

NORTHWEST NATURAL GAS COMPANY

WN U-6

Seventh Revision of Sheet G.1
Cancels Sixth Revision of Sheet G.1

SCHEDULE G
ENERGY EFFICIENCY SERVICES AND PROGRAMS – RESIDENTIAL AND COMMERCIAL

APPLICABLE:

This program is intended to provide an economical and effective means for conserving Natural Gas through reduced heat loss and improved efficiencies in Residential dwellings and Commercial buildings.

AVAILABLE:

To all Residential Customers served on Rate Schedules 1, 2 and 27; and all Commercial Firm and Interruptible Sales Customers served on Rate Schedules 3, 41 and 42 in all territory served by the Company under the Tariff of which this program is a part.

DESCRIPTION:

The Energy Trust of Oregon (Energy Trust) will deliver and administer a cost-effective energy efficiency program to NW Natural's Residential and Commercial Firm Sales and Interruptible Sales Customers in accordance with the Company's Energy Efficiency Plan, revised on March 19, 2012 (EE Plan). Energy Trust administered programs will offer applicable Customers incentive dollars for installing specific, cost-effective energy efficient measures, including rebates for energy efficient retrofit or replacement appliances. Program offerings may vary from time-to-time. Current offerings are described on the following Company webpage:

<https://www.nwnatural.com/Residential/Conserve/EnergyTrustOfOregonServicesAndIncentives>

OVERSIGHT

Oversight of these programs will be provided by the Energy Efficiency Advisory Group (EEAG), which is a group comprised of interested parties to the Company's 2008 general rate case. EEAG oversight is required per the stipulated agreement attached to Commission Order No. 04 to the Company's rate case, docketed as UG-080546. The Company will consult with the EEAG prior to making any significant program changes such as changing an incentive amount or adding program measures.

REPORTING

Energy Trust will provide the EEAG and WUTC with Quarterly and an Annual Reports demonstrating total program costs, therms saved and levelized costs of measures offered. Reporting will be consistent with the Company's EE Plan.

COST-EFFECTIVE STANDARD

The portfolio of programs offered through the Energy Trust will be deemed cost-effective if the program meets the following Benefit Cost Ratio (BCR) tests: 1) Total Resource Cost (TRC) test; and 2) the Utility Cost (UC) test. The program is cost-effective when the end value for each of the following test is greater than one (1):

- 1) Total Resource Cost (TRC) looks at the total benefits attributable to the program divided by the total program costs. A TRC value equal to or greater than one means the benefits are equal to or exceed the costs, and the program is cost-effective.

TRC is expressed formulaically as follows:

$$TRC = \text{Present Value of Benefits} / \text{Present Value of Costs}$$

(continue to Sheet G.2)

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and after May 1, 2012