

Rates and Regulatory Affairs  
Facsimile: 503.721.2516



June 16, 2009

NWN Advice No. OPUC 09-10

**VIA ELECTRONIC FILING**

Public Utility Commission of Oregon  
550 Capitol Street, NE, Suite 215  
PO Box 2148  
Salem, Oregon 97308-2148

Attn: Filing Center

Re: Schedule O, On-the-Bill Repayment Service

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), files herewith the following tariff sheets stated to become effective with service on and after **July 1, 2009**:

Fourteenth Revision of Sheet vi,  
"Tariff Index,"

Original Sheet O-1  
Schedule O,  
"On-the-Bill Repayment Services,"

Original Sheet O-2  
Schedule O,  
"On-the-Bill Repayment Services," and

Original Sheet O-3  
Schedule O,  
"On-the-Bill Repayment Services."

The purpose of this filing is to establish parameters for the Company's participation in the City of Portland's Clean Energy Fund (PCEF)<sup>1</sup> pilot project, which seeks to use monies from the City's General Fund as well as funds from the American Recovery and Reinvestment Act to test using energy utilities as a billing arm for third party loans. Shorebank Enterprise Cascadia (SBEC) will be named the pilot's fund manger, and in this role SBEC will issue low-interest, long-term loans to qualifying participants who request

<sup>1</sup> This pilot may be marketed under a different name.

funding to make energy efficient related improvements to their homes. Pacific Power and Light, Portland General Electric Co. and NW Natural (collectively referred to as Utilities) are all in discussions with the City of Portland and SBEC about serving as the billing agent for loan repayments. A participating customer's loan repayment charge will appear on the energy bill associated with his/her primary heat source. Utilities will remit loan repayments to SBEC.

All costs associated with participating in the pilot will be borne by City of Portland and, or SBEC. The Company's participation in this pilot will have no impact on rates, either now or in the future.

The Company's participation in this pilot will be governed by the terms and conditions established in proposed Schedule O. Also, the operating agreements between the Company and the City of Portland, and the Company and SBEC will be consistent with the Special Provisions in Schedule O.

Utilities are optimistic that participation in this pilot will provide useful experience should legislation be adopted that requires energy utilities to provide on-the-bill repayment services for third party lenders.<sup>2</sup>

Enclosed is an application requesting waiver of legal statutory notice to allow the tariffs to be effective with service on and after July 1, 2009.

Copies of this letter and the filing made herewith are available 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:

Kelley Miller  
Staff Assistant  
Rates & Regulatory Affairs  
220 NW Second Avenue  
Portland, Oregon 97209  
Telecopier: (503) 721-2516  
Telephone: (503) 226-4211, ext. 3589  
E-mail: [kelley.miller@nwnatural.com](mailto:kelley.miller@nwnatural.com) and  
[eFiling@nwnatural.com](mailto:eFiling@nwnatural.com)

If you have questions, please call me at (503) 226-4211, extension 3590.

Sincerely,

/s/ Jennifer Gross

Jennifer Gross  
Rates and Regulatory Affairs

cc: Lisa Gorsuch, PUC

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<sup>2</sup> HB 2626 (also referred to as EEAST or Bailey Bill) is currently contemplating adopting such a standard.

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

550 CAPITOL ST NE STE 215

SALEM, OR 97301-2551

IN THE MATTER OF THE APPLICATION OF  
**NW NATURAL**  
  
TO WAIVE STATUTORY NOTICE.

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)  
)

UTILITY L.S.N. APPLICATION  
  
NO. \_\_\_\_\_

NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT

1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE(S) ADDITION, DELETION OF CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)

This filing tariffs the Company's provision of billing services to Shorebank Enterprise Cascadia (SBEC) in The City of Portland's Portland Clean Energy Fund (PCEF) pilot project.

2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

Thirteenth Revision of Sheet vi

3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

Fourteenth Revision of Sheet vi  
Original Sheet O-1  
Original Sheet O-2  
Original Sheet O-3

4. REASONS FOR REQUESTING A WAIVER OF STATUTORY NOTICE:

NW Natural is hereby filing proposed Schedule O for an effective date of July 1, 2009, in order to establish needed parameters for its participation in PCEF while respecting the City of Portland's desired timetables for this pilot.

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGES(S) JULY 1, 2009

6. AUTHORIZED SIGNATURE:	TITLE	DATE
/s/ Jennifer Gross	Compliance Consultant, Rates & Regulatory Affairs	6/16/09

PUC USE ONLY		
<input type="checkbox"/> APPROVED	<input type="checkbox"/> DENIED	EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE

AUTHORIZED SIGNATURE:	DATE
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# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Fourteenth Revision of Sheet iv  
Cancels Thirteenth Revision of Sheet iv

## TARIFF INDEX (Continued)

### SHEET

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**SCHEDULE O**  
**ON-THE-BILL REPAYMENT SERVICES – PILOT PROGRAM**

**AVAILABLE:**

To Shorebank Enterprise Cascadia (SBEC) for the period during which NW Natural has executed and effective operating agreements with SBEC and City of Portland, where both agreements define the parties' responsibilities in the pilot project referred to for the purposes of this tariff as The Portland Clean Energy Fund (PCEF) and incorporate the Special Provisions contained within this Schedule.

**DESCRIPTION:**

On-the-Bill Repayment services provided to SBEC is offered in cooperation with the City of Portland's PCEF pilot project. This pilot is a joint project of the City of Portland and Multnomah County, in collaboration with the Energy Trust of Oregon, NW Natural, Pacific Power and Portland General Electric, intended to enable no more than 250 NW Natural customers who own natural gas heated homes to access low-interest, long-term financing for investments in energy efficiency. The City of Portland initiated and is overseeing the pilot project. The City of Portland expects to name SBEC as the fund manager responsible for qualifying participants for loans and establishing a contractual relationship with participants for repaying the loan. The Company's role in this program is solely to provide billing services for SBEC authorized loans granted to NW Natural Customers. The Company's bill for natural gas service will display the loan payment amount determined by SBEC to be collected from the NW Natural customer. The Company will then remit to SBEC amounts paid toward loan balances.

**SPECIAL PROVISIONS:**

1. The Portland Clean Energy Fund will be seeded by the City of Portland's General Fund as well as American Recovery and Reinvestment Act (ARRA) dollars granted to the City of Portland specifically to be used for energy efficiency. The City of Portland and, or SBEC will reimburse the Company for all start up costs related to the implementation of this Pilot program, including billing system changes. The Company will directly bill SBEC for ongoing administrative costs, including costs associated with loan setup, loan termination and other incremental activities related to accounting and processing of bill payments. The Company will not seek to pass any associated costs on to Customers.
2. The provision of On-the-Bill repayment services to SBEC will not affect the Company's compliance with all Division 21, Utility Regulation, Oregon Administrative Rules (OARs).
3. A Customer's involvement in PCEF or his/her loan payment behavior will in no way affect the relationship between the Company and Customers for the delivery of natural gas utility service. Specifically, the Customer's decision to enter into a loan agreement with SBEC will not affect his/her ability to establish credit with the Company; it will have no impact on the amount that a Customer may be required to pay on deposit for natural gas utility service; and it will have no affect on a Customer's ability to receive reliable natural gas service. The Company will communicate this in writing to Customers who participate in PCEF.

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**SCHEDULE O**  
**ON-THE-BILL REPAYMENT SERVICES**  
(continued)

4. By entering into a loan agreement with SBEC, the Customer will be responsible to remit such amount to NW Natural with their monthly bill payment. NW Natural is not a party to SBEC's loan agreements and has no financial interest in the loans or SBEC.
5. Monthly payments received from Customers participating in this program will be allocated to the Customer's account in accordance with General Rule 7 of this Tariff.
6. The Company will not disconnect gas service to a Customer for non-payment of an SBEC loan amount. The provisions of General Rule 11 shall apply for non-payment of amounts related to gas utility service.
7. NW Natural is nothing more than the billing agent for the bank. Participating Customers must acknowledge that the Company shall be held harmless for any liability resulting from contractors actions with regard to installation of energy efficiency upgrades resulting from this pilot project.
8. NW Natural is not responsible for any financial assurances given or guarantees as to the net financial benefit of the dollars spent on energy efficiency upgrades versus the dollars saved on energy consumption that are given to participants of this pilot project by contractors or other parties to this pilot.
9. Recovery of loaned dollars is the sole responsibility of SBEC.
10. SBEC is responsible to tell the Company how much to bill per month for each loan and how many months each customer should be billed. The Company is not responsible for any misinformation provided by SBEC.
11. The Company will not a) accept loan pay-offs, b) issue refunds on loan payments, c) offer payment arrangements on loan amounts due, or d) allow energy assistance to be applied to loan balances.
12. SBEC is responsible to obtain a signed consent form from participating Customer's that states that the Customer agrees to allow the Company to provide SBEC with Customer specific bill payment information.
13. SBEC must obtain signed documentation from the Customer that certifies that the Customer has been made aware of the Company's limited role in the loan repayment process.
14. SBEC must provide the Company with a toll-free customer service phone number to which the Company will refer Customers who have questions or concerns about their loan. The Company is not responsible for Customer questions and disputes related to PCEF.

(continue to Sheet O-3)

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**SCHEDULE O  
ON-THE-BILL REPAYMENT SERVICES**

15. SBEC must provide evidence to the Company's satisfaction of its compliance with the Federal Trade Commission FACTA Red Flag Identity Theft Prevention Program (16 C.F. R. § 681).
16. The Company may withdraw from this pilot at any time after giving three months written notice to the City of Portland and SBEC. If notice to terminate has not been provided, service under this Tariff will terminate if either of the following are true: 1) City of Portland and, or SBEC have terminated their operating agreement with the Company; or 2) legislation requiring energy utilities to provide on-the-bill repayment services for third party lender(s) and related Oregon Administrative Rules have been adopted.
17. Approval of this tariff shall constitute as verification that the Commission also grants the Company a waiver from (C1) Customer Service and (B1) Billing Service Quality Measures (SQMs) regarding issues that may arise specifically attributed to this Portland Pilot Project.

**GENERAL TERMS**

Service under this Schedule is governed by the terms of this Schedule, The General Rules and Regulations contained in this Tariff and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

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