

Rates and Regulatory Affairs
Facsimile: 503.721.2532



September 12, 2005

NWN Advice No. OPUC 05-9A

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: Replacement Filing: Purchased Gas Cost and Technical Rate
Adjustments (LSN Application Enclosed)**

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the “Company”), files herewith the revisions and additions to its Tariff, P.U.C. Or. 24, included in the Tariffs section of this filing, and stated to become effective with service on and after October 1, 2005. A request for approval on less than statutory notice is enclosed.

The Company hereby withdraws, in its entirety, NWN Advice No. OPUC 05-9 issued August 15, 2005, including all supporting exhibits and workpapers.

Introduction and Summary

The first purpose of this filing is to (a) revise rates for the effects of changes in purchased gas costs (see Schedule 164 and Schedule P); (b) revise rates for the further effect of removing temporary rate adjustments incorporated into rates effective October 1, 2004; and (c) apply new temporary rate adjustments for inclusion in rates effective October 1, 2005 (see Schedule 162). The Company revises rates for these purposes annually; its last filing was effective October 1, 2004.

The second purpose of this filing is to make temporary adjustments to base rates for (a) the costs associated with the Company’s safety programs for bare steel and geo-hazard risk mitigation and for the pipeline Integrity Management Program (see Schedule 177); and (b) NW Natural’s first year share of the construction contribution for the Coos County distribution system pursuant to OPUC Order No. 04-702.

The third purpose of this filing is to make permanent adjustments to base rates for (a) the costs associated with the South Mist Pipeline Extension Project (see Schedule 176); (b) the revenue requirement associated with the construction of the Coos County distribution system pursuant to OPUC Order No. 04-702; (c) Price Elasticity effects of the rate increase reflected in this filing (see Schedule 163); and (d) the effect of removing the Y2K increment placed into permanent rates in December 1999.

The fourth purpose of this filing is to request a waiver of OAR 860-021-035(2004), to the extent such rule is applicable, for the application of the amortization of the balance in the deferral account for the partial decoupling mechanism (Schedule 190), which includes the effects of a correction for Albany weather data that was also used in the calculation of adjustments to customer bills under the Company's Weather Adjustment Rate Mechanism (WARM) from November 15, 2003 to and including June 30, 2004. The Company issued corrected bills to Albany customers for the effect of the corrected weather data on the WARM calculations with May and June billings.

If the effects of the temporary rate increments were permanent, the result of all components of the rate changes would be an increase in the Company's revenues from its Oregon operations of about \$139,345,000 or about 16.9%.

The average residential Schedule 2 bill will increase by 15.2%; the commercial Schedule 3 bill will increase by 16.6%; the Schedule 31 commercial bill will increase by 18.5%; and the bill for the average Schedule 32 industrial firm sales customer will increase by 22.3%.

The monthly bill of the average residential customer served under Schedule 2 using 59.2 therms per month will increase by \$10.89. The monthly increase for the average commercial Schedule 3 customer using 229 therms is \$40.21.

See Exhibits 1 and 2 of this filing for materials in support of the application of all adjustments to the applicable rate schedules. The PGA Summary Sheet requested by OPUC Staff is included as Exhibit A to this filing.

Additional details about this combined filing are described below.

I. Purchased Gas Cost Adjustment (PGA)

This portion of the filing will pass through (1) changes in the cost of gas purchased by the Company from its natural gas suppliers, including the costs of purchasing financial derivative products to limit customers' exposure to gas cost

volatility, and (2) changes in the cost of pipeline and storage capacity under contract with the Company's pipeline transporters.

This filing applies the methods for calculating the proposed Weighted Average Cost of Gas ("WACOG") that are set forth in Commission Order No. 05-852, entered July 14, 2005, in Docket UG 73.

This filing also applies the methods for treatment of storage inventory gas and WACOG calculations agreed to between the Staff and the Company in August 2001, as described in more detail in the Company's PGA filing dated August 14, 2001, NWN Advice No. OPUC 01-18.

