

DRAFT

(Clean Version)

Integrated Resource Planning Requirements for Natural Gas Utilities

WAC 480-90-238 Integrated Resource Planning. (1) Purpose. Each gas utility regulated by the commission has the responsibility to meet system demand at the lowest reasonable cost to the utility and its ratepayers. In furtherance of that responsibility, each gas utility must develop an "integrated resource plan".

(2) Definitions.

(a) "Integrated resource plan" or "plan" means a plan describing the strategies for purchasing gas and improving the efficiencies of gas use that will meet current and future needs at the lowest reasonable cost to the utility and its ratepayers consistent with needs for security of supply.

(b) "Lowest reasonable" means the lowest cost resulting from an exhaustive and detailed analysis of all alternative sources and mixes of supply, considerations of market-volatility risks, demand-side resource uncertainties, and of the need for security of supply.

(3) Content. At a minimum, integrated resource plans must include:

(a) A range of forecasts of future gas demand in firm and interruptible markets for each customer class that examine the effect of economic forces on the consumption of gas and that address changes in the number, type, and efficiency of gas end-uses.

(b) An assessment for each customer class of the technically feasible improvements in the efficient use of gas, including load management, as well as an assessment of currently employed and new policies and programs needed to obtain the efficiency improvements.

(c) An analysis for each customer class of gas supply options.

(d) A comparative evaluation of gas purchasing options, with and without explicit consideration of supply and market risks and improvements in the efficient use of gas based on a consistent method for calculating cost-effectiveness.

(e) The integration of the demand forecasts and resource evaluations into a long-range (e.g., of a duration appropriate to the life of the resources considered for acquisition) integrated resource plan describing the strategies designed to meet current and future needs at the lowest reasonable cost to the utility and its ratepayers.

(f) A short-term (e.g., two-year) plan outlining the specific actions to be taken by the utility in implementing the long-range plan.

(4) Timing. Unless otherwise ordered by the Commission, each gas utility must submit an IRP within two years after the date on which the previous plan was filed with

the commission. Not later than 16 months prior to the due date of a plan, the utility must provide a work plan for commission review.

(5) Work plan. The work plan must outline the content of the integrated resource plan to be developed by the utility and of the method for assessing potential resources. Consultations with commission staff and public participation are essential to the development of an effective plan. The work plan must also outline the timing and extent of public participation and must be conducted in consultation with staff.

(6) All integrated resource plans must include a progress report that relates the new plan to the previously filed plan.

(7) The commission will consider the information reported in the integrated resource plan, along with other available information, at a public hearing on the plan and when it evaluates the performance of the utility in rate and other proceedings.

[Statutory Authority: RCW 80.01.040 and 80.04.160. 01-11-003 (Docket No. UG-990294, General Order No. R-484), § 480-90-238, filed 5/3/01, effective 6/3/01.]