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December 15, 2015

NWN Advice No. WUTC 15-10

**VIA ELECTRONIC FILING**

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

**RE: Schedule G, Energy Efficiency Services and Programs – Residential and Commercial  
Schedule I, Washington Low-Income Energy Efficiency (WA-LIEE) Programs**

Northwest Natural Gas, dba NW Natural (“NW Natural” or the “Company”), files herewith the following revisions to its Tariff WN U-6, stated to become effective with service on and after **January 15, 2016**:

Twelfth Revision of Sheet G.1,  
Schedule G,  
“Energy Efficiency Services and Programs – Residential and Commercial,”

Third Revision of Sheet I.1,  
Schedule I,  
“Washington Low-Income Energy Efficiency (WA-LIEE) Programs,”

Second Revision of Sheet I.2,  
Schedule I,  
“Washington Low-Income Energy Efficiency (WA-LIEE) Programs,”

Second Revision of Sheet I.3,  
Schedule I,  
“Washington Low-Income Energy Efficiency (WA-LIEE) Programs.”

The first purpose of this filing is to revise the Company’s Energy Efficiency Plan (“EE Plan” or “Plan”), which by reference in Sheet G.1 is part of the Company’s Tariff. In accordance with the parameters of the Plan, the Company is required to submit an annual filing to establish program goals and budget for the following year. Due to ongoing work on updating the Company’s avoided cost calculation, a fourteen day extension beyond the December 1 due date set in the Plan was requested on November 30, 2015.

The second purpose of this filing is to revise the Company's WA-LIEE program in an effort to stimulate greater program participation.

As part of the 2014 Integrated Resource Plan (IRP) acknowledgement, the Company was directed to work with the IRP Technical Working Group (TWG) to correct the avoided cost calculation and file an updated cost in the 2016 EE Plan. NW Natural updated the avoided cost calculation with a new natural gas price forecast and to capture the hedge value of demand side management as well as supply and distribution capacity avoided costs. We look forward to further discussing the avoided cost calculation during the IRP TWG process for the Company's 2016 IRP. Until that time, the Company believes the avoided cost calculation used in the Plan is closely aligned to the avoided cost calculation that will be proposed to the TWG.

Another change for 2016 will be the addition of an energy performance score (EPS). EPS is a scoring system that helps define a home's energy consumption, utility costs, and carbon footprint. It also serves as both a pathway and promotional tool for builders who understand the added value of homes that use energy wisely. Home buyers benefit in having more information regarding their home's performance and the peace of mind that their new home was third party inspected for quality and compliance to energy efficiency standards. EPS will act as a tool to engage with builders who have historically never participated in the programs, which may bring more homes into the program and help to create more efficient homes.

The following revisions have been proposed to the WA-LIEE program in an effort to bring in additional savings:

- Customer qualifications: Removed the stipulation requiring a customer's dwelling be built before 1991.
- Customer outreach: For the 2016 program year only, funding up to \$11,000 has been proposed for outreach to promote customer participation.
- NW Natural program administration: For the 2016 program year only, NW Natural's actual program administration costs will be reimbursed up to \$7,700 due to the planned increase in administrative activities to strengthen the WA-LIEE program.
- Increase of per unit cap: The maximum rebate amount per home has been increased to the greater of \$5,000 or the average total installed cost of measures as reported by the Agencies for the prior program year.

WA-LIEE tariff language has also been revised to include the State of Washington Department of Commerce Weatherization Program Priority List and the hybrid approach outlined in the Weatherization Manual when determining cost-effectiveness of qualifying measures.

In 2016, the Company expects to spend approximately \$1,695,551 on the acquisition of 263,184 therm savings in the residential and commercial sector. The Company's WA-LIEE

program will seek to treat 15 to 25 low income homes, and achieve up to 8,575 therms saved at a cost of \$160,500.

In support of these 2016 EE Plan, attached are the following work papers:

- Appendix A – Energy Trust’s measure approval documents and blessing memos
- Appendix B – List of active 2016 measures
- Appendix C – NW Natural outreach proposal
- Appendix D – Energy Trust memo on the NW Natural updated avoided cost calculation analysis
- Appendix E – Energy Trust memo on the WUTC Staff requested avoided cost calculation analysis

The Company has shared this filing with its Energy Efficiency Advisory Group.

The Company respectfully requests that the tariff sheets filed herein be approved to become effective with service on and after January 15, 2016.

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

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](http://www.nwnatural.com).

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

eFiling  
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If you have any questions, please contact me at 1-503-226-4211, extension 5865.

Sincerely,

*/s/ Gail A. Hammer*

Gail A. Hammer  
Rates & Regulatory Affairs

Attachments

cc: EEAG