The effect of the PGA portion of this filing is to increase the Company's annual revenues by about \$131,820,355. The proposed WACOG is \$0.73491 per therm. The proposed firm service pipeline capacity cost is \$0.09466 per therm, and the proposed interruptible service pipeline capacity cost is \$0.01126. The net effect of these purchased gas adjustments in this filing is an increase of \$0.16655 cents per therm for firm sales rate schedules and an increase of \$0.19018 cents per therm for interruptible sales rate schedules.

Also in this portion of the filing, changes were made in the way certain Canadian pipeline demand charges are handled. In prior years, Duke Energy's Westcoast Pipeline demand charges were embedded in the commodity price of gas as received at Sumas. The Company's British Columbia gas suppliers would inform the Company as to what the specific demand component was on a cent per therm basis. The Company would then calculate this cent per therm component represented in total demand dollars, and would add this amount to the total of all pipeline demand charges. The cent per therm figure upon which this calculation was based would then be removed from the per therm commodity charge for all British Columbia ("BC") gas. In recent years, the long-term contracts with these BC suppliers ended, and the Company has begun to directly purchase capacity on the Westcoast Pipeline system. Because of this, the Company is now able to directly calculate T-South demand charges for moving gas from Station 2 to Sumas on the Westcoast system. These charges are not embedded in commodity, but are paid directly by the Company, and have been incorporated into rates in a manner compatible with procedures detailed in the OPUC Order No. 05-852.

The effect of the change in demand charge calculation is a reduction in total demand charges of about \$17 million. This reduction results because a significant set of charges that were formerly treated as demand charges are now being treated as commodity costs. These charges, which include gathering fees, gas processing charges, liquids charges and credits, and the cost of moving the processed gas to Station 2 (called T-North on the Westcoast system), are embedded in the commodity rate as delivered to Station 2. Because some of these charges vary with gas quality and location, specifically gathering, processing, and liquids charges, they are difficult to measure in advance. Thus, though the rates charged

are tariffed, they would be speculative to predict, and the associated costs which are embedded in the commodity remain embedded.

Materials in support of this portion of the filing are attached at Exhibit 1.

If there are changes in the Company's gas supply costs or costs associated with pipeline services and charges from the levels used to develop the purchased gas adjustments included in this filing, then the Company will reflect such changes to Oregon gas customers in a manner approved by the Commission.

II. Temporary Rate Adjustments

This portion of the filing makes a number of periodic temporary technical adjustments to rates in order to amortize credit or debit balances in its revenue and gas cost balancing accounts and certain other Federal Energy Regulatory Commission (FERC) approved deferred accounts (Accounts 186 and 191, respectively). These adjustments are shown in the Supporting Materials as the application of new temporary rate adjustments.

This portion of the filing is in compliance with ORS 757.259(2003), which authorizes deferred utility expenses or revenues to be allowed (amortized) in rates to the extent authorized by the Commission in a proceeding to change rates. All of the deferrals included in this filing occurred with appropriate application for Commission authorization, as rate orders or under approved tariffs.

This filing does not require a review of earnings because the Company has adopted a 1/3 sharing option for purchased gas and related costs. For the purpose of recovering "other" deferred balances as outlined in ORS 757.259, the required earnings review covering the period(s) during which the deferrals in this filing occurred was performed with Staff's adoption of the 2005 Earnings Review. Page 25 of Exhibit 2 shows the total proposed average change being applied to billing rates as an increase of \$11.8 million, which is below the current three percent limit of \$21 million.

The net effect of this portion of the filing is to increase the Company's annual revenues by \$404,684; the effect of removing the temporary adjustments placed into rates October 1, 2004 is \$11,427,674; and the effect of applying the new temporary rate adjustments is \$11,832,359.

Materials in support of this portion of the filing are attached at Exhibit 2.

III. Base Rate Adjustments

The effect of this portion of the filing is to increase the Company's annual revenues by \$7,119,625.

