

**JENNIFER GROSS**

Tariff and Regulatory Compliance  
Tel: 503.226.4211 ext. 3590  
Fax: 503.721.2516  
email: jgg@nwnatural.com



September 19, 2012

**VIA ELECTRONIC FILING**

Public Utility Commission of Oregon  
550 Capitol Street, N.E., Suite 215  
P.O. Box 2148  
Salem, Oregon 97308-2148

Attn: Filing Center

RE: UG-1622, Energy Trust Request Regarding Cost Effectiveness

Northwest Natural Gas Company (“NW Natural” or “Company”), submits this letter in response to Energy Trust’s filings dated, August 2, 2012, wherein they request that certain gas efficiency measures not be subject to cost benefit tests for a two-year period of time. The total resource cost test (“TRC”) and the utility cost test (“UCT”) are a required part of determining a measure’s cost effectiveness per Commission Order No. 94-590; however, this same order allows for specific exceptions. Energy Trust’s request complies with the guidelines for exceptions allowed per this order.

NW Natural supports Energy Trust’s request. The Company is a proponent of energy efficiency and would like the programs to continue. This two-year period will allow Energy Trust time to study their program design and look for potential cost efficiencies. As part of this, Energy Trust and NW Natural could explore ways to increase their partnership in delivering energy efficiency to customers.

The Company further believes that it may be necessary to use this two-year timeframe to seek clarification in the legislature on the degree to which the State believes gas utility customers should invest in energy efficiency. The Company believes there are energy savings opportunities in its service territory but that with low gas prices, achieving ongoing savings will need to either become part of basic utility service, or creative means for encouraging or investing in savings will need to develop.

NW Natural appreciates the opportunity to comment in this docket and looks forward to Energy Trust’s continued delivery of gas efficiency programs.

Sincerely,

*/s/ Jennifer Gross*

Jennifer Gross

cc: Debbie Menashe, Energy Trust of Oregon