

KARL T. KLEIN
DEPUTY ATTORNEY GENERAL
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0320
IDAHO BAR NO. 5156

RECEIVED
2015 APR 13 PM 2:21
IDAHO PUBLIC
UTILITIES COMMISSION

Street Address for Express Mail:
472 W. WASHINGTON
BOISE, IDAHO 83702-5918

Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO COUNTY LIGHT)	
& POWER COOPERATIVE ASSOCIATION,)	CASE NO. AVU-E-15-02
INC.'S APPLICATION FOR APPROVAL OF AN)	
AGREEMENT ALLOCATING TERRITORY)	COMMENTS OF THE
WITH AVISTA CORPORATION DBA AVISTA)	COMMISSION STAFF
<u>UTILITIES.</u>)	

The Idaho Public Utilities Commission comments as follows on Idaho County Light & Power Cooperative, Inc.'s Application.

BACKGROUND

On March 9, 2015, Idaho County Light & Power Cooperative Association, Inc. (ICLP) applied to the Commission for an Order, issued under the Electric Supplier Stabilization Act (ESSA), *Idaho Code* §§ 61-332 *et seq.*, that would approve Avista Corporation dba Avista Utilities' Agreement to Assign Electric Customers to ICLP.

ICLP's Application explains that Elbert and Janet Hendren are developing residential building sites in the River View Estates Subdivision (the Subdivision) in Idaho County, Idaho. The Subdivision contains 23 lots. Two lots have been developed and are being served by Avista. The developers have asked ICLP to serve the remaining 21 undeveloped lots. ICLP and Avista have entered the Agreement to facilitate this arrangement.

STAFF REVIEW

A. The ESSA.

The ESSA generally prohibits an electric supplier from serving another electric supplier's existing or former customers. *Idaho Code* § 61-332B. As an exception to this general rule, the ESSA allows electric suppliers to 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." *Idaho Code* § 61-333(1). However, such contracts are subject to Commission approval. *Id.* Specifically, the Commission must approve the contract if, after notice and opportunity for hearing, the Commission finds that the allocation conforms with the purposes of the ESSA. *See Idaho Code* §§ 61-333(1) and 61-334B(1). As set out in *Idaho Code* § 61-332(2), the purposes of the ESSA are to: (1) promote harmony between electric suppliers; (2) prohibit the "pirating" of consumers; (3) discourage duplication of electric facilities; (4) actively supervise the conduct of electric suppliers; and (5) stabilize service territories and consumers.

B. The Agreement.

After reviewing the Application and Agreement and speaking with ICLP's and Avista's representatives, Staff believes the Agreement conforms with the purposes of the ESSA. Under the Agreement, Avista releases its rights to serve 21 undeveloped lots in the 23-lot Subdivision to ICLP. ICLP, which owns a 12.47 kilovolt, three-phase distribution line that traverses the Subdivision, will install facilities and serve the 21 undeveloped lots.¹ Avista will serve the remaining two lots—Lot Nos. 2 and 23—which are already developed. By way of background, the two developed lots are owned by individuals who also own property that adjoins the Subdivision. Avista currently serves both customers. One customer has extended electrical power from his Avista-served, adjoining property to out-buildings on his lot in the Subdivision. The second customer plans to do the same in the near future. The Agreement will enable Avista to continue serving these customers while allowing ICLP to serve the remaining lots. Staff believes the Agreement will enable ICLP and Avista to serve the Subdivision while avoiding

¹ ICLP's distribution line was installed as a single-phase distribution line in the 1970s. In 1985, ICLP modified the line to permit three-phase power distribution.

territorial disputes and needlessly duplicating facilities and service, and that the Agreement thus conforms to the purposes of the ESSA.

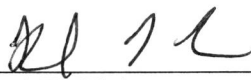
C. Customer Relations.

The Commission's Notice of Application and Notice of Modified Procedure sets an April 13, 2015 comment deadline. After the Notice issued, Staff ensured it was mailed to the Subdivision property owners that currently receive electric service or who have expressed an interest in being served by a particular service provider. As of April 8, 2015, no customers have commented.

STAFF RECOMMENDATION

Staff recommends that the Commission: (1) find the Agreement conforms with the purposes of the ESSA; and (2) approve the Application.

Respectfully submitted this 13th day of April 2015.



Karl T. Klein
Deputy Attorney General

Technical Staff: Mike Morrison
Jolene Bossard

i:\misc\comments\avue15.2kmmjb comments

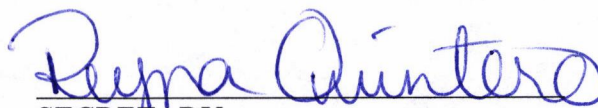
CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 13th DAY OF APRIL 2015, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. AVU-E-15-02, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

J.A. WRIGHT
ATTORNEY AT LAW
PO BOX 25
GRANGEVILLE ID 83530
E-MAIL: jawright@qwestoffice.net

KELLY NORWOOD
VP – STATE & FED REG
AVISTA CORPORATION
PO BOX 3727
SPOKANE WA 99220-3727
E-MAIL: kelly.norwood@avistacorp.com

DAVID J MEYER
VP & CHIEF COUNSEL
AVISTA CORPORATION
PO BOX 3727
SPOKANE WA 99220-3727
E-MAIL: david.meyer@avistacorp.com


SECRETARY