This portion of the filing makes a number of temporary and permanent adjustments to customer rates as follows:

Bare Steel/Geohazard. This filing applies temporary adjustments to permanent rates that relate to the Bare Steel/Geohazard programs, pursuant to a Stipulation and Agreement adopted by the Commission, as described in Schedule 177.

Integrity Management Program. This filing applies temporary adjustments to permanent rates that relate to the Integrity Management Program, pursuant to Commission Order 04-390.

Price Elasticity. This filing applies the permanent effects of the price elasticity adjustment pursuant to a Stipulation and Agreement adopted by the Commission in Docket UG 143 as described in Schedule 163.

South Mist Pipeline Expansion (SMPE). This filing applies the permanent effects of the true-up of the cost of service amounts related to investment amounts and deferred tax treatment for the South Mist Expansion Project, pursuant to OPUC Order in Docket UG 152.

Y2K. This filing removes the permanent effects of the Y2K increments that were placed into rates effective December 1, 1999.

IV. Request for Waiver of OAR 860-021-0135(2004).

This filing includes the application of the amortization of the balance in the deferral account for the partial decoupling mechanism set forth in Schedule 190. The balance in this account reflects the effects on all customers of a correction for Albany weather data between November 15, 2003 to and including June 30, 2004. Because this is a deferral account, the correction for the Albany weather data error is automatically captured by adjusting the balance in the deferral account. As such, the effect of the data correction is reflected in the application of the new temporary adjustment proposed to be amortized into rates effective with this filing.

This weather data was also used in the calculation of adjustments to customer bills under the Company's Weather Adjustment Rate Mechanism (WARM). The correction for the effect on bills issued under the WARM program was shown on May and June billings.

In the event that the Commission determines that the correction of the Albany weather data in the Schedule 190 deferral account for the period November 15, 2003 to and including June 30, 2004 constitutes a billing adjustment as set forth in OAR 860-021-0135(2004), the Company respectfully requests a waiver of OAR 860-021-035(2004), and requests that the correction be allowed to occur in the manner described herein.

The Schedule 190 tariff sheets proposed in this filing set forth changes to the tariff sheets the parties in UG 163 agreed upon in a stipulation filed with the Commission on August 5, 2005 (the "Stipulation"). Since all of the parties to the proceeding signed onto the Stipulation or stated they would not contest it, the Company assumes the Commission will approve the Stipulation and issue an order requiring a compliance filing prior to the effective date of this filing. In such event, the Company respectfully requests that the Fifth revision of Sheet 190-1, the Third revision of Sheet 190-2, and the First revision of Sheet 190-3, as filed herewith, be considered said compliance filing. In the event that the Commission order in Docket UG 163 is not issued prior to the effective date of the tariff changes proposed herein, the Company will submit revised Schedule 190 tariff sheets accordingly.

The Company requests that the tariff sheets filed herewith be permitted to become effective with service on and after October 1, 2005.

Copies of this letter and the filing made herewith are available in the Company's main and district offices in Oregon.

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

Kelley C. Miller
Staff Assistant
Rates & Regulatory Affairs
220 NW Second Avenue
Portland, Oregon 97209
Telecopier: (503) 721-2532
Telephone: (503) 226-4211, ext. 3589

C. Alex Miller
Director
Regulatory Affairs & Forecasting
220 NW Second Avenue
Portland, Oregon 97209
Telecopier (503) 721-2532
Telephone (503) 721-2487

Sincerely,

NW NATURAL

/s/ Onita King

Onita R. King, Manager
Tariffs and Regulatory Compliance

Attachments: Tariffs
Exhibit A
Exhibits 1 and 2

BEFORE THE PUBLIC COMMISSION OF OREGON

550 CAPITOL ST NE

SALEM, OR 97310-1380

IN THE MATTER OF THE APPLICATION OF) UTILITY L.S.N. APPLICATION
NW NATURAL)
) NO. _____
TO WAIVE STATUTORY NOTICE.)

NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT

1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE(S) ADDITION, DELETION OF CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)

This filing revises rates for effects of purchased gas cost changes, the removal of old temporary adjustments to rates and the application of new temporary adjustments to rates, and for temporary and permanent adjustments to base rates for Coos Bay, Safety Programs, and other items described in NWN Advice No. OPUC 05-9A.

