



Idaho Public Utilities Commission

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Case No. AVU-G-14-03, Order No. 33129

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www.puc.idaho.gov

Commission taking comments on Avista natural gas plan

BOISE (Nov. 21, 2014) – Avista Utilities’ northern Idaho customers have until Dec. 16 to submit comments regarding Avista’s long-range plan to meet customer demand for natural gas over the next 20 years. The company’s Integrated Resource Plan (IRP) is updated every two years.

Customer demand remains low, thus Avista does not anticipate a need to acquire additional resources beyond what it already provides. Demand is down due partly to the recession, while the availability of natural gas increases because of the abundant supply of shale gas. The company anticipates an annual growth in customer demand of only 0.7% annually.

However, there are enough uncertainties regarding future natural gas supply and price that the company’s plan outlines a number of scenarios and how it would respond to each one. The uncertainties that could impact demand for natural gas include 1) the amount of liquefied natural gas (LNG) exports, 2) the market for natural gas vehicles and 3) the amount of increased natural gas that may be needed for electric generation.

Existing and new LNG facilities are looking to export low-cost North American gas to higher-priced Asian and European markets, the Avista IRP states. In Canada, 16 LNG export projects are in various stages of permitting and there are two proposed terminals in Oregon. “LNG exporting has the potential to alter the price, constrain existing pipeline networks, stimulate development of new pipeline resources, and change flows of natural gas across North America,” the IRP states.

Avista claims it has a diversified portfolio of gas supply resources, including contracts to buy gas from several supply basins, stored gas and firm capacity rights on six pipelines.

The company’s identifies a number of steps it will take in its “action plan,” to address future concerns:

- Monitor demand for indications of deviations from expected growth and provide a report twice yearly to commission staff on forecasted customer growth and use per customer as compared to actual growth.
- Continue to monitor supply-side resource trends including the availability and price of natural gas to the region, LNG exports, Canadian natural gas supply and consumption, and the availability of storage infrastructure.
- Meet regularly with commission staff to provide information on market activities and significant changes in the IRP's assumptions or natural gas procurement practices.

Comments are accepted via e-mail through Dec. 16, 2014, by accessing the commission's Website at www.puc.idaho.gov and clicking on "Case Comment Form," under the "Consumers" heading. Fill in the case number (AVU-G-14-03) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

Copies of Avista's IRP, along with commission orders and other documents related to this case, are available on the commission's Website. Click on "Open Cases" under the "Gas" heading and scroll down to the above case number.

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