

Rates and Regulatory Affairs
Fax: 503.721.2532



May 16, 2008

WASHINGTON UTILITIES &
TRANSPORTATION COMMISSION
1300 S. Evergreen Park Drive, S.W.
P. O. Box 47250
Olympia, Washington 98504-7250

ATTN: **Deborah Reynolds**

RE: **NW Natural's 2009 IRP Work Plan**

Enclosed is NW Natural's 2009 IRP Work Plan. NW Natural believes this document meets the requirements of Washington regarding Least Cost Planning (WAC 480-90-238), which states, "*The work plan must outline the content of the integrated resource plan to be developed by the utility and the method for assessing potential resources.*"

If you have any questions regarding this Plan, please contact me at 1-503-226-4211, extension 3590.

Sincerely,

/s/ Jennifer Gross

Jennifer Gross
Tariff and Regulatory Compliance Consultant

enclosures

NW Natural 2009 IRP Work Plan

Methodology

NW Natural will input manually compiled data into *SENDOUT*[®], a linear based programming model that will stochastically assess potential resources.

Content of 2009 IRP

Timeframe

1. Executive Summary

January 2009

- Overview of Company and Resource Plan
- Principal Conclusions from this Plan
 - Load Forecasts
 - Supply-Side Resources
 - Demand-Side Resources
 - Conservation Assessment

2. Gas Requirements Forecast

July through September 2008

- Overview
- Customer Base
 - Forecasts
 - New Construction – Residential
 - New Construction – Commercial
 - New Construction – Industrial Firm
 - Conversions from other fuels – Residential and Commercial
 - Hybrid Heat Customers
- Use per Customer Forecasts
 - Residential and Commercial Load Equations
 - Industrial Firm Load Equations
 - Interruptible Customer Requirements
- Forecast Equation Performance
- Price Forecasts
 - Customer per Therm Usage Charge Forecast
 - Natural Gas Price Forecasts
- Weather Planning Standards
 - Design Day
- Key Findings

3. Supply-Side Resources

July through September 2008

- Overview
- Current Resources
 - Pipeline Transportation Contracts

- Gas Supply Contracts
- Other Existing Supply Resources
- Supply Diversity
- Physical and Financial Hedging
- Supply-Side Resource Dispatching
- Recent Resource Decisions
- Future Resource Alternatives
 - Mist Storage Recall
 - NW Natural Infrastructure Additions
 - Enhancement of Pipeline from Newport
 - Brownsville to Eugene
 - Willamette Valley Feeder
 - Imported LNG
 - Satellite LNG
 - Potential Future Supply Resources
- Gas Supply Portfolio Acquisition Strategy
 - Overview
 - Plan Goals
 - Relationship to Integrated Resource Plan
 - Strategies
 - Market Outlook
- Emergency Planning
- Key Findings

4. Demand-Side Resources

July through August 2008

- Energy Efficiency Overview
- Methodology – Energy Efficiency
- Energy Efficiency Study Result
 - Oregon – Base Case
 - Washington – Base Case
 - Evaluation of Achievable DSM Programs
- Funding and Program Delivery
 - Oregon
 - Washington
- Low Income Weatherization in Oregon and Washington
- Other Demand-Side Management Considerations
 - Load Management and Demand Response
- Key Findings

5. Linear Programming and the Company's Resource Choices

October 2008 through December 2009

- Overview - the Approach to Optimality
- Least Cost Optimization
- *SENDOUT*[®] – Resource Assessment Tool

- DSM evaluation in *SENDOUT*[®]
- *SENDOUT*[®] Scenarios, Portfolios & Results
- Key Findings

6. Avoided Cost Determination

July through August 2008

- Overview Methodology
- Avoidable Capacity Resources.
- Avoidable Gas Commodity Costs
- Environmental Costs And Externalities
- DSM Conservation Load Shapes
- Avoided Cost Determinations
- After-Tax Real Discount Rate
- Key Findings

7. Public Communication and Participation

August through December 2008

- Technical Working Group
- Public Participation

8. Review and Delivery

January through March 2009

- First Draft
- Data Requests and Revisions
- Final Submission