2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

P.U.C. Or. 24: 2nd Rev. of Sheet v, Original Sheet P-1, Original Sheet P-2, Original Sheet P-3, 3rd Rev. of Sheet P-4 and 2nd Rev. of Sheet P-5, 3rd Rev. of Sheet 1-1, 3rd Rev. of Sheet 2-1, 4th Rev. of Sheet 3-2, 2nd Rev. of Sheet 19-1, 4th Rev. of Sheet 31-2, 3rd Rev. of Sheet 31-3, 5th Rev. of Sheet 32-2, 3rd Rev. of Sheet 32-3, 2nd Rev. of Sheet 33-2, 3rd Rev. of Sheet 54-1, 2nd Rev. of Sheet 162-1, 2nd Rev. of Sheet 162-2, 3rd Rev. of Sheet 163-1, 2nd Rev. of Sheet 164-1, 2nd Rev. of Sheet 176-1, 3rd Rev. of Sheet 177-2, 1st Rev. of Sheet 177-3, Original Sheet 177-4, 4th Rev. of Sheet 190-1, 2nd Rev. of Sheet 190-2, Original Sheet 190-3, 2nd Rev. of Sheet 195-3, Original Sheet 195-4, Original Sheet 195-5, Original Sheet 199-1, Original Sheet 199-2.

3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

P.U.C. Or. 24: 3rd Rev. of Sheet v, 1st Rev. of Sheet P-1, 1st Rev. of Sheet P-2, 1st Rev. of Sheet P-3, 4th Rev. of Sheet P-4, 4th Rev. of Sheet 1-1, 4th Rev. of Sheet 2-1, 5th Rev. of Sheet 3-2, 3rd Rev. of Sheet 19-1, 5th Rev. of Sheet 31-2, 4th Rev. of Sheet 31-3, 6th Rev. of Sheet 32-2, 4th Rev. of Sheet 32-3, 3rd Rev. of Sheet 33-2, 4th Rev. of Sheet 54-1, 3rd Rev. of Sheet 162-1, 3rd Rev. of Sheet 162-2, 4th Rev. of Sheet 163-1, 3rd Rev. of Sheet 164-1, 3rd Rev. of Sheet 176-1, 4th Rev. of Sheet 177-2, 2nd Rev. of Sheet 177-3, 1st Rev. of Sheet 177-4, 5th Rev. of Sheet 190-1, 3rd Rev. of Sheet 190-2, 1st Rev. of Sheet 190-3, 3rd Rev. of Sheet 195-3, 1st Rev. of Sheet 195-4, 1st Rev. of Sheet 195-5, 1st Rev. of Sheet 199-1, 1st Rev. of Sheet 199-2.

4. REASONS FOR REQUESTING A WAIVER OF STATUTORY NOTICE:

A waiver of less than statutory notice is requested to ensure that the rate revisions filed herewith become effective on October 1, 2005, as requested by the company's advice filing, NWN advice No. OPUC-05-9A dated September 12, 2005.

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGES(S) October 1, 2005

Table with 3 columns: AUTHORIZED SIGNATURE, TITLE, DATE. Row 1: /s/ Onita King, Manager, Tariffs & Regulatory Compliance, 9/12/05

PUC USE ONLY
APPROVED DENIED EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE

AUTHORIZED SIGNATURE: DATE

TABLE OF TARIFF SHEET REVISIONS
 PROPOSED TO BECOME EFFECTIVE OCTOBER 1, 2005

PROPOSED REVISION	CANCELS REVISION	SCHEDULE TITLE
Third Revision of Sheet v	Second Revision of Sheet v	Tariff Index
First Revision of Sheet P-1	Original Sheet P-1	Schedule P "Purchased Gas Cost Adjustments and Weighted Average Cost of Gas"
First Revision of Sheet P-2	Original Sheet P-2	
First Revision of Sheet P-3	Original Sheet P-3	
Fourth Revision of Sheet P-4	Third Revision of Sheet P-4 and Second Revision of Sheet P-5	
Fourth Revision of Sheet 1-1	Third Revision of Sheet 1-1	Schedule 1 "General Sales Service"
Fourth Revision of Sheet 2-1	Third Revision of Sheet 2-1	Schedule 2 "Residential Sales Service"
Fifth Revision of Sheet 3-2	Fourth Revision of Sheet 3-2	Schedule 3 "Basic Firm Sales and Transportation Service Non-Residential"
Third Revision of Sheet 19-1	Second Revision of Sheet 19-1	Schedule 19 "Gas Light Service"
Fifth Revision of Sheet 31-2	Fourth Revision of Sheet 31-2	Schedule 31 "Non-Residential Sales and Transportation Service"
Fourth Revision of Sheet 31-3	Third Revision of Sheet 31-3	
Sixth Revision of Sheet 32-2	Fifth Revision of Sheet 32-2	Schedule 32 "Large Volume Non-Residential Sales and Transportation Service"
Fourth Revision of Sheet 32-3	Third Revision of Sheet 32-3	
Third Revision of Sheet 33-2	Second Revision of Sheet 33-2	Schedule 33 "High-Volume Non-Residential Firm and Interruptible Transportation Service"
Fourth Revision of Sheet 54-1	Third Revision of Sheet 54-1	Schedule 54 "Emergency Sales Service"
Third Revision of Sheet 162-1	Second Revision of Sheet 162-1	Schedule 162 "Temporary (Technical) Adjustments to Rates"
Third Revision of Sheet 162-2	Second Revision of Sheet 162-2	
Fourth Revision of Sheet 163-1	Third Revision of Sheet 163-1	Schedule 163 "Special Adjustment to Rates Price Elasticity"

PROPOSED REVISION	CANCELS REVISION	SCHEDULE TITLE
Third Revision of Sheet 164-1	Second Revision of Sheet 164-1	Schedule 164 "Purchased Gas Cost Adjustment to Rates"
Third Revision of Sheet 176-1	Second Revision of Sheet 176-1	Schedule 176 "Adjustments to Rates for Costs Relating to South Mist Storage Expansion Project"
Fourth Revision of Sheet 177-2	Third Revision of Sheet 177-2	Schedule 177 "Adjustments to Rates for Safety Programs"
Second Revision of Sheet 177-3	First Revision of Sheet 177-3	
First Revision of Sheet 177-4	Original Sheet 177-4	
Fifth Revision of Sheet 190-1	Fourth Revision of Sheet 190-1	Schedule 190 "Partial Decoupling Mechanism"
Third Revision of Sheet 190-2	Second Revision of Sheet 190-2	
First Revision of Sheet 190-3	Original Sheet 190-3	
Third Revision of Sheet 195-3	Second Revision of Sheet 195-3	Schedule 195 "Weather Adjusted Rate Mechanism (WARM Program)"
First Revision of Sheet 195-4	Original Sheet 195-4	
First Revision of Sheet 195-5	Original Sheet 195-5	
First Revision of Sheet 199-1	Original Sheet 199-1	Schedule 199 "Special Rate Adjustment (UM 1148/UP 205)"
First Revision of Sheet 199-2	Original Sheet 199-2	

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Third Revision of Sheet v
Cancels Second Revision of Sheet v

TARIFF INDEX

(continued)

SHEET

ADJUSTMENT SCHEDULES

Schedule 100: Summary of Adjustments	100-1...100-2	
Schedule 160: Revision of Charges for Coos County Customers	160-1	
Schedule 162: Temporary (Technical) Adjustments to Rates	162-1...162-2	
Schedule 163: Special Adjustment to Rates – Price Elasticity	163-1	
Schedule 164: Purchased Gas Cost Adjustments to Rates	164-1	
Schedule 167: General Adjustments to Rates	167-1	
Schedule 176: Adjustments to Rates for Costs Relating to Mist Storage Expansion Project	176-1...176-2	
Schedule 177: Adjustments to Rates for Safety Programs	177-1...177-4	
Schedule 185: Special Annual Interstate Storage and Transportation Credit	185-1	
Schedule 186: Special Annual Core Storage and Pipeline Capacity Optimization Credit	186-1	
Schedule 190: Partial Decoupling Mechanism	190-1...190-3	
Schedule 195: Weather-Adjusted Rate Mechanism	195-1...195-6	
Schedule 199: Special Rate Adjustment (UM 1148)	199-1...199-2	(T)

