



*Case No. AVU-G-16-03, Order No. 33720*

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## **PUC accepts Avista Utilities' natural gas long-range plan**

**BOISE (February 27, 2017)** – Avista Utilities is expecting about a half-percent annual growth in gas consumption over the next decade and about a 0.8 percent increase in peak-day use, according to a long-range growth plan filed with state regulators.

The utility anticipates that an abundance of economically extractable shale gas along with lagging demand will continue to suppress natural gas prices. Avista gas rates declined nearly 8 percent last Oct. 1, the company's most recent annual Purchased Gas Cost Adjustment.

The Idaho Public Utilities Commission accepted Avista's Natural Gas Integrated Resource Plan, which the utility is required to update every two years. The plan outlines how the northern Idaho natural gas utility plans to meet future natural gas needs. Acceptance of the plan does not mean the commission endorses every part of the plan or approves any resource acquisitions outlined in the plan, but only that the company has met its requirement to file the plan. Avista serves about 80,000 natural gas customers in its Idaho territory.

The plan outlines how Avista plans to meet customer demand in average price, demand and weather scenarios as well as scenarios when prices and demand are higher or lower than expected.

Avista anticipates that annual average daily demand will increase from 94,164 dekatherms per day in 2016 to 102,840 dekatherms per day in 2035, or about a 0.5 percent annual increase. Its peak-day demand is expected to increase at a little faster pace – 0.8 percent – from 361,901 dekatherms per peak day in 2016 to 387,742 dekatherms per day in 2035.

Avista has a diversified portfolio of natural gas supply resources, including storage, firm capacity rights on six pipelines and contracts to buy natural gas from several supply basins. Avista did not include conservation as a potential resource addition, but said it plans to when it files its 2018 IRP. Because gas prices are so low, most programs that incent customers to reduce or shift peak demand are not cost-effective, the company claims. Because of low prices, Avista suspended its demand-side management programs in 2012 but then resumed them in 2015.

Commission staff suggested that targeted conservation programs may defer costly distribution capacity upgrades and encouraged the company to further explore that possibility.

Planned upgrades in 2017 and 2018 include the \$8 million Coeur d'Alene High Pressure Reinforcement project to address low-pressure conditions in the Hayden Lake system that generally occur when demand is high during winter conditions. Also planned is the Schweitzer Mountain Road High Pressure Reinforcement (\$1.5 million) and 2019 gate station improvements at Athol, Bonners Ferry and Genesee.

Avista included public input in the development of the plan. Its Technical Advisory Committee included commission staff, representatives from peer utilities, customers and other stakeholders.

A copy of Avista's plan, the commission's order and other documents related to the case is available on the commission's web site at [www.puc.idaho.gov](http://www.puc.idaho.gov). Underneath the "Natural Gas" heading, click on "Open Cases," and scroll down to Case No. AVU-G-16-03.

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