

Attachment B

Low-Income Energy Efficiency Program

NW Natural will include in its compliance filing a tariff schedule that establishes a low-income energy efficiency program available to low-income residential customers in NW Natural's Washington service territory. The program must be cost-effective using the Utility Cost Test.

NW Natural will administer the program, and local community action agencies will deliver the program to qualifying customers. The program will provide rebates for the installation of qualifying measures.

CUSTOMER QUALIFICATIONS:

A qualifying customer is one who meets income eligibility standards established by the Washington State Office of Community Development for low-income weatherization programs and who resides in a dwelling built before 1991, in which the primary heating equipment is fueled by natural gas.

AGENCY QUALIFICATIONS AND RESPONSIBILITIES:

1. In order to qualify to participate in the program, an Agency must be a legal entity, contracting or subcontracting with the State of Washington, which is eligible to administer funding under the Federal Low Income Energy Assistance Program (LIEAP).
2. Each participating Agency will have sole responsibility to screen and approve applicants for eligibility. Each Agency shall follow the established protocols for the qualification of and disbursement to eligible participants in accordance with the guidelines of this program and the guidelines promulgated by the Washington State Department of Community Trade and Economic Development (DCTED) in the DCTED Policies and Procedures for Managing the Low-Income Weatherization Program.
3. Each participating Agency shall be responsible to complete and return to the Company, all required paperwork and other documentation as may be necessary for the Company to process the rebate request. The Company will provide the documentation forms to each participating Agency in electronic or hard copy form, whichever is requested. At a minimum, the documentation must include the Agency name, customer name, the landlord name and address, if applicable, the address of the qualifying households, the square footage of the home, a list of the measures installed, the rebate amount per measure and total rebate per household.

REBATE PAYMENTS:

The Company will reimburse participating Agencies for the installation of qualifying measures in each eligible household at an amount not to exceed the utility's avoided cost per therm or the actual installed cost of the measure, whichever is less. For settlement purposes, the parties agree to use an avoided cost of \$10.50 per therm for developing rebate amounts for the compliance filing. The Company will recalculate the rebate amounts with an updated avoided cost, if necessary, within 45 days of the Commission's acceptance of the next least cost plan.

The measures eligible for rebate under this program will be consistent with measures allowable by the DCTED Policies and Procedures for Managing the Low-Income Weatherization Program. Eligible measures may include the following: ceiling insulation,