PROMOTIONAL CONCESSIONS

Schedule 200: Promotional Concessions Index	200-1	
General Merchandise Sales Program (Appliance Center)	200-2	
Equipment Sales Promotions	200-3	
Cooperative Advertising Program	200-4	
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Natural Gas Vehicle Program	200-6	
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PUBLIC PURPOSES SCHEDULES

Schedule 301: Public Purposes Funding Surcharge	301-1...301-2	
Schedule 310: Oregon Low-Income Gas Assistance (OLGA)	310-1...310-2	
Schedule 320: Oregon Low-Income Energy Efficiency Program (OLIEE)	320-1...320-4	
Schedule 350: Energy Efficiency Services and Programs – Residential and Commercial	350-1...350-2	

Issued September 12, 2005
NWN Advice No. OPUC 05-9A

Effective with service on
and after October 1, 2005

Issued by: **NORTHWEST NATURAL GAS COMPANY**

d.b.a. NW Natural

220 N.W. Second Avenue

Portland, Oregon 97209-3991

**SCHEDULE P
PURCHASED GAS COST ADJUSTMENTS**

(C)

PURPOSE:

(C)

The purpose of this Schedule is to:

- (a) Define procedures for periodic revisions in rates due to changes in the Company's Purchased Gas Costs;
- (b) Define Purchased Gas Costs and related terms, and Weighted Average Cost of Gas (WACOG); and
- (c) Define procedures for the deferral of differences experienced between the Company's actual Purchased Gas Costs and Purchased Gas Costs incorporated in the rates and charges specified in the Rate Schedules of this Tariff.

(C)

This Schedule is an "automatic adjustment clause" as defined in *ORS 757.210(2003)*, and is subject to review by the Commission at least once every two (2) years.

(D)

APPLICABLE:

(M)

To the following Rate Schedules of this Tariff:

Schedule 1	Schedule 3	Schedule 31	Schedule 33
Schedule 2	Schedule 19	Schedule 32	Schedule 54

Charges under the applicable Rate Schedules are subject to increases or decreases, which may be made without prior hearing, to reflect increases or decreases, or both, in Purchased Gas Costs. Such adjustments, if any, may be shown in **SCHEDULE 164**, or may be incorporated directly in the applicable Rate Schedules.

FILING AND EFFECTIVE DATE:

On or before August 15 of each calendar year, the Company shall file adjustments to its Purchased Gas Costs to be effective on October 1. At the same time, the Company shall file annual temporary rate adjustments for the amortization of balances in the PGA Account.

The Company may file for changes at times other than stated in the above schedule, if the Company's Weighted Average Cost of Gas (WACOG) changes by ten percent (10%) or more, or for such other reasons and on such terms as the Commission may approve.

(M)

GENERAL TERMS:

Service under this Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this Tariff and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

(continue to Sheet P-2)

Issued September 12, 2005
NWN Advice No. OPUC 05-9A

Effective with service on
and after October 1, 2005

**SCHEDULE P
PURCHASED GAS COST ADJUSTMENTS
(continued)**

(C)

DEFINITIONS

(N)

Actual Fixed Charge Collections. Actual fixed charges collected, calculated by multiplying monthly Sales Service volumes by the Embedded Non-Commodity Costs of Gas, and added to Rate Schedules 31, 32 and 33 capacity charges recovered on an MDDV basis, net of revenue sensitive effects.

