

NORTHWEST NATURAL GAS COMPANY

WN U-6

Twelfth Revision of Sheet G.1
Cancels Eleventh 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 December 15, 2015 (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:

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

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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.

CUSTOMER NOTIFICATION

This information may be provided through the use of bill inserts, displays, booklets, handouts, advertisements, and industry and public agency literature.

FUNDING

The costs incurred for the administration and delivery of the services and programs offered under this Schedule will be deferred as allowed by Washington Utility and Transportation Commission (WUTC) Orders to UG-011230 and UG-011231. Each year, the Company will seek recovery of ongoing program costs from Residential and Commercial customers through Schedule 215, coincident with the Company's Annual Purchased Gas Adjustment filing made in accordance with Schedule P. Deferred balances will accrue interest.

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NORTHWEST NATURAL GAS COMPANY

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Third Revision of Sheet I.1
Cancels Second Revision of Sheet I.1

SCHEDULE I
WASHINGTON LOW-INCOME ENERGY EFFICIENCY (WA-LIEE) PROGRAMS

PURPOSE:

To set forth the terms and conditions of a low-income energy efficiency program available to qualifying low-income Residential customers.

AVAILABLE:

This program is available to income-eligible residential dwellings located within NW Natural's Washington service territory where (1) a gas Service Line is installed at the Premise; (2) the primary space heating equipment is fueled by Natural Gas, and (3) the occupant has an active account with the Company, or will have an active account upon completion of work performed under this Schedule I. Any residential dwelling that received assistance for the installation of the same or similar measures under any other energy efficiency program will not be eligible for assistance under this program.

PROGRAM YEAR:

The program year will extend from October 1 through September 30.

PROGRAM FUNDING:

1. Each Agency will be reimbursed by the Company for administrative costs and direct program costs incurred by them in their administration and delivery of the WA-LIEE program in the amount of 15% of the total job cost for each household. The Agency fee will be paid to each Agency along with each rebate payment. The Company will process rebates and Agency payments within thirty (30) days from the date the Company receives all completed documentation in support of such rebate request(s).
2. For the 2016 program year only, the Company is authorized to be reimbursed for actual program administration costs up to \$7,700 due to the planned increase in administrative activities to strengthen the WA-LIEE program. The Company will include a report of actual administrative costs in the WA-LIEE end of program year report.
3. For the 2016 program year only, the Company is also authorized to be reimbursed for actual expenses related to additional outreach to promote customer participation, as described in the Company's 2016 Energy Efficiency Plan, up to \$11,000.
4. Program Costs will be deferred and recovered through rates in **Schedule 230** in accordance the terms agreed to in Docket No. U-091044.

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PROGRAM ADVISORY COUNCIL:

The Energy Efficiency Advisory Group (EEAG), that was formed by parties to the Company's 2008 Washington rate case, docketed as UG-080546, will assist in advising the Company on the WA-LIEE program development, implementation, and evaluation. The EEAG will have no decision-making authority.

PROGRAM ADMINISTRATION, EVALUATION AND VERIFICATION:

During the first quarter after the end of a program year, the Company will present to the EEAG program year results including the costs incurred and therms saved during the program year.

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Second Revision of Sheet I.2
Cancels First Revision of Sheet I.2

SCHEDULE I
WASHINGTON LOW-INCOME ENERGY EFFICIENCY (WA-LIEE) PROGRAMS
(continued)

MEASURE INCENTIVES:

Energy Efficiency Measures and Rebates.

Qualifying energy efficiency measures shall be determined under one of the following three methods:

1. Those measures recommended by an approved, residential energy analysis software tool that complies with the Department of Energy's standard for cost-effective energy efficiency; hereafter, this software tool will be referred to as Conservation Software. To qualify for a rebate, the total group of measures prescribed by Conservation Software for the whole house must meet or exceed a Savings to Investment Ratio (SIR) of 1.0 or better, and except for certain approved exceptions, measures must be chosen in the ranked order of Conservation Software prescriptions;
2. Those measures deemed cost-effective under the State of Washington Department of Commerce Weatherization Program Priority List; or
3. Measures deemed cost-effective based on the hybrid method outlined in the State of Washington Department of Commerce Weatherization Manual.

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Rebates will be paid based on the cost of the total group of qualifying measures for the whole house, as recommended by Conservation Software, and installed by the Agency. At the beginning of each program year, the maximum rebate amount per home shall be reset to the greater of either \$5,000 or an amount equal to the average total installed cost of measures as reported by the Agencies for the prior program year. To accommodate timing differences between measure installations, the rebate may be disbursed through one or more reimbursement requests provided all of the work is based on the same audit. Only one energy efficiency audit per home will be eligible for rebates under this program.

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Health, Safety and Repair (HSR) Allowance and Reimbursement.

In addition to the rebate for qualifying energy efficiency measures, a rebate will be available for the costs of health, safety and repair (HSR) measures. HSR measures are those items 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. When a furnace is replaced with a standard efficiency furnace, the Agency must specify the reasons for the replacement in the reimbursement request.

The maximum annual HSR disbursement available to each Agency will be \$440 times the actual number of households treated by the Agency in the Program Year (HSR Allowance).

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

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SCHEDULE I
WASHINGTON LOW-INCOME ENERGY EFFICIENCY (WA-LIEE) PROGRAMS
 (continued)

AGENCY QUALIFICATIONS AND RESPONSIBILITIES:

1. In order to qualify to participate in this program, an Agency must be a legal entity, contracting or subcontracting with Washington Department of Commerce, which is eligible to administer funding under the Federal Department of Energy Weatherization Assistance Program (DOE-WAP). Each participating Agency will have sole responsibility to screen and approve applicants for eligibility. Each Agency shall follow the established protocols for the qualification of and disbursement to eligible participants in accordance with the guidelines of this program and the guidelines promulgated by the Washington Department of Commerce in the Washington Department of Commerce Policies and Procedures for Managing the low-income weatherization program. (C)
2. Each participating Agency shall be responsible to complete and return to the Company, all required paperwork and other documentation as may be necessary for the Company to process the rebate request. The Company will provide the documentation forms to each participating agency in electronic or hard copy form, whichever is requested. At a minimum, the documentation must include the Agency name, customer name, the landlord name and address, if applicable, the address of the qualifying households, the square footage of the home, a list of the measures installed, the rebate amount per measure and total rebate per household. (C)

CUSTOMER QUALIFICATIONS:

A qualifying customer is one who meets income eligibility standards established by the Washington Department of Commerce for low-income weatherization programs and who resides in a dwelling in which the primary heating equipment is fueled by natural gas. (C)

Agency Reporting Requirements

For each home treated under this program, each Agency will be required to report to the Company, the following information:

Customer Name (as shown on NW Natural Account);	NWN Account #	
Service Address	Phone	
Owner/Prop Mgr	Owner/Prop Mgr Phone	
Audit Date	Installation (completion) Date	
Reimbursement Request Date	Agency and Agency Representative	
Size of home in square feet and Year Built	Measure description	
Installed Cost per Measure	Estimated therm savings per measure	
Conservation Software SIR per measure	Total Conservation Software SIR for Measure Group	
Total Cost of all energy efficiency measures installed (EEMC)	Total Conservation Software estimated savings for each household (Total therms)	
Total job cost to Agency (WA-LIEE and non-WA-LIEE measure costs)	Cost per therm saved for each household (Cost/Savings)	
Requested reimbursement (Allowable rebate)	HSR Measure description/explanation	(C)
Total HSR Measure cost	Related Savings (furnace replacements)	
Total Reimbursement Request: (Allowable rebate + H&S + Admin):		(C)

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