

YOU ARE FURTHER NOTIFIED that the Company states its IRP identifies a strategic natural gas resource portfolio that meets expected customer demand requirements over the next 20 years. The IRP involves input from the Company's Technical Advisory Committee (TAC), which includes Commission Staff, peer utilities, customers and other stakeholders. Topics discussed with the TAC include natural gas demand forecasts, demand-side management (DSM), supply-side resources, computer modeling tools and distribution planning. The Company states the result is an integrated resource portfolio designed to serve customers' natural gas needs well into the future while balancing cost and risk. IRP at 1.

YOU ARE FURTHER NOTIFIED that the Company states that it addresses uncertainties surrounding supply and demand by evaluating multiple scenarios with wide-ranging possible outcomes. *Id.*

YOU ARE FURTHER NOTIFIED that the Company discusses its demand forecasts. The Company states that it forecasts a 0.2% annual, average growth rate (net of projected DSM program savings), with average day, system-wide core demand increasing from 93,900 dekatherms per day (Dth/day) in 2018 to 94,205 Dth/day in 2037. The Company forecasts that coincidental peak day, system-wide core demand will increase from a peak of 377,206 Dth/day in 2018 to 427,852 Dth/day in 2037. Forecasted non-coincidental peak day demand peaks at 347,228 Dth/day in 2018 and increases to 392,601 Dth/day in 2037, for a 0.71% compounded growth rate in peak day requirements (net of projected DSM savings). *Id.* at 1-4.

YOU ARE FURTHER NOTIFIED that the Company presents its natural gas price forecasts. The Company states gas prices are a significant part of the total cost of a resource option, which affects the avoided cost threshold for determining cost-effectiveness of conservation measures and how customers consume natural gas. The Company states that based on the costs and volumes of produced shale gas, production costs should remain low for quite some time even with increased incremental demand for liquefied natural gas exports, transportation fuels, and increased industrial consumption. The Company sets forth high, medium and low price forecasts to represent a reasonable range of pricing possibilities over the next 20 years. The Company notes it used an expected elasticity response factor to model how customers' consumption of natural gas will respond to price changes. *Id.* at 5-6.

YOU ARE FURTHER NOTIFIED that the Company discusses existing and potential natural gas supply resources. The Company states 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 also notes that higher customer growth continues to be offset by lower use-per-customer and an increased amount of DSM. *Id.* at 6-7. This has eliminated the need for additional supply-side resources, making management of underutilized resources essential. The Company states that the combination of low natural gas process and carbon taxes and other programs had led to a higher potential for DSM measures than three previous IRPs. *Id.* at 14.

YOU ARE FURTHER NOTIFIED that the Company discusses projected resource needs. The Company states the average case and expected case demand scenarios show the Company will not be resource deficient during the 20-year planning horizon. The Company states that under either scenario, it has ample time to carefully monitor any acceleration in demand growth, and to plan and take action on potential resource additions. The Company also describes several alternate demand scenarios that the Company considered during the planning process. *Id.* at 7-11.

YOU ARE FURTHER NOTIFIED that the Company states that even with the planning, analysis, and conclusions reached in the IRP, uncertainty still exists. The Company states it will diligently monitor issues and challenges, including: (1) demand scenarios that will provide insight into how quickly resource needs can change if demand varies from the expected case; (2) how natural gas use in emerging markets will affect regional gas infrastructure and natural gas pricing; and (3) other issues that might arise with demand, pricing, and LNG exports. *Id.* at 11-12.

YOU ARE FURTHER NOTIFIED that the IRP contains a 2019-2020 Action Plan outlining activities identified by the IRP team with input from Company management and TAC members. The Company states the Action Plan positions the Company to provide the best cost/risk resource portfolio and to support and improve IRP planning. The Company states key ongoing components of the Action Plan include:

- Adopt an individual measure level for dynamic DSM program structure in its analytics for individual portfolios;

- Work with Staff to clarify distribution system analyses in the 2020 IRP;
- Work with Staff to clarify types of distribution costs for possible inclusion in avoided cost calculation;
- Revisit coldest on record planning standard and discuss with TAC for prudence;
- Provide additional information on resource optimization risks and benefits;
- Discuss integration of Energy Trust (ETO) and Conservation Potential Assessment data, program experience, knowledge of current and development markets, and future codes and standards;
- Consult Washington State Commission's Acknowledgment Letter Attachment in its 2017 Electric IRP regarding carbon costs and greenhouse gas regulations;
- Ensure that ETO has sufficient funding to acquire therm savings as approved by the Energy Trust Board;
- Perform high pressure distribution or city gate station capital work as needed; and
- Meet regularly with Staff to provide information on market activities and significant changes in assumptions and/or status of activities related to the IRP or natural gas procurement.

Id. at 12-14.

YOU ARE FURTHER NOTIFIED that the Company's IRP and supporting workpapers have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The IRP is also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Natural Gas Cases," and then click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code. The Commission may enter any final order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*, including the Modified Procedure rules referenced below.

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter to obtain parties' rights of participation must file a Petition to Intervene with the Commission pursuant to this Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. **Persons who wish to intervene as a party must file a Petition to Intervene no later than October 9, 2018.** Persons desiring to present their views without parties' rights of participation are not required to intervene and may present their comments without prior notification to the Commission or the parties, as described below.

YOU ARE FURTHER NOTIFIED that after the intervention deadline runs, the Commission Secretary shall issue a Notice of Parties. Staff then will informally confer with the parties about appropriate scheduling for this case.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure (that is, persons will present their views through written comments) pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on the IRP must file a written comment in support or opposition with the Commission **no later than December 13, 2018.** The comment must contain a statement of reasons supporting the comment. In addition, persons desiring a hearing must specifically request a hearing in their written comments and explain why they believe that Modified Procedure should not be used to process this case. Written comments concerning the IRP shall be mailed to the Commission and the Company at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Linda Gervais
Manager, Regulatory Policy
Avista Corporation
1411 E. Mission Avenue PO Box 3727
Spokane, WA 99220-0500
E-mail: linda.gervais@avistacorp.com

David J. Meyer
Vice President and Chief Counsel of
Regulatory and Government Affairs
Avista Corporation
1411 E. Mission Avenue PO Box 3727
Spokane, WA 99220-0500
E-mail: david.meyer@avistacorp.com

The comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov, scrolling to the "Consumers" tab, clicking the "Utility Case Comment or Question Form," and completing the form using the case number as it appears on the front of this document. These comments must also be sent to the Company at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that Avista may file reply comments, if necessary, **no later than December 20, 2018.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

ORDER

IT IS HEREBY ORDERED that that this case be processed by Modified Procedure.

IT ID FURTHER ORDERED that persons desiring to intervene in this case for the purpose of obtaining parties' rights of participation must file a Petition to Intervene with the Commission, pursuant to Rules 72 and 73, IDAPA 31.01.01.72-73, no later than October 9, 2018.

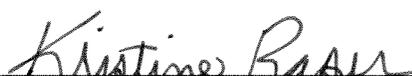
IT IS FURTHER ORDERED that persons desiring to comment on the Company's natural gas IRP shall file written comments with the Commission no later than December 13, 2018.

IT IS FURTHER ORDERED that Avista may file reply comments, if necessary, no later than December 20, 2018.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 21st day of September 2018.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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NOTICE OF FILING
NOTICE OF MODIFIED PROCEDURE
NOTICE OF INTERVENTION DEADLINE
ORDER NO. 34149