



Case No. AVU-G-18-05

Final Order No.: 34227

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Commission accepts Avista's long-range plan for natural gas operations

BOISE (Jan. 17, 2019) –State regulators have accepted Avista Utilities' 2018 natural gas Integrated Resource Plan, a 185-page document that outlines the company's plans for meeting customer demand over the next 20 years.

Avista is required to file a natural gas Integrated Resource Plan (IRP) with the Idaho Public Utilities Commission every other year.

The IRP is intended to demonstrate the utility's plan to provide safe, reliable and economic natural gas service to its customers in the most cost-effective manner in a number of scenarios, covering various weather and market conditions.

Commission acceptance does not signal approval or endorsement of "any particular element of the plan, nor an approval of any resource acquisition or proposed action included in the IRP." Instead, Commission acceptance serves as acknowledgement that the company has met its requirement to file the plan.

Avista's 2018 IRP notes that while there has been an increase in the supply of natural gas in the US, and subsequent low costs have led to increasing interest in natural gas, the utility does not anticipate growth in demand among its traditional residential and commercial customers throughout the planning period. Lower prices could lead to increased demand for natural gas among Large Industrial customers, however.

The IRP anticipates that the total number of customers will grow from 348,000 today (approximately 83,000 customers are in northern Idaho) to 412,000 in 2037, at an average annual pace of 1.3 percent, with the average daily demand increasing at a rate of 0.02 percent each year.

Avista plans to rely on a diversified portfolio of supply resources, including storage, firm capacity rights on six pipelines and contracts for the purchase of natural gas from multiple supply basins to meet that demand.

Analysis conducted for the IRP found no resource deficiencies through the 20-year planning period in all conditions except the High Growth and Low Price scenario. Under the Expected Case scenario, existing resources were found to be sufficient to meet demand through 2037.

The IRP also cites that the potential for efficiency and conservation, or Demand Side Management (DSM), to offset expected load growth.

That differs from the company's 2016 IRP, which found that low natural gas prices rendered DSM programs cost-ineffective.

The public played a role in the development of the IRP, including four meetings of the utility's Technical Advisory Committee (TAC), which consists of customers, representatives from peer utilities, Commission staff and others.

In [its order](#), the Commission commended the company's ongoing efforts to keep customers informed, through the TAC and other avenues.

"We encourage the company to continue in its efforts to engage affected and interested persons," the Commission said.

All documents related to this case, including the Commission's order, Avista's IRP and supporting documents, are available [here](#). Or go to the Commission's web site, www.puc.idaho.gov, click on "Open Cases" under the "Natural Gas" heading and scroll down to case number AVU-G-18-05.