



Avista Corp.

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August 29, 2014

Steven King, Executive Director and Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive S. W.
P.O. Box 47250
Olympia, Washington 98504-7250

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

Dear Mr. King:

RE: Docket No. UG-131621 - Avista Utilities 2014 Natural Gas Integrated Resource Plan

Per the Washington Utilities and Transportation Commission's Integrated Resource Plan (IRP) Requirements outlined in WAC 480-100-251, Avista Corporation d/b/a/ Avista Utilities, hereby submits for filing an original and six (6) copies of its 2012 Natural Gas Integrated Resource Plan. An electronic copy of the IRP and appendices are also enclosed.

The Company submits the IRP to Public Utility Commissions in Washington, Idaho, and Oregon every two years as required by state regulation. The Company has a statutory obligation to provide reliable natural gas service to customers at rates, terms and conditions that are fair, just, reasonable and sufficient. The IRP, by identifying and evaluating various resource options and establishing a plan of action for resource decisions, is a significant component in meeting this obligation.

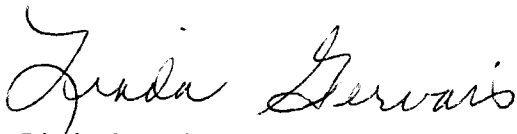
The 2014 Plan highlights the following:

- Avista reliably provides natural gas to our customers with an appropriate balance of price stability and prudent cost using our portfolio of purchase contracts, storage and firm pipeline capacity rights;
- The Company forecasts sufficient natural gas resources well into the future with resource needs not occurring during the 20 year planning horizon;

- Expected customer growth has continued to slow since the 2012 IRP with expected customer growth now 1% annually compared to 1.8% in the 2012 IRP and it is not anticipated to rebound in the near term and also use per customer has declined;
- The price of natural gas has remained low and Avista expects it to remain low for quite some time even with increased incremental demand for LNG exports, transportation fuels, and increased industrial consumption; and
- As forecasted demand is relatively flat, the Company continues to monitor actual demand for signs of increased growth which could accelerate resource needs.

Please direct any questions regarding this report to Tom Pardee at (509) 495-2159 or myself at (509)-495-4975.

Sincerely,



Linda Gervais
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State and Federal Regulation
Avista Utilities
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cc: Ms. Deborah Reynolds
Mr. Chris McGuire
Mr. Brad Cebulko