

Rates and Regulatory Affairs  
Facsimile: 503.721.2516



December 22, 2010

NWN Advice No. WUTC 10-11B

**VIA ELECTRONIC FILING**

Dave Danner, Executive Director & Secretary  
Washington Utilities and Transportation Commission  
1300 S Evergreen Park Drive SW  
Post Office Box 47250  
Olympia, Washington 98504-7250

**Re: Supplementary Filing -Revisions to Schedule G, "Energy Efficiency Services and Programs – Residential and Commercial"**

Dear Mr. Danner:

Northwest Natural Gas Company, dba NW Natural ("NW Natural" or the "Company"), herein revises Advice No. 10-11, submitted on November 18, 2010, and supplemented on December 6, 2010, by filing the following replacement page stated to become effective on and after January 1, 2011:

First Revision of Sheet G.4,  
Schedule G,  
"Efficiency Services and Programs – Residential and Commercial."

Second Revision of Sheet G-5 and First Revision of Sheet G.6 remain as filed on November 18, 2010. Fifth Revision of Sheet G.1 remains as filed on December 6, 2010.

This supplementary filing removes the distributor incentive and the customer rebate for water heaters with an efficiency factor ("EF") of 0.67 or greater. This change is made in response to Washington Utilities Transportation Commission ("Commission") Staff's concern that these measures, when analyzed independently, each have a Total Resource Costs ("TRC") of less than one.

While a 0.67 EF gas hot water heater is the new Energy Star standard, these models are not readily available in the market. The intent of the Energy Star endorsement and utility incentives is to influence market decisions, increase availability, and drive equipment and installation costs down. This process will result in a greater

TRC over time. The Company needs more time to demonstrate that this trend is likely for 0.67 EF water heaters.

The Company looks forward to continuing the conversation with Commission Staff that has started over this filing regarding the role energy efficiency programs should play in transforming markets.

The Company respectfully requests that the tariff sheets filed herewith be approved to become effective with service on and after January 1, 2011.

As required by WAC 480-80-103(4)(a), I certify that I have authority to issue tariff revisions on behalf of NW Natural.

Copies of this letter and the attached filing are available in the Company's main office in Portland, Oregon, and on its website at [www.nwnatural.com](http://www.nwnatural.com).

Please address correspondence on this matter to me at [jennifer.gross@nwnatural.com](mailto:jennifer.gross@nwnatural.com), with copies to the following:

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Sincerely,

NW NATURAL

/s/ Jennifer Gross

Jennifer Gross  
Rates & Regulatory Affairs

enclosures