Paul Kjellander, Commissioner Kristine Raper, Commissioner Eric Anderson, Commissioner

Case No. AVU-G-18-05 Contact: Matt Evans Office: (208) 334-0339 Cell: (208) 520-4763 matt.evans@puc.idaho.gov

Comments accepted on Avista's long-range plan for natural gas operations

BOISE (Oct. 12, 2018) – Avista Utilities expects increased reliance on conservation and efficiency to offset the need for additional natural gas generation over the next 20 years, according to the long-range planning document filed with state regulators.

Avista is required to file the 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 a number of scenarios, covering various weather and market conditions, over a 20-year planning period.

Avista provides natural gas service to 83,000 customers in northern Idaho.

The Commission is accepting written comments on the IRP through Dec. 13.

Commission acceptance of the plan does not signal approval or endorsement of every aspect of the IRP, but rather 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's Expected Case scenario anticipates the total number of customers to grow from 348,000 today to 412,000 in 2037, with the average daily demand increasing at an annual rate of 0.02 percent.

The peak-day demand for natural gas is expected to increase by an average 0.71 percent annually through 2037.

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

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. In all other cases examined, the outlook determined that existing resources will be sufficient to meet demand through 2037.

Rather than adding supply, the IRP calls for efficiency and conservation, or Demand Side Management (DSM), to play a significant role in meeting demand.

That differs from 2016, when the utility said 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, which consists of customers, representatives from peer utilities, Commission staff and others.

To comment on the IRP, go <u>here</u>. Or go to the Commission's web site, <u>www.puc.idaho.gov</u> and click on "Case Comment Form" under the "Natural Gas" heading. Comments can also be submitted via fax to (208) 334-3762 or by mail to P.O. Box 83720, Boise, ID 83720-0074. Please include the case number, AVU-G-18-05, with your comment.

All documents related to this case, including 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.