



Avista Corporation 2012 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 2012 Natural Gas IRP by August 31, 2012. Avista uses a public process to obtain technical expertise and guidance throughout the planning period via Technical Advisory Committee (TAC) meetings. The TAC will be providing input into assumptions, scenarios, and modeling techniques.

Process

The 2012 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.

This plan will continue to include demand analysis, demand side management and avoided cost determination, existing and potential supply-side resource analysis, resource integration and alternative sensitivities and scenario analysis.

Additionally, Avista intends to incorporate action plan items identified in the 2009 Natural Gas IRP including more detailed demand analysis regarding use per customer, demand side management results and possible price elastic responses to evolving

economic conditions, an updated assessment of conservation potential in our service territories, consideration of alternate forecasting methodologies, and the changing landscape of natural gas supply (i.e. shale gas, Canadian exports, and US LNG exports) and its implications to the planning process. 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 2012 Natural Gas IRP timeline:

- **August 31, 2011** – Work Plan filed with WUTC
- **January through April 2012** – Technical Advisory Committee meetings (exact meeting dates *subject to change*). Meeting topics will include:
 - Demand Forecast & Demand-Side Management – January 17
 - Distribution Planning & Supply/Infrastructure and Potential Case Discussion– February 21
 - SENDOUT® Preliminary Output Results and Further Case Discussion – March 20
 - SENDOUT® results – April 17
- **May 11, 2012** – Draft of IRP document to TAC
- **June 29, 2012** – Comments on draft due back to Avista
- **July 17, 2012** – TAC final review meeting (if necessary)
- **August 31, 2012** – File finalized IRP document

Exhibit 1: Avista's 2012 Natural Gas IRP Modeling Process