Adjusted Contract Prices. Contract prices that are adjusted by each associated Canadian pipeline's published (closest to August 1) fuel-in-kind and line loss amount provided for by tariff, and by each associated U.S. pipeline's tariffed rate.

Annual Sales WACOG. Also called "Commodity", is used in the calculation of Sales Service billing rates for the applicable Rate Schedules.

(N)

Commodity Cost of Gas. All known and measurable costs, fixed or variable, associated with the Company's acquisition of gas supply from producers and marketers at Adjusted Contract Prices. The commodity cost of gas includes the cost of all gas purchased by the company, any reservation charges paid to various gas suppliers, the variable costs charged by natural gas pipelines to move purchased commodity gas to the Company's gas distribution system, the cost of gas withdrawn from storage facilities, including any variable costs associated with adding, withdrawing and moving storage gas into the Company's distribution system, the appropriate capacity release credits, and the costs associated with the Company's Distribution System Unaccounted for Gas.

(M)(C)

(M)(C)

Distribution System Unaccounted for Gas. The Company's 5-year average of actual unaccounted for gas, not to exceed 2%, calculated in accordance with Commission Order No. 05-852.

(N)

Embedded Commodity Cost of Gas. The Weighted Average Cost of Gas (WACOG) included in rates for the applicable Rate Schedules.

Embedded Non-Commodity Cost of Gas. The Non-Commodity Costs of Gas included in rates for the applicable Rate Schedules.

Financial Instrument Costs. Costs relating to derivative financial instruments such as commodity swaps or commodity caps purchased as hedging mechanisms to mitigate volatility in the company's gas Purchased Gas Costs.

(N)

Non-Commodity Costs of Gas. Non-commodity costs of gas consist of pipeline capacity charges and storage capacity charges. These are fixed charges, also referred to as demand charges, which are paid to secure the right to a given amount of daily and annual capacity on pipelines and non-company owned storage facilities.

(M)(C)

(M)(C)

(continue to Sheet P-3)

Issued September 12, 2005
NWN Advice No. OPUC 05-9A

Effective with service on
and after October 1, 2005

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

First Revision of Sheet P-3
Cancels Original Sheet P-3

SCHEDULE P PURCHASED GAS COST ADJUSTMENTS (continued)

DEFINITIONS (continued)

Normalized Purchases. Actual gas sales for the most recent 12-months ended June, Weather Normalized, plus a percentage for Distribution System Unaccounted for Gas.

Pipeline Capacity Charges. The Non-Commodity Costs of Gas divided by Sales Service volumes.

Purchased Gas Costs. The total of the Company's Commodity Cost of Gas, Non-Commodity Costs of Gas, and Financial Instrument Costs.

Seasonalized Fixed Charges. The projected monthly Non-Commodity Costs of Gas recovery, calculated by multiplying the Embedded Non-Commodity Costs of Gas by Oregon normalized sales.

Weather Normalized. Volumes adjusted to reflect normal weather using the normalizing assumptions established with the Company's general rate case.

Weighted Average Cost of Gas (WACOG). The Company's weighted average Commodity Cost of Gas, calculated as [Normalized Purchases @ Adjusted Contract Prices] divided by actual sales, weather normalized]. The monthly purchases WACOG is used for PGA Account calculations.

The monthly purchases and Annual Sales WACOG effective October 1, 2005 are:

	WACOG	Revenue-Sensitive*	Adjusted WACOG
Annual Sales WACOG (per therm):	\$0.71395	\$0.02096	\$0.73491

Monthly Purchases WACOG (per therm)			
October 2005	\$0.61614	\$0.01809	\$0.63423
November	\$0.74991	\$0.02202	\$0.77193
December	\$0.75328	\$0.02211	\$0.77539
January 2006	\$0.72952	\$0.02142	\$0.75094
February	\$0.69778	\$0.02048	\$0.71826
March	\$0.72561	\$0.02130	\$0.74691
April	\$0.70925	\$0.02082	\$0.73007
May	\$0.68786	\$0.02019	\$0.70805
June	\$0.67243	\$0.01974	\$0.69217
July	\$0.67215	\$0.01973	\$0.69188
August	\$0.67362	\$0.01978	\$0.69340
September	\$0.67258	\$0.01975	\$0.69233

* Revenue-sensitive effects on WACOG at 2.852%.

