

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant, v.

AVISTA CORPORATION d/b/a AVISTA
UTILITIES,

Respondent.

DOCKET NOS. UE-190334, UG-
190335, UE-190222 (*Consolidated*)

EXH. AEW-10

AVISTA RESPONSE TO STAFF REQUEST NO. 086

ON BEHALF OF

NW ENERGY COALITION

October 3, 2019

**AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	07/16/2019
CASE NO.:	UE-190334 & UG-190335	WITNESS:	Patrick Ehrbar
REQUESTER:	UTC Staff	RESPONDER:	Dr. Grant Forsyth
TYPE:	Data Request	DEPT:	Financial Planning & Analysis
REQUEST NO.:	Staff - 086	TELEPHONE:	(509) 495-2765
		EMAIL:	grant.forsyth@avistacorp.com

REQUEST:

Please provide the Company's most up-to-date forecast of customer growth by rate schedule in Washington service areas for the next five years. Please provide supporting workpapers and reference documents.

RESPONSE:

See the attachment labeled "Staff-DR-086 Attachment A".

In the long-run, electric customer growth is nearly identical to population growth: from 2005 to 2018, annual average population growth in our electric service territory (Washington and Idaho) was 1.3% while customer growth was 1.2%. The impact of population growth on customer growth is strongest for residential and commercial customers. Therefore, the key underlying driver in the electric customer forecast is population growth. This means the forecasted average annual growth rate for Washington's total electric customers (0.9%) will be close to the average annual forecasted population growth (1%).

Population growth is also a key driver for natural gas customer growth; however, the growth rate of natural gas typically will exceed the population growth. This positive spread between customer growth and population growth reflects existing homes and business adding gas (retrofits) at the same time new housing and businesses are adding gas. Therefore in the absence of retrofits, gas customer growth would be very similar to population growth. From 2005 to 2018, annual average population in our natural gas service territory (Washington, Idaho, and Washington) was 1% while natural gas customer growth was 1.6%. Specific to Washington, this means the forecasted average annual growth rate for Washington's total natural gas customers (1.4%) will be above the average annual forecasted population growth (1%). The forecasted spread (0.4%) has been the average for Washington since 2006.