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REPORT NAME: RG-31, 2014 Annual Report of Promotional Activities and Concessions

COMPANY NAME: NW Natural

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: RE (Electric) RG (Gas) RW (Water) RO (Other)

Report is required by: OAR 860-026-0035

Statute

Order

Other

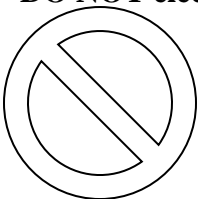
Is this report associated with a specific docket/case? No Yes

If yes, enter docket number: RG-31

List applicable Key Words for this report to facilitate electronic search:

NW Natural, 2014, Promotional Concessions, Promotional Activities, Marketing, Annual Report

DO NOT electronically file with the PUC Filing Center:



- Annual Fee Statement form and payment remittance or
- OUS or RSPF Surcharge form or surcharge remittance or
- Any other Telecommunications Reporting or
- Any daily safety or safety incident reports or
- Accident reports required by ORS 654.715

Please file the above reports according to their individual instructions.

ONITA R. KING
Rates & Regulation
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March 30, 2015

Public Utility Commission of Oregon
3930 Fairview Industrial Drive SE
Post Office Box 1088
Salem, Oregon 97308-1088

Attention: Filing Center

Re: **Docket: RG-31**
2014 Annual Report of Promotional Activities and Concessions

Enclosed please find Northwest Natural Gas Company's, d.b.a. NW Natural ("NW Natural" or "Company"), 2014 Promotional Activities and Concessions Report, filed in compliance with OAR 860-026-0035.

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

eFiling
NW Natural; Rates & Regulatory Affairs
220 NW Second Avenue
Portland, Oregon 97209
Telephone: (503) 226-4211, x3589
eFiling@nwnatural.com

Sincerely,

/s/ Onita R. King

Onita R. King
Rates & Regulation

enclosure



Annual Report of Promotional Activities and Concessions
2014 Actual Expenditures

Program

1. General Merchandise Sales Program. Reference: Sheet 200-2

Expenditures: \$4,634,482.33

Benefits:

Activities under this program are specifically designed to increase the sale of gas appliances within the Company's service territory. The greater saturation of gas appliance usage per customer achieved through gas appliance sales benefits the system by increasing load factor and reducing the Company's cost of providing service.

2. Equipment Sales Promotions. Reference: Sheet 200-3

Expenditures: \$318,558.49

Benefits:

This program is designed to increase overall consumer interest in using natural gas equipment. Building and maintaining dealer interest in marketing gas equipment benefits the system because it serves to increase the saturation of gas appliance usage within the Company's service territory.

3. Cooperative Advertising Program. Reference: Sheet 200-4

Expenditures: \$ 0

Benefits:

Cooperative advertising serves to double the potential sales impact of every dollar spent to advertise in the space and water heating markets. Benefits of cooperative advertising to the system are the resulting minimization of potential customer losses to competing fuels, and the achievement of a healthy and diverse market of wholesale and retail gas appliance dealers, all of whom provide valuable sales and maintenance services to gas customers and the public generally.

The Company did not make any promotional offers in this category during 2014.

4. Showcase Developments. Reference: Sheet 200-5

Expenditures: \$36,775.60

Benefits:

The Company's participation in new home developments serves to educate the building trades and the general public concerning the use of high efficiency natural gas equipment in the new home construction market. The system benefits from such participation because potential customer losses to competing fuels are minimized and greater saturation of natural gas appliances is achieved, both of which result in a lower cost to the Company of providing service.

5. Natural Gas Vehicle Program. Reference: Sheet 200-6

Expenditures: \$ 0

Benefits:

This program is designed to encourage the purchase and use of natural gas in motor vehicles. Natural gas use in motor vehicles within the Company's service territory benefits the system by increasing natural gas usage, which reduces the company's cost of gas to all ratepayers.

The Company did not make any promotional offers in this category during 2014.

6. Equipment Financing Program. Reference: Sheet 200-7

Expenditures: \$ 0

Benefits:

Activities under this program are specifically designed to increase the sale of gas appliances within the Company's service territory. The greater saturation of gas appliance usage per customer achieved through gas appliance sales benefits the system by increasing load factor and reducing the Company's cost of providing service.

The Company did not make any promotional offers in this category during 2014.

7. Company offered Products and Services. Reference: Sheet 200-8

Expenditures: \$305,877.95

Benefits:

Activities under this program are specifically designed to increase enrollment in programs such as Smart Energy™, Paperless Billing, Equal Pay and Auto Pay.