

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



RECEIVED  
2007 JUN 12 09:57  
IDaho PUBLIC  
UTILITIES COMMISSION

June 15, 2007

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

AVU-E-07-06

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: Ken Boni, Avista  
Susan Baldwin, Avista

enclosure

REC'D

2007 JUN 20 AM 9:57

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~~-07-06  
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 (Exhibit A) 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 Northern Lights to supply electric service to customer Alpine Property Development, Inc. (the "Developer").

Northern Lights and Avista cooperatively agree that it is in the best interest of both utilities and the customer to allow Northern Lights to provide electric service to the 100 acre

1 parcel subdivided into thirteen large lots known as Lakewood Estates located West of  
2 Highway 95 at Heath Lake Road in Sandpoint, Idaho, territory map enclosed as "Exhibit B."

3 Both Northern Lights and Avista have infrastructure in place that can adequately  
4 serve the Development. However, due to rocky soil conditions and steep terrain from  
5 Avista's current infrastructure to the northern most lots within the Development and because  
6 Northern Lights currently serves two lots within the Development and Northern Lights is also  
7 closer to the majority of the thirteen lots, both parties agree that it is in the best interest of the  
8 Developer for Northern Lights to provide electric service to all thirteen lots.

9 Per the attached Agreement (Exhibit A), because it is in the best interest of the  
10 Developer to have a single source-utility provider to serve the remaining lots within the  
11 Development, Avista has agreed to allow Northern Lights to provide electric service to the  
12 remaining lots. Avista's agreement should not be construed as Avista's relinquishment of its  
13 right to serve future phases of the Development or adjoining plats.

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

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

17  
18 Linda Gervais  
19 Regulatory Analyst  
20 State and Federal Regulation  
21 Avista Corporation  
22 1411 E. Mission Avenue  
23 Spokane, Washington 99220  
24 Phone: (509) 495-4975  
25 Fax: (509) 777-5110  
26 linda.gervais@avistacorp.com  
27  
28  
29

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**II. PROPOSED ASSIGNMENT**

Through the proposed Agreement, Avista has released its electric service rights of the Development, and has authorized Northern Lights to serve the property. Northern Lights, by and through its usual procedures, will provide the backbone infrastructures that will supply electric services to the thirteen lots in Lakewood Estates, in accordance with the IESS.

**III. REQUEST FOR APPROVAL**

Avista, therefore, respectfully requests approval of the "Customer Allocation Agreement" so that Northern Lights can provide the backbone infrastructures for electric services to the thirteen lots in Lakewood Estates. Avista believes that the Agreement is in the best of the Customer, it will avoid duplication of facilities, avoid disputes between parties, and provide the consumer with the best possible service.

Dated at Spokane, Washington this 15th day of June 2007.

AVISTA CORPORATION

BY 

Brian Hirsch Korn  
Manager, Pricing  
State and Federal Regulation

AVU-E-07-06

Avista Contract No. M-13807

CUSTOMER ALLOCATION AGREEMENT

2007 JUN 20 11:09:57

**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**, Alpine Property Development Inc. (hereinafter referred to as the "Developer") own the one hundred (100) acre parcel of land shown on the map attached hereto as "Exhibit A";

**WHEREAS**, the 100 acre parcel is subdivided into thirteen (13) large lots known as Lakewood Estates, located West of Highway 95 at Heath Lake Road, approximately eight (8) miles South of the City of Sandpoint, Idaho in Sections 20 and 29, Township 56 N and Range 2W (hereinafter referred to as the "Development");

**WHEREAS**, because of rocky soil conditions and steep terrain from Avista's current infrastructure to the northern-most lots within the Development, Northern Lights serves two (2) existing homes, and is able to provide electric service from its existing infrastructure to the remainder of the Development in the new road right-of-way;

**WHEREAS**, the majority of the 13 lots are closer to Northern Light's existing facilities; and

**WHEREAS**, because it is in the best interest of the Developer to have a single source-utility provider to serve the remaining lots within the Development, Avista has agreed to allow Northern Lights to provide electric service to such remaining lots.

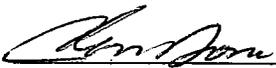
**THEREFORE**, in consideration of the covenants and agreements herein contained, **IT IS AGREED AS FOLLOWS:**

1. The "Recitals" set forth above are an integral part of this Agreement and are incorporated herein for all legal intent and purposes.
2. For the reasons set forth above in the "Recitals", the Parties agree to allow Northern Lights to extend its facilities to provide electric service to the remaining lots within the Development.
3. Avista's agreement to allow Northern Lights to provide electric service to the remaining lots within the Development shall not be construed as Avista's relinquishment of its rights to serve future phase of the Development or adjoining plats thereto, and may not be used as precedence for the purpose of determining which Party is entitled to provide electric service under the Idaho Electric Supplier Stabilization Act ("IESS") to new service entrances located in any remaining phases of the Development or property adjoining such Development which is not allocated pursuant to this Agreement.
4. 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.

