



Avista Corporation 2009 Natural Gas Integrated Resource Plan Work Plan

IRP Work Plan Requirements

Section 480-90-238 (4), of the natural gas Integrated Resource Plan ("IRP") rules, specify requirements for the IRP Work Plan:

Not later than twelve months prior to the due date of a plan, the utility must provide a work plan for informal commission review. The work plan must outline the content of the integrated resource plan to be developed by the utility and the method for assessing potential resources.

Additionally, Section 480-90-238 (5) of the WAC states:

The work plan must outline the timing and extent of public participation.

Overview

This Work Plan outlines the process Avista will follow to complete its 2009 Natural Gas IRP by December 31, 2009. Avista uses a public process to obtain technical expertise and guidance throughout the planning period via Technical Advisory Committee (TAC) meetings. The TAC provided input into this work plan and will be providing input into assumptions, scenarios, and modeling techniques.

Process

The 2009 IRP process will be similar to that used to produce the previously published plan. Avista will use SENDOUT® (a PC based linear programming model widely used to solve natural gas supply and transportation optimization questions) to develop the risk adjusted least-cost resource mix for the 20 year planning period.

For this plan, Avista intends to incorporate action plan items identified in the 2007 Natural Gas IRP including regional demand modeling, weather standard evaluation, Canadian natural gas imports monitoring, and analyze (using SENDOUT® and VectorGas™) realistic alternative situations in which the company may have to operate during the next 20 years. VectorGas™ is the Monte Carlo risk assessment element of SENDOUT® which evaluates the cost and reliability impact of market price and demand volatility.

This plan will continue to include demand analysis, detailed demand side management program analysis and avoided cost determination, distribution planning, existing and potential supply-side resource analysis and resource integration. Further details about Avista's process for determining the risk adjusted least-cost resource mix is shown in Exhibit 1.

Timeline

The following is Avista's TENTATIVE 2009 Natural Gas IRP timeline:

- **December 29, 2008** – Work Plan filed with WUTC
- **April through July 2009** – Technical Advisory Committee meetings (exact meeting dates *subject to change*). Meeting topics will include:
 - Demand Forecast & Demand-Side Management – April 28
 - Distribution Planning & Supply/Infrastructure – May 19
 - SENDOUT® Preliminary Output Results and Potential Case Discussion – June 16
 - SENDOUT® and VectorGas™ results – July 16
- **September 1, 2009** – Draft of IRP document to TAC
- **October 30, 2009** – Comments on draft due back to Avista
- **November 6, 2009** – TAC final review meeting (if necessary)
- **December 31, 2009** – File finalized IRP document

Exhibit 1: Avista's 2009 Natural Gas IRP Modeling Process