(continue to Sheet P-4)

Issued September 12, 2005
NWN Advice No. OPUC 05-9A

Effective with service on
and after October 1, 2005

(C)

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(C)

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Fourth Revision of Sheet P-4
Cancels Third Revision of Sheet P-4 and Second Revision of Sheet P-5

SCHEDULE P PURCHASED GAS COST ADJUSTMENTS (continued)

(C)

PURCHASED GAS COST ADJUSTMENT BALANCING ACCOUNT

The Company will maintain a Purchased Gas Cost Adjustment Balancing Account (PGA Account) as a sub-account of Account 191. The Company shall impute interest on the deferred balance of the PGA Account on a monthly basis consistent with current deferred accounting procedures as authorized by the Commission. The PGA Account balances shall be amortized over twelve (12) months, or until fully amortized, commencing with the October 1 effective date, or such other time period acceptable to the Company and the Commission. A credit balance at the end of a reporting period indicates a subsequent temporary rate decrease (refund) and a debit balance indicates a subsequent temporary rate increase (surcharge).

(C)

Monthly entries into the PGA Account will be made to reflect the differences between the Company's actual Purchased Gas Costs and the Purchased Gas Costs embedded in rates, as follows:

1. A debit or credit entry shall be made equal to (100%) of any monthly difference between actual Non-Commodity Costs of Gas and Embedded Non-Commodity Costs of Gas, net of revenue sensitive effects.
2. A debit or credit entry shall be made equal to 100% of any monthly difference between Actual Fixed Charge Collections and Seasonalized Fixed Charges.

The monthly Seasonalized Fixed Charges for the period October 1, 2005 through November 30, 2006 are:

October 2005	\$4,730,559
November	\$8,461,347
December	\$9,262,594
January 2006	\$9,332,496
February	\$7,414,615
March	\$6,357,898
April	\$4,799,830
May	\$3,382,276
June	\$2,234,597
July	\$1,893,709
August	\$1,893,343
September	\$2,091,984
October	\$3,835,580
November	<u>\$6,754,373</u>
ANNUAL TOTAL	<u>\$59,253,295</u>

3. A debit or credit entry shall be made equal to 67% of any monthly difference between actual Commodity Cost of Gas and Embedded Commodity Cost of Gas, net of revenue sensitive effects.
4. A credit entry equal to 100% of any payments made to the Company by a financial entity pursuant to the exercise of a commodity cap, if any.
5. A credit entry equal to 80% of any capacity release credits earned through the temporary use of core market capacity.

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Issued September 12, 2005
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and after October 1, 2005

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Fourth Revision of Sheet 1-1
Cancels Third Revision of Sheet 1-1

RATE SCHEDULE 1 GENERAL SALES SERVICE

AVAILABLE:

To all Residential and Commercial Customer classes in all territory served by the Company under the Tariff of which this Rate Schedule is a part, except that service under this Rate Schedule is not available for Standby Service to Commercial Customers. Seasonal or temporary Discontinuance of Service is allowed subject to Special Provision 1 of this Rate Schedule. The installation of Distribution Facilities, when required before service can be provided to equipment served under this Schedule, are subject to the provisions of **SCHEDULE X**.

SERVICE DESCRIPTION:

Service under this Rate Schedule is Firm Sales Service to gas-fired equipment including but not limited to one or any multiple or combination of the following:

- (a) Non-ducted space heating equipment, including but not limited to fireplace inserts, free standing gas stoves, and room heaters;
- (b) Standby space heating equipment used in residential applications, including but not limited to Natural Gas back-up to electric heat pumps,
- (c) Water heating equipment used to serve single-family residential swimming pools, spas, and hot tubs;
- (c) Other equipment including, but not limited to, log lighter, gas log, gas barbecue, tiki torch, Bunsen burner, