORATION  
18 WITH NORTHERN LIGHTS, INC. )

19  
20  
21 **I. INTRODUCTION**

22  
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 Allocating Territory (Attachment 1) with  
26 Northern Lights, Inc. (hereinafter referred to as Northern Lights), 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 allocate territory, avoid  
30 disputes between utilities and to provide consumers with the best possible service.

31 A parcel of land as shown on the map attached as "Exhibit B" is scheduled to be  
32 developed in Sandpoint, Idaho (the Development). Both Avista and Northern Lights have

1 existing service lines near the Development, and both utilities are able and willing to supply  
2 electric service to consumers who may establish service entrances in the Development.

3 The Parties have entered into agreement to: 1) allocate electric service territory within  
4 the Development, as outlined in Exhibit B, to avoid necessary duplication of facilities; 2)  
5 avoid disputes between the Parties as to which utility is entitled to provide service to new  
6 electric service entrances within the Development; and 3) provide consumers who locate their  
7 electric service entrances within the Development with the best possible service.

8  
9 The Company requests that this filing be processed under the Commission's Modified  
10 Procedure rules.

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

12  
13 Linda Gervais  
14 Regulatory Analyst  
15 State and Federal Regulation  
16 Avista Corporation  
17 1411 E. Mission Avenue  
18 Spokane, Washington 99220  
19 Phone: (509) 495-4975  
20 Fax: (509) 777-5110  
21 linda.gervais@avistacorp.com  
22  
23  
24  
25

## II. PROPOSED ALLOCATION

26 In consideration of the covenants and agreements, the Parties agreed that each shall be  
27 entitled to extend their electric facilities, to the exclusion of the other, within the territory  
28 allocated to it, as outlined on Exhibit B and to provide service to customers who locate new  
29 electric service entrances within the territory, namely:

1 Avista shall serve all parcels on the east side of Boyer Avenue as outlined in yellow  
2 on Exhibit B. The thirty-four lot residential development proposed by Treeland Partners LLC  
3 and described as Spring Creek, which is the subject of the Customer Allocation Agreement  
4 designated as Avista Contract No. M-12946 filed for approval by the Commission prior to  
5 this agreement. Further, Avista shall serve future customers who locate on Lot No. 5  
6 between the railroad and Sandpoint Airport and continuing east and south, as also outlined in  
7 yellow on Exhibit B.

8 Northern Lights shall provide electric service to all future customers who locate on  
9 the property north of Lot No. 5 as outlined in green on Exhibit B.

10 Within the territory allocated to the Parties as outlined on Exhibit B, each Party will  
11 provide line extensions and electric service pursuant to the provisions of their respective line  
12 extension policies, rate schedules and/or tariffs in force at the time such extensions or  
13 services are requested.

14 The line extension installed within the boundaries of the Development to serve an  
15 electric service entrance located within the territory allocated to one of the Parties, shall not  
16 be considered an “existing service line”, and may not be used as a future measuring point for  
17 the purpose of determining which Party is entitled to provide electric service rights under the  
18 IESS to new service entrances located in the territory not allocated in the agreement.

19 The Parties current electric service lines shown on Exhibit B, as well as any line  
20 extensions external to the boundaries defined in the agreement and outlined on Exhibit B  
21 which are required to reach existing infrastructures within the Development and which are

1 installed in accordance with the IESS, may be used to determine future electric service rights  
2 to new service entrances located in territory not allocated in the agreement.

3 Any changes in lot lines, roadways or other boundaries within the  
4 Development that occur after the date of the agreement will not constitute a change to the  
5 agreement, and the boundaries outlined on Exhibit B will be used to determine the service  
6 territory of the Parties.

7 **III. REQUEST FOR APPROVAL**

8 Avista, therefore, respectfully requests approval of the "Agreement Allocating  
9 Territory" so that Avista and Northern Lights, Inc. shall be entitled to allocate electric service  
10 territory within the Development prescribed in the Agreement. Avista believes that the  
11 Agreement will avoid unnecessary disputes in the future, will avoid needless duplication of  
12 facilities, and will provide customer with the best possible service.

13  
14 Dated at Spokane, Washington this 7th day of September 2006.

15  
16 AVISTA CORPORATION

17  
18 BY 

19 Brian Hirschorn  
20 Manager, Pricing  
21 State and Federal Regulation  
22  
23

**AGREEMENT ALLOCATING TERRITORY**

**THIS AGREEMENT**, dated 7/24, 2006, is made and 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**, the parcel of land, the legal description of which is attached hereto and incorporated herein as "Exhibit A", as shown on the map attached hereto and incorporated herein as "Exhibit B", is scheduled to be developed in Sandpoint, Idaho (the "Development");

**WHEREAS**, both Avista and Northern Lights have existing service lines near the Development, and both utilities are able and willing to supply electric service to consumers who may establish service entrances in the Development; 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: 1) allocate electric service territory within the Development, as outlined on Exhibit B, to avoid unnecessary duplication of facilities; 2) avoid disputes between the Parties as to which utility is entitled to provide service to new electric service entrances within the Development; and 3) provide consumers who locate their electric service entrances within the Development with the best possible service.

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

1. Avista and Northern Lights shall each be entitled to extend their electric facilities, to the exclusion of the other, within the territory allocated to it, as outlined on Exhibit B, and to provide service to customers who locate new electric service entrances within such territory, namely:
  - 1.1 Avista's Allocated Service Territory: Avista shall serve all parcels on the east side of Boyer Avenue as outlined in yellow on Exhibit B. The thirty-four (34) lot residential development proposed by Treeland Partners LLC and described as Spring Creek, which is the subject of the Customer Allocation Agreement designated as Avista Contract No. M-12946 filed for approval by the Idaho Public Utilities Commission ("Commission") prior to this Agreement, also lies within the service territory being allocated to Avista pursuant to this Agreement. Further, Avista shall serve future customers who locate on Lot No. 5 between the railroad and the Sandpoint Airport and continuing east and south, as also outlined in yellow on Exhibit B.
  - 1.2 Northern Lights' Allocated Service Territory: Northern Lights shall provide electric service to all future customers who locate on the property north of Lot No. 5 as outlined in green on Exhibit B.
3. Within the territory allocated to the Parties as outlined on Exhibit B, each Party shall provide line extensions and electric service pursuant to the provisions of their respective line extension policies, rate schedules and/or tariffs in force at the time such extensions or services are requested.
4. A line extension installed within the boundaries of the Development to serve an electric service entrance located within territory allocated to one of the Parties hereunder, shall not be considered an "existing service line", and may not be used as a future measuring point for the purpose of determining which Party is entitled to provide electric service rights under the IESS to new service entrances located in territory not allocated pursuant to this Agreement.

5. The respective Parties' current electric service lines shown on Exhibit B, as well as any line extensions external to the boundaries defined in this Agreement and outlined on Exhibit B which are required to reach existing infrastructures within the Development and which are installed in accordance with the IESS, may be used to determine future electric service rights to new service entrances located in territory not allocated pursuant to this Agreement.
6. Any changes in lot lines, roadways or other boundaries within the Development that occur after the date of this Agreement shall not constitute a change to this Agreement, and the boundaries outlined on Exhibit B shall be used to determine the service territory of the respective Parties.
7. Avista shall prepare and submit the application for approval before the Idaho Public Utilities Commission ("Commission"), and Northern Lights shall join in or otherwise cooperate in the application; provided, however, that both Parties shall support this allocation of electric service rights with the Parties' existing customers.
8. In the event the Commission does not approve the allocation of electric service rights described herein, then this Agreement shall be void ab initio, and the Parties agree to renegotiate an allocation agreement that is ultimately acceptable to the Commission.
9. If approved by the Commission, this Agreement shall be binding upon the Parties, their successors and/or their assigns.
10. Neither Party shall be responsible for fulfilling electric service infrastructures nor other obligations committed to by the other Party either prior to or after the date of this Agreement.
11. The Recitals set forth in this Agreement, and all documents referenced therein are integral parts of the Agreement and are incorporated herein for all legal intents and purposes.

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 MGR  
 (Title)  
7-27-06  
 (Date)

**Northern Lights, Inc.**

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

**“Exhibit A”**

**AGREEMENT ALLOCATING TERRITORY**

General Boundary Service Territory Description

1. General Boundary of **Avista Utilities**' Service Territory

That portion of the Northeast Quarter (NE1/4) of Section 10, Township 57 North, Range 2 West, B.M., Bonner County, Idaho, more particularly described as follows:

Beginning at the intersection of Boyer Avenue and Schweitzer Cut-Off Road; thence East to a point of centerline with Sand Creek; thence Southerly along the meandering centerline of said Sand Creek to the South line of the Northeast Quarter (NE1/4) of Section 10; thence West along said South line to a point intersecting Boyer Avenue centerline; thence Northerly along the said centerline to the point of beginning.

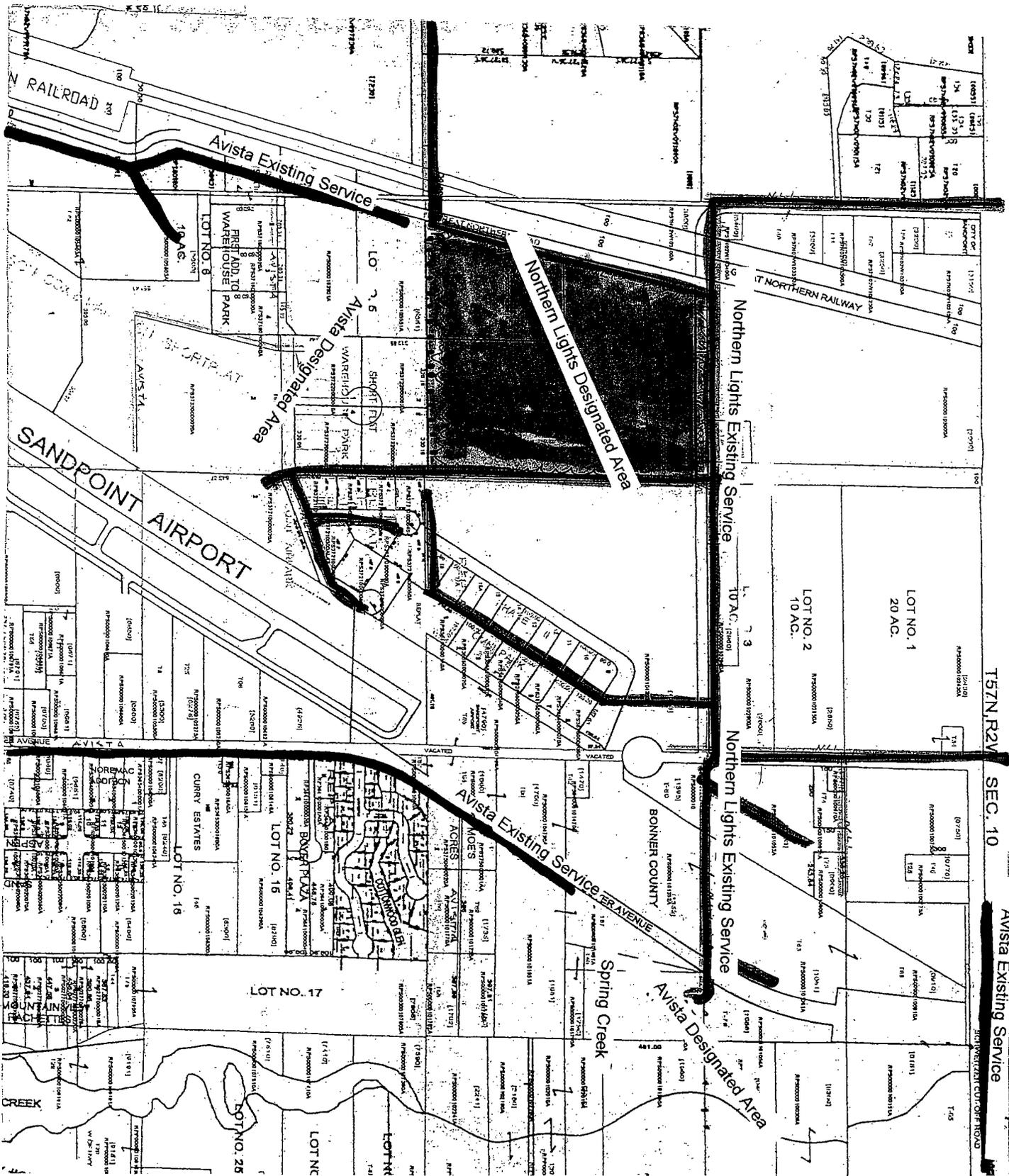
AND

The North Half of the Northeast Quarter of the Southwest Quarter (N1/2NE1/4SW1/4) of Section 10, Township 57 North, Range 2 West, B.M., Bonner County, Idaho.

2. General Boundary of **Northern Lights**' Service Territory

The Southwest Quarter of the Northwest Quarter (SW1/4NW1/4) of Section 10, Township 57 North, Range 2 West, B.M., Bonner County, Idaho, EXCEPTING THEREFROM that portion of land lying West of the East Great Northern Road right of way, ALSO EXCEPTING THEREFROM that portion of land lying North of the South Woodland Drive right of way.

# "EXHIBIT B"



T57N, R2W SEC. 10

Avista Existing Service

SANDPOINT CREEK ROAD