

**EXHIBIT B**

**to**

**AFFIDAVIT OF KIMBERLY A. HEITING  
IN SUPPORT OF MOTION FOR SUMMARY DETERMINATION**



**Consumer Opinion Services, Inc.  
Topline Research Report  
NW Natural Biogas Focus Groups  
March, 2007**

**Presented to:**

**Cory Beck / Christine Gaare  
NW Natural**

**Authored by: Jim Weaver**

## **Design / Objectives**

In February 2007, 2 focus groups were held with Portland area respondents from a variety of households representing a fair demographic mix of consumers. The objective of the study was to preview a prospective energy renewal program being considered by NW Natural, obtain their current feelings and awareness toward green issues, get reactions toward the program, and then discuss the positives and negatives of everything from naming the program to affordable pricing.

Respondents were called via random sample list, screened based upon their demographic profile and attitudes, and a representative sample chosen and invited to participate in a focus group. There was an equal mix of single and dual households, incomes, education, ages, with and without children, and a mix of utility consumption represented. Attitudinally, respondents varied with both positive and negative attitudes toward utilities and issues such as global warming and greenhouse gas emissions.

The focus groups were comprised of 11 and 12 respondents, consecutively. The groups were moderated by Jim Weaver of Consumer Opinion Services, Inc. and held on two consecutive nights at 6:30 pm at Consumer Opinion Services focus facility, 2225 Lloyd Center, Portland Oregon 97232.

## **The Focus Groups**

Respondents were queried initially in the groups regarding their attitudes toward greenhouse gases and the causes therein; generally, there was a mix of opinions with most respondents feeling the humans had some responsibility toward global warming, but there was also an ebb and flow to the earth's temperature.

Next, respondents were asked about corporate responsibility toward reducing greenhouse gases, and most felt that there was a corporate obligation, especially among utilities. In the words of one respondent, "If they aren't expected to, who is?"

Respondents were also asked about their own responsibilities to the environment and the choices they made in their own households. Overwhelmingly, respondents felt an obligation toward the environment (not surprising in Oregon), but just as many verbalized that it all came down to economic viability within their own households. Most were of the opinion that if possible economically, they always vied for the choice that was better for the environment.

Respondents were then introduced to a renewal energy program which allowed consumers to eliminate their virtual emission footprint by supporting such program. This program offered participation for a small fee (introduced at \$6 per month) in a program that processed biowaste into biogas which could then be returned to consumers. By participating, consumers would offset their emissions by positively affecting the environment. NW Natural would partner with a trust which would ensure oversight to ensure compliance and the benefit to consumers. The program, as well as the simple mechanics of the program was introduced to the respondents by the moderator in consistent manner to both groups, and respondents were allowed to ask questions to ensure they had a good grasp of the program and its principles.

Initial reactions to the program were overwhelmingly positive, though respondents did question the viability of the program, as well as whether other alternatives were possible or more lucrative. However, it must be stated that while a few respondents played devil's advocate at times (which was invited by the moderator), they almost unilaterally returned to support of the program, and as a program to be offered by NW Natural.

Respondents were queried about how they felt toward biogas being supplied from another state would affect their opinion. Respondents were mixed, but generally this posed no real concern. They felt that support of the program was most important. "All companies have to be stewards to the community" was virtually agreed upon.

What funds were being used for was a concern to respondents. Most were highly concerned about contributing to corporate coffers, especially big oil. The oversight of the program by The Climate Trust was discussed, and while some concern was verbalized about where the money went, the fact that it was all for the good of the ecology seemed paramount to most respondents. How the program was presented to them was an issue of honesty and forthright disclosure, and even if it involved funding other programs, as long as disclosure happened, they were positive toward the proposed oversight. The Climate Trust itself was an agency that seemed to have universal approval, though many respondents were unfamiliar with the particular agency.

The prestige of being the first gas company nationwide to offer such a program held little sway over the positive impact toward NW Natural from offering such a program.

The participation and investment by NW Natural shareholders seemed to be a very positive element toward garnering the focus group's support and possible inclusion in the program.

When asked about the monthly amount that they would feel comfortable paying for such a program, respondents varied widely. Most fell in the \$3 - \$7 range. Some offered to pay a percentage based upon usage, while others offered to spend as much as \$10 per month.

When initially queried about whether they would prefer a set amount, or based upon consumption, most (2/3) opted for the percentage / consumption approach. Some felt that to place it upon usage represented a fair approach. However, when it was pointed out that the heaviest months of usage also entailed the heaviest program contribution, the longer they thought about it, the more they switched to wanting a flat fee. At the end of equal discussion both points, the room was weighted more heavily toward regular monthly amounts.

Lastly came discussion about the naming of the program. Thinking Beyond Tomorrow and Climate Friendly Solutions fared best among the choices. However, this research was qualitative rather than quantitative, and in overall Thinking Beyond Tomorrow fared best. And, when asked about which sent the most positive message about NW Natural, Climate Friendly Change fared well.

### **Conclusion**

Respondents seemed very supportive of the intended program and of NW Natural in sponsoring it. While they verbalized general concerns about how funding was to be used, and have a jaded viewpoint of large corporations in general, they saw the effort and program as a positive for the environment, community and NW Natural. They understood the general principles of the program quite easily, and the proposal itself seemed to interest and appeal to them. Almost half said they would participate in the program given acceptable standards of disclosure, and most were willing to pay around \$3 - \$7 per month as a standard monthly fee to participate. The Climate Trust seemed an acceptable oversight option, and naming the program seemed to fall to the aforementioned choices.