

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKET UG-080519
TRANSPORTATION	)	
COMMISSION,	)	
	)	
Complainant,	)	
	)	
v.	)	
	)	
NORTHWEST NATURAL GAS	)	
COMPANY,	)	
	)	
Respondent.	)	
.....	)	
In the Matter of the Petition of:	)	DOCKET NO. UG-080530
	)	(consolidated)
NORTHWEST NATURAL GAS	)	
COMPANY	)	
	)	SUPPLEMENTAL AFFIDAVIT OF
For an accounting order authorizing	)	KIMBERLY A. HEITING
deferred accounting treatment of certain	)	IN SUPPORT OF NORTHWEST
costs associated with the Company's	)	NATURAL GAS COMPANY'S
Smart Energy Program	)	RESPONSE TO MOTIONS FOR
.....	)	SUMMARY DETERMINATION

I, Kimberly A. Heiting, state as follows:

1. My name is Kimberly Heiting. I am the Director of Communications for NW Natural. I have personal knowledge of the facts set forth in this Supplemental Affidavit, and if called to testify thereto I could and would do so.

2. In my capacity as Director of Communications I have been responsible for developing all customer communications regarding the Smart Energy Program.

3. I am familiar with the level of overhead expense associated with the Smart Energy Program and I believe it is actually quite a conservative percent of the overall costs of the program.

4. In developing the Smart Energy program we wanted to keep overhead as low as possible while at the same time providing sufficient awareness and education about the program to allow it to succeed. In my opinion, the administrative overhead associated with the program achieves that goal. Also, in order to assess the level of overhead associated with Smart Energy, we compared it with a carbon offset program offered by another utility—PG&E. Smart Energy's overhead is substantially lower.

5. While it may seem obvious, NW Natural could not offer Smart Energy (or any similar type of program) without incurring administrative expenses.

6. In our communications with our customers we wanted to be very clear about the percent of the program fees that are paid to The Climate Trust to purchase offsets, and the percent that pay for NW Natural's administrative expenses. Our primary communication regarding the program is via the bill inserts that the customers use to sign up for Smart Energy. We include notice regarding the administrative expenses on those bill inserts. Attached as Exhibit A to my Affidavit is a sample bill insert.

7. We also include the information about administrative expense on our Smart Energy website, on the FAQ (Frequently Asked Questions) page. FAQ pages are generally relied upon by persons seeking information about a program or service and we accordingly determined that it was the most appropriate location. A copy of the Smart Energy FAQ page is attached hereto as Exhibit B.

8. NW Natural designed Smart Energy specifically to reflect the priorities of NW Natural's Oregon and Washington customers.

9. In developing the Smart Energy Program, NW Natural is aware of the potential that the educational process could harm the Company's reputation. In general, we have sought

to inform our customers that natural gas is the "clean" energy source as compared to the alternatives (electric and oil). The Smart Energy program on the other hand, seeks to inform our customers that natural gas use does indeed result in GHG emissions, (and then of course offers our customers a way to mitigate this impact).

I declare under penalty of perjury under the laws of the state of Washington that the foregoing is true and correct based on my information and belief.

SIGNED this 8th day of August, 2008, at Portland, Oregon.

Signed: Kim Heiting

SUBSCRIBED AND SWORN to before me this 8th day of August, 2008.

Pamela Villalobos

Notary Public – Oregon

