

Rates and Regulatory Affairs
Facsimile: 503.721.2532



August 12, 2005

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
ATTN: Filing Center
550 Capitol Street NE, Suite 215
Post Office Box 2148
Salem, Oregon 97308-2148

RE: Supplemental Filing of Replacement Page to NW Natural's Stipulation in
OPUC Docket No. UG 163

To Whom It May Concern:

Pursuant to a conversation with Judge Logan this morning, please find enclosed a replacement page three to NW Natural's Stipulation filed on August 5, 2005, OPUC tracking number 1077 (the "Stipulation"). The enclosed deletes "Schedule 300 (Oregon Low-Income Gas Assistance)", and, "300," set forth in Paragraph 12, lines 2-3 and 7, respectively. An original and five copies of the replacement page to the Stipulation will be mailed today. An electronic copy of this supplemental filing will also be served on all parties listed on the attached certificate of service.

Thank you for your assistance in this matter. If you have any questions, please contact Kelley C. Miller at (503) 226-4211, extension 3589.

Sincerely,



C. Alex Miller
Director, Regulatory Affairs & Forecasting

Enclosures

cc: Service List

AGREEMENT

8. The Parties agree that the proposed tariff revisions submitted by NW Natural in its May 27, 2005 compliance filing fulfill the terms prescribed in Judge Logan's May 20, 2005 Prehearing Conference Report, and recommend that these tariffs be approved by the Commission and remain in effect until the conclusion of this proceeding.

9. The Parties agree that the DMN tariff, Schedule 190, should be extended for four (4) years, through September 30, 2009. Extending the DMN tariff for this period would allow the tariff to be analyzed alongside the Company's weather-adjusted rate mechanism ("WARM"), which will be in place through September 30, 2008, in accordance with the terms of the Stipulation approved by the Commission in Docket UG 152. (Order No. 03-507, Appendix C) Extending DMN for one additional year beyond the current sunset date for WARM (for a total of four years) ensures that any delays in analyzing and potentially extending WARM do not impact DMN. The Parties further agree that Schedule 190, as so extended, should be modified in accordance with paragraph 10 below.

10. The Parties agree that the DMN tariff, Schedule 190, to be extended pursuant to paragraph 9 above should be modified to revise to 100% the 90% factor that is currently applied to deferral adjustments.

11. The Parties agree that the proposed Schedule 190 included as NWN Exhibit 101 implements paragraphs 9 and 10 of this Stipulation, and should be approved by the Commission to become effective at the conclusion of this proceeding. This proposed tariff is included as Attachment 1 to this Stipulation.

12. The Parties agree that so long as the Company's DMN tariff, Schedule 190, remains in effect, the Parties will not seek termination of the Company's Schedule 301 (Public Purposes Funding Surcharge), Schedule 310 (Oregon Low-Income Gas Assistance, or "OLGA"), and Schedule 320 (Oregon Low-Income Energy Efficiency Program). Nothing in this paragraph shall preclude the Company from making tariff revisions directed by the Commission or making routine tariff revisions to Schedules 301, 310, and 320 after consultation with the Parties, prior to September 30, 2009.

13. Industrial customers served on Schedules 3, 31 and 32 and industrial customers under special contracts will not be charged for any of the gas-related programs listed in paragraph #12. Correspondingly, these customers will not be eligible for Energy Trust Funding for natural gas related conservation and efficiency programs. The parties agree to work in good faith to monitor and police this provision.

14. The Company will work with representatives from CADO, OECA and other interested parties to establish an advisory group for the Oregon Low-Income Gas Assistance ("OLGA") program. This advisory group shall meet on a quarterly basis for the purpose of facilitating communications and providing advice regarding the administration of the OLGA program. The first meeting of this advisory group shall occur no later than October 1, 2005.



CERTIFICATE OF SERVICE

I hereby certify that on the 12th day of August, 2005, I served the foregoing Supplemental Filing of Replacement Page to NW Natural's Stipulation in OPUC Docket No. UG 163 upon all parties on the service list in this docket via electronic mail.

/s/ Kelley C. Miller
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OPUC DOCKET NO. UG 163
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