

Rates and Regulatory Affairs
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March 31, 2009

NWN Advice No. WUTC 09-2

VIA ELECTRONIC FILING

Dave Danner, Executive Director & Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, Washington 98504-7250

Re: Revisions to Schedule I: "Washington Low-Income Energy Efficiency (WA-LIEE)"

Dear Mr. Danner:

Northwest Natural Gas Company, dba NW Natural ("NW Natural" or the "Company"), files herewith the following revisions to its Tariff WN U-6, stated to become effective on and after May 1, 2009:

Eighth Revision of Sheet viii,
"Tariff Index,"

First Revision of Sheet I.1,
Schedule I,
"Washington Low-Income Energy Efficiency (WA-LIEE),"

First Revision of Sheet I.2,
Schedule I,
"Washington Low-Income Energy Efficiency (WA-LIEE),"

First Revision of Sheet I.3,
Schedule I,
"Washington Low-Income Energy Efficiency (WA-LIEE)," and

Original Revision of Sheet I.4,
Schedule I,
"Washington Low-Income Energy Efficiency (WA-LIEE)."

The purpose of this filing is to revise the Company's Washington Low Income Energy Efficiency program ("WA-LIEE") in an effort to stimulate greater program participation. The program will be administered by Clark County Community Services and the Washington Gorge Action Program ("agencies"). WA-LIEE will mirror the low income program that the Company currently offers in Oregon. The current Oregon

program was developed in April 2006 in a similar effort to serve more customers and to better use program funding. The changes adopted in Oregon have proved to be successful. Homes weatherized have increased from 253 in 2006 to 460 in 2008. The Company is hopeful it will see similar success with its Washington Program.

The program will encourage the leveraging of other funding sources with WA-LIEE funds to increase the overall energy efficiency of low-income homes within the Company's Washington service territory.

Rebates paid under the WA-LIEE program will be based on the cost of the total group of measures recommended by energy analysis software that complies with the Department of Energy's standard for cost-effective energy efficiency. To qualify for a rebate, the total of all measures selected for each individual home must meet or exceed a Savings to Investment Ratio ("SIR") of 1.0 or better. The rebate amount per home will be ninety percent (90%) of the documented installed cost of all measures, up to a maximum of \$3,500 per home.

In addition to the qualifying rebate, the administering agencies will be reimbursed for Health, Safety and Repair ("HSR") costs, defined as home repairs that if not completed would adversely impact the safety and effectiveness of the energy efficiency measures or the health of the occupants. Standard efficiency furnace replacements may qualify for HSR funds if the existing furnace is broken, is found to produce an unsafe level of CO emissions, is back-drafting, or has a cracked heat exchanger and a high-efficiency furnace is not cost-effective or if it is physically impossible to install a high-efficiency furnace. HSR funds will be disbursed upon receipt of a completed reimbursement request. The maximum annual HSR disbursement available will be \$440 times the actual number of homes treated by the agency in the Program Year.

The agencies will have discretion in the use of their HSR Allowance such that they may use more or less than the \$440 on any one home. However, they must manage their HSR funds to ensure that the average HSR amount per home is not more than \$440.

The program targets and achievements will be reviewed, and modified as necessary, with the Energy Efficiency Advisory Group ("EEAG"), which was formed by parties to the Company's 2008 rate case, docketed as UG-080546. The EEAG will provide recommendations to the program as deemed necessary.

The Company respectfully requests that the tariff sheets filed herein be approved to become effective with service on and after May 1, 2009.

A copy of the filing is available for public inspection in the Company's main office in Portland, Oregon and on its website at www.nwnatural.com.

As required by WAC 480-80-103(4)(a), I certify that I have authority to issue tariff revisions on behalf of NW Natural.

Please address correspondence on this matter to me with copies to the following:

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Please call me at (503) 226-4211 extension 3590 if you have any questions.

Sincerely,

/s/ Jennifer Gross

Jennifer Gross
Rates & Regulatory Affairs