

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF AVISTA CORPORATION TO APPROVE) **CASE NO. AVU-E-07-05**
AN AGREEMENT ALLOCATING SERVICE)
TERRITORY WITH NORTHERN LIGHTS,) **NOTICE OF APPLICATION**
INC. PURSUANT TO THE IDAHO)
ELECTRIC SUPPLIER STABILIZATION) **NOTICE OF**
ACT) **MODIFIED PROCEDURE**
)
) **ORDER NO. 30353**

On June 20, 2007, Avista Corporation dba Avista Utilities filed an Application seeking the Commission's approval of a contract between Avista and Northern Lights, Inc. to allocate service territories and future consumers. Northern Lights is an electric cooperative operating in northern Idaho. The parties' "Customer Allocation Agreement" is last dated May 23, 2007. The Agreement was executed pursuant to the provisions of the Electric Supplier Stabilization Act (ESSA) and specifically *Idaho Code* § 61-333(1).

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Avista and Northern Lights propose to allocate service territory in a 15-lot residential subdivision known as Spring Haven in Sandpoint, Idaho. The subdivision is being developed by Jerry VanOoyen and Mike Dougherty. Both electric suppliers have existing facilities that can serve the initial 15 lots. The parties have agreed that Northern Lights will serve the initial 15 lots because its facilities are closer to the majority of lots. Agreement at ¶ 1. A plat of the subdivision is attached to the Agreement.

YOU ARE FURTHER NOTIFIED that the parties assert that the allocation of service territory will avoid duplication of facilities, avoid dispute between the parties, and provide consumers with the best possible service. The Agreement recognizes that Avista does not give up "its rights to serve future phases of the Development or adjoining plats thereto, and [the Agreement] may not be used to" determine which supplier may serve other new customers. *Id.* at ¶ 3.

YOU ARE FURTHER NOTIFIED that the Agreement is also endorsed by Jerry VanOoyen, the owner-developer of the property. The developers agreed to comply and be bound by the Agreement. Given the agreement of the parties, they recommend that the Application be

processed under Modified Procedure. The parties also acknowledge that the Agreement is subject to the Commission's approval. *Id.* at ¶ 4.

YOU ARE FURTHER NOTIFIED that *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 Northern Lights 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* § 61-333A(1). As set out in *Idaho Code* § 61-332(2), the purposes of the ESSA are to: discourage duplication of facilities; prohibit "pirating" of consumers; stabilize service territories and consumers; and promote harmony between electric suppliers.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission within twenty-one (21) days from the service date of this Notice. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Applicants at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Linda Gervais, Regulatory Analyst
Avista Corporation
1411 E. Mission Avenue
Spokane, WA 99220
E-Mail: linda.gervais@avistacorp.com

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5983

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to Avista at the e-mail address listed above.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application and Agreement allocating service territory have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and Agreement are also available on the Commission's Website at www.puc.idaho.gov under the "File Room" and then "Electric Cases."

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-333(1) and 61-334B. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

ORDER

IT IS HEREBY ORDERED that this Application be processed under Modified Procedure. Persons interested in submitting written comments regarding this case or protesting the use of Modified Procedure should do so no later than 21 days from the service date of this Order.

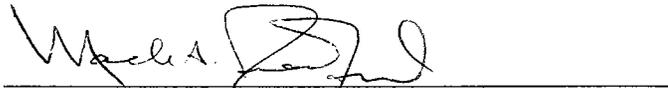
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 10th
day of July 2007.



PAUL KJELLANDER, PRESIDENT



MARSHA H. SMITH, COMMISSIONER



MACK A. REDFORD, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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