- 5. 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.
- 6. 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**

  
 (Signature)  
Ken Boni  
 (Printed Name)  
ENERGY SOLUTIONS MGR  
 (Title)  
5-16-2007  
 (Date)

**Northern Lights, Inc.**

  
 (Signature)  
Jon Shelby  
 (Printed Name)  
General Manager  
 (Title)  
4-24-07  
 (Date)

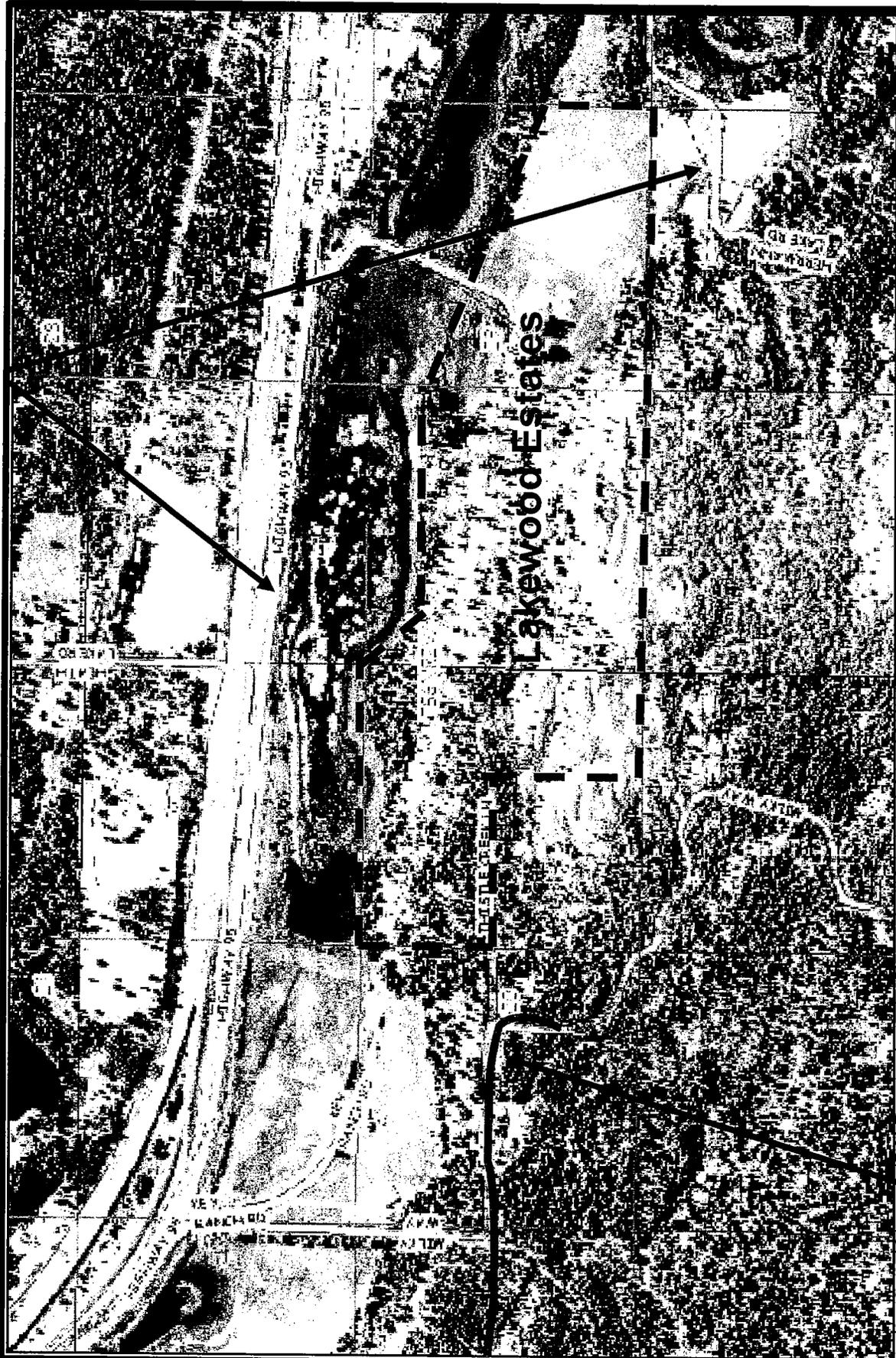
**Agreement of Developer:**

The undersigned represents that he/she is an authorized representative for Alpine Property Development Inc. ("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.

  
 (Signature)  
Richard Hall Lewis III  
 (Printed Name)  
owner  
 (Title)  
5/19/07  
 (Date)



Northern Lights existing facilities



<p><b>Agents</b>          The information contained herein is for informational purposes only and does not constitute an offer of insurance. Insurance coverage is provided by Northern Lights Insurance Company, a member of the Northern Lights Insurance Group. For more information, please contact your agent.</p>		<p><b>Construction Overview</b></p> <table border="1"> <tr> <th>Location</th> <th>Start</th> <th>End</th> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </table>		Location	Start	End									
Location	Start	End													
<p><b>Lake Wood Estates Site Overview</b></p> <p>DATE: 01/15/2010 11:00 AM</p>		<p><b>NLI</b>          Northern Lights Insurance Company          10000 North Central Expressway, Suite 1000          Dallas, Texas 75243          Phone: (972) 440-1000          Fax: (972) 440-1001          Website: www.northernlights.com</p>													
<p><b>Legend</b></p> <p>Agents: <input checked="" type="checkbox"/> Existing Agents, <input type="checkbox"/> New Agents</p> <p>Utilities: <input checked="" type="checkbox"/> Gas, <input checked="" type="checkbox"/> Electric, <input type="checkbox"/> Water, <input type="checkbox"/> Sewer</p> <p>Other: <input type="checkbox"/> Existing Facilities, <input type="checkbox"/> New Facilities</p>		<p>Scale: 1" = 100'</p>													

Avista Existing facilities