

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 27, 2006**

REGULAR _____ CONSENT X EFFECTIVE DATE June 28, 2006

DATE: June 14, 2006

TO: Public Utility Commission

FROM: Lynn Kittilson

THROUGH: Lee Sparling, Ed Busch and Bonnie Tatom

SUBJECT: NORTHWEST NATURAL: (Advice No. 06-8) Revises Schedule 320, Oregon Low-Income Energy Efficiency Program (OLIEE).

STAFF RECOMMENDATION:

I recommend the Commission allow the tariff revisions proposed in Northwest Natural Gas Company's (NW Natural or company) Advice No. 06-8 to become effective on June 28, 2006.

DISCUSSION:

On May 25, 2006, NW Natural filed tariff revisions in Advice No. 06-8 that propose minor modifications to Schedule 320, Oregon Low-Income Energy Efficiency (OLIEE) Programs. On May 26, 2006, the company submitted a replacement filing that changed the effective date of the filing from June 27, 2006 to June 28, 2006.

NW Natural's Schedule 320 describes the two low-income energy efficiency programs funded through public purpose charges that have been approved by the Commission: the Community Action Program (CAP) and the Open Solicitation Program (OSP). The company's Advice No. 06-8 proposes the following two program modifications to the tariff schedule:

1. The addition of a new table under the Measure Incentives section (Table 2) on Sheet 320-3 that sets forth the company's approved avoided cost per therm saved for each applicable measure life. Table 2 is applicable only to projects proposed under the OSP. The table will be used to evaluate the cost effectiveness of new construction and rehabilitation projects or measures that are included in a project proposal that are not included in the standard measure incentives provided in Table 1.

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2. Revision of the OSP description to include the availability and applicability of Table 1 and Table 2 to project proposals.

I have reviewed the OLIEE program revisions proposed in NW Natural Advice No. 06-8 and believe they are reasonable. I recommend that the Commission allow the filing to go into effect on June 28, 2006.

PROPOSED COMMISSION MOTION:

The Commission allow the tariff revisions proposed in NW Natural's Advice No. 06-8 to go into effect on June 28, 2006.