

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION, d/b/a AVISTA UTILITIES

Respondent.

DOCKETS UE-240006 & UG-240007 (*Consolidated*)

**CROSS-EXAMINATION EXHIBIT OF CLINT G. KALICH
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

CGK-__X

June 2024 AECO-C Price Alberta Energy Regulator

September 16, 2024

Calgary Head Office
Suite 1000, 250 – 5 Street SW
Calgary, Alberta T2P 0R4
Canada



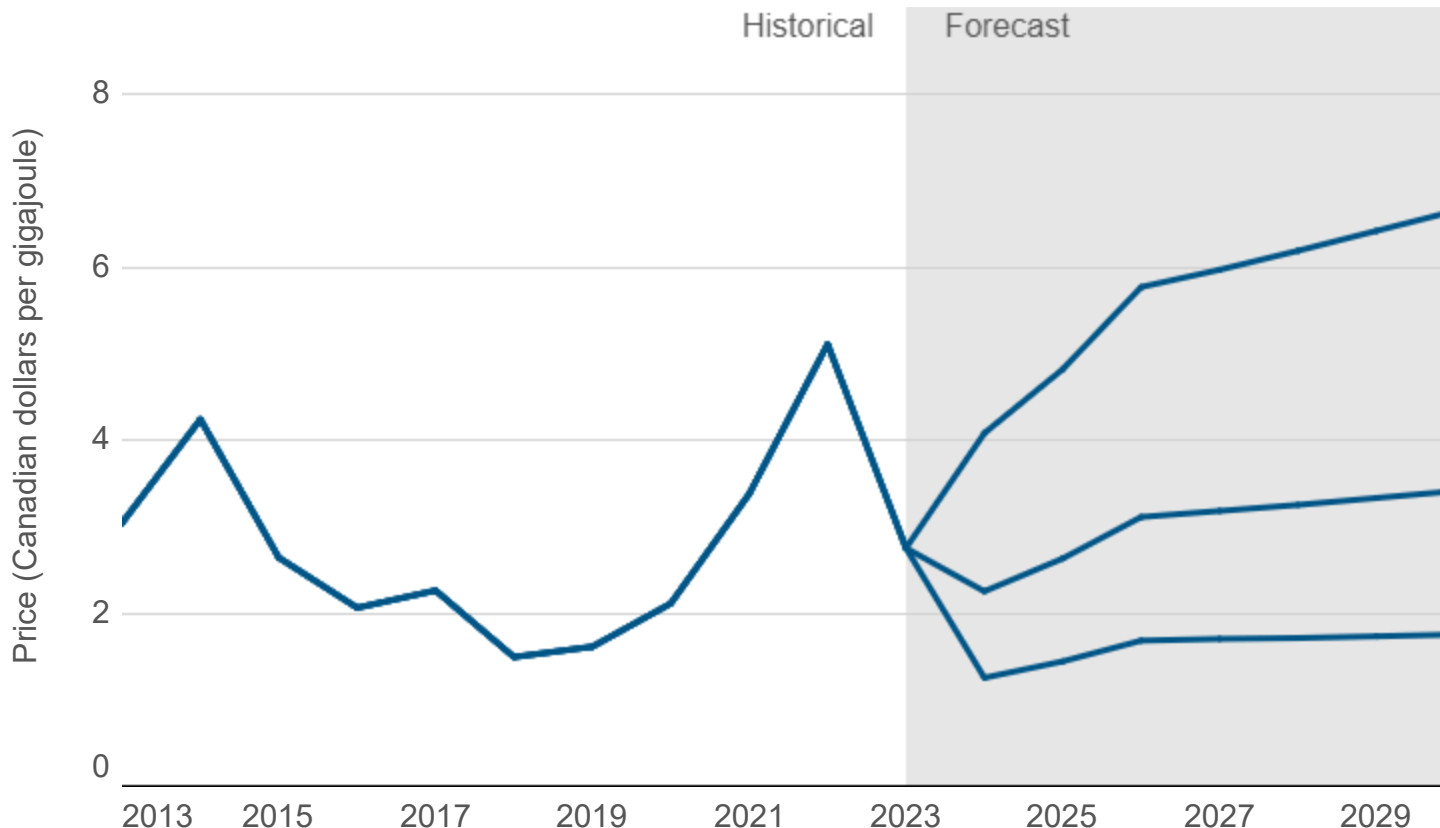
**Alberta
Energy
Regulator**

AECO-C Price

Updated June 2024

Figure S1.5 shows the historical and forecast AECO-C natural gas price.

Figure S1.5 AECO-C natural gas price



Historical values from the Canadian Gas Price Reporter.

Summary

The average annual price of AECO-C natural gas was Cdn\$2.74 per gigajoule (GJ) in 2023, decreasing by 46% from 2022. The AECO-C base-case price is forecast to decrease to Cdn\$2.24/GJ in 2024, rising to Cdn\$2.62/GJ in 2025 and reaching Cdn\$3.64/GJ by 2033. Based on the low- and high-price cases, prices are projected to range from Cdn\$1.79/GJ to Cdn\$7.41/GJ by the end of the forecast period.

In 2023

Natural gas prices, including AECO-C and Henry Hub, decreased over 2023. The price differential between AECO-C and Henry Hub narrowed from US\$2.38 per million British thermal units (MMBtu) in 2022 to US\$0.52/MMBtu.

Forecast for 2024 to 2033

Exports and market access: Natural gas exports from the Western Canada Sedimentary Basin to Eastern Canada and the U.S. decreased in 2023. Exports to the U.S. will likely decline over the remaining forecast period as U.S. natural gas production is projected to increase. British Columbia's liquified natural gas (LNG) exports are expected to increase market access for Canadian natural gas in 2025 and beyond.

Domestic demand: Alberta's demand for natural gas is anticipated to increase over the forecast period, driven by the increasing use of natural gas in [power generation](/providing-information/data-and-reports/statistical-reports/st98/natural-gas/demand), [petrochemical plants](/providing-information/data-and-reports/statistical-reports/st98/natural-gas/liquids), [hydrogen plants](/providing-information/data-and-reports/statistical-reports/st98/emerging-resources/hydrogen) and [oil sands](/providing-information/data-and-reports/statistical-reports/st98/natural-gas/demand) projects.

Low- and High-Price Cases

The low- and high-price cases capture the near- and long-term volatility of the AECO C price and are estimated using a 90% confidence interval. The following factors affect the price cases:

Low-price case:

- North American demand is less than expected due to an economic slowdown.
- North American natural gas production grows faster than expected.
- Pipeline expansions and LNG projects are delayed or cancelled.
- Oil sands demand growth is constrained due to project deferrals.

High-price case:

- North American demand rises more than expected due to stronger economic growth.
- North American natural gas production grows slower than expected.
- North American LNG and pipeline capacity rises faster than expected.
- Oil sands demand growth is faster than expected.

Learn More

- [Methodology \(/providing-information/data-and-reports/statistical-reports/st98/prices-and-capital-expenditure/methodology\)](#)
- [Data \(https://static.aer.ca/prd/documents/sts/ST98/2024/st98-2024-prices-and-capital-expenditure-data.xlsx\)](https://static.aer.ca/prd/documents/sts/ST98/2024/st98-2024-prices-and-capital-expenditure-data.xlsx) [XLSX]