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March 5, 2012

***VIA ELECTRONIC FILING***

Public Utility Commission of Oregon  
550 Capitol Street, NE, Suite 215  
Post Office Box 2148  
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Attn: Filing Center

RE: UM 1158, Performance Metrics for Energy Trust

NW Natural thanks Staff for the opportunity to provide comments in UM 1158, Energy Trust Performance Metrics.

NW Natural participated in the February 7, 2011 workshop where parties discussed updating the performance metrics last established for Energy Trust of Oregon in Order No. 08-529, issued November 4, 2008. The conversation regarding performance metrics and how they would be updated as presented in Staff's draft order has undergone significant change since parties last discussed issues in this docket over a year ago. As a result of the changes, the Company has the following concerns and questions:

- NW Natural is not clear that ratcheting down the levelized cost for gas measures in 2012 is useful in order to manage Energy Trust's performance. Gas costs are low. Coupled with the high efficiency of gas appliances, more traditional gas measures are on the margin of cost effective, if not over. Doesn't reducing the levelized cost per measure further reduce the potential savings available in a fledging gas DSM market?
- The performance metrics include the requirement that Energy Trust must demonstrate reasonable rates of customer satisfaction. Will the analysis of customer satisfaction continue to be limited to the results of Fast Feedback surveys? As noted in the Company's comments filed March 15, 2011, the Company appreciates the usefulness of the Fast Feedback survey as a diagnostic tool used for identifying areas needing improvement, but since the survey is only given to customers who have completed an Energy Trust program, exclusively using these surveys when reporting on customer

satisfaction is limiting. Since the Energy Trust has been a presence in the community for quite some time, shouldn't they begin understanding the perspective of both program participants and non-participants?

- The Company continues to have concerns with the metric related to administrative costs. At the February 7, 2011 workshop, parties learned that the definition of administrative costs applied to this metric<sup>1</sup> was meaningful to the Legislature as it compared the administrative costs of Energy Trust with governmental agencies. At the same time, the definition of administrative costs that Energy Trust of Oregon provided to parties to explain the costs they reported for this metric was different, specifically less inclusive. The Company stated in its comments previously filed in this docket that, "NW Natural acknowledges that parties may readily agree that the metric as understood by the Energy Trust serves the function of providing a comparable percentage of administrative costs among other government agencies. However, this function is outside of the Public Utility Commission's and the utilities' interests, and, therefore, it may be more useful for parties to create an additional metric that defines annual administrative costs as they would be reviewed for a utility administered program." NW Natural is unclear on whether or not it be appropriate to exclude all costs for program management, payroll, call center, and outsourcing services from the computation of administrative costs of a utility delivered program.
- Again, when parties last discussed issues related to this docket, Staff was interested in developing mechanisms that would be applied annually to update the performance metrics without process. Under Staff's current proposal for annually updating these performance metrics, will parties be invited to collaborate in the process through workshops?

NW Natural again thanks Staff for the opportunity to ask the questions that it has in this docket.

Thank you.

*/s/ Jennifer Gross*

Jennifer Gross  
Tariff and Regulatory Compliance

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<sup>1</sup> Administrative Costs are defined as, "For the purposes of these performance measures, program support costs are defined as all program costs except the following accounts: program management, program incentive, program payroll and related expenses, call center, and program outsource services." The definition of "administrative costs" is found in Footnote 2 of page 8 of Appendix A to Order No. 08-529, issued November 4, 2008 in UM 1158, and is restated in Juliet Johnson's draft memo for 2012).



CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing COMMENTS OF NW NATURAL GAS in Docket No. UM 1158 upon each party listed below by electronic mail.

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DATED this 5th day of March

Respectfully submitted,

NW NATURAL

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