

NORTHWEST NATURAL GAS COMPANY

WN U-6 Third Revision of Sheet U-1
 Cancels Second Revision of Sheet U-1

**SCHEDULE U
 SMART ENERGY™ PROGRAM**

PURPOSE:

To set forth the terms and conditions for billing, payment and disbursement of funds collected under the Smart Energy™ Program (Program).

AVAILABLE:

This Program is available to all Customers receiving service within the State of Washington.

PROGRAM DESCRIPTION:

Smart Energy™ is a voluntary program that enables all customers to mitigate greenhouse gas emissions associated with their natural gas use by purchasing high quality project-based emission reductions from carbon offset projects from The Climate Trust and renewable natural gas projects. Priority will be given to projects that help bring biogas to the region. All offsets purchased on behalf of Customers will be verified and retired. Future offerings under this tariff may include renewable natural gas and renewable hydrogen or other qualifying resources as defined in RCW 54.04.190. (T) (C) (N) (N)

Within twenty-four months of issuing a bill for Smart Energy™, the Company will contractually obligate the amount billed less uncollectibles for either an immediately available or a future stream of offsets and/or renewable natural gas. (N)

PROGRAM PARTICIPATION:

Customers may enroll in the Program at any time. The rates for participation in this Program will be reflected on the Customer’s next regular monthly bill following the date of enrollment.

Customers may terminate participation in the Program at any time by notifying NW Natural in writing, by telephone or by Internet. The termination will be reflected with the Customer’s next regular monthly bill following the date of termination.

MONTHLY RATES:

Smart Energy™ charges are in addition to all other charges due for gas service to the Customer, and shall be subject to late charges as set forth in Schedule C of this Tariff.

For each Customer class, the Monthly rates for service under this Schedule are as follows:

Residential Customer Class Options.

Residential customers may choose one of two rate options: (1) Fixed Rate, or (2) Volumetric Rate to offset their greenhouse gas emissions.

	Customers enrolled before July 1, 2022	Customers enrolled on and after July 1, 2022
Fixed Rate:	\$5.50 per bill	\$8.00 per bill
Volumetric Rate:	\$0.10486 per therm	\$0.15246 per therm

(T)(N)
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The Fixed Rate option is based on offsetting emissions associated with natural gas from an average residential home that uses 630 therms per year.

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 and after February 25, 2022

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SCHEDULE U
SMART ENERGY™ PROGRAM
(continued)

Residential Customer Class Options. (continued)

The Volumetric Rate provides the option to offset emissions associated with natural gas usage on the basis of the customer's actual monthly usage.

Commercial Customer Class Option.

Commercial customers may choose a Fixed Rate of their choice (not less than \$10 per bill) or a negotiated price, pursuant to the execution of a written contract for non-residential customers who use an aggregate of 100,000 therms or more annually. Under the Fixed Rate Option, the Fixed Rate can be in any amount of Customer's choosing, but cannot be less than \$10 per monthly bill per account enrolled.

At the time of enrollment, Customers will be given an estimate of the resulting Monthly Percentage of Offset being purchased for the Fixed Rate selected. The monthly Percentage of Offset amount will be calculated based on the Customer's past 12 months of usage at the time of enrollment.

Industrial Customer Class Option

Monthly pricing for Industrial Customers will be a fixed rate per month, subject to a negotiation pursuant to a written contract.

SMART ENERGY™ ACCOUNT

By the 20th of the month following the billing month, the amount billed for Smart Energy™, net of an allowance for uncollectibles, will be deposited into a market-based interest bearing bank account dedicated to the Smart Energy™ Program (Smart Energy™ Account). The reserve for uncollectibles shall be in an amount equal to NW Natural's average percentage of residential net write-offs.

The Company will be reimbursed from the Smart Energy™ Account each month for actual program administration costs incurred.

REPORTS:

1) Annual Report. The Company will file a report with the Commission within ninety (90) days following the end of the calendar year. The report will include participation details, program funding received for that year; demand of total offsets and renewable natural gas obligated for that year, and a list of projects or sources from which the offsets and renewable natural gas have been secured. (N)
(N)

2) Customer Report. The Company will annually provide participating Smart Energy™ Customers with a report detailing the current number of program participants and the volume of offsets and renewable natural gas that have been funded on behalf of Smart Energy™ Customers. (N)
(N)

GENERAL TERMS:

This schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this Tariff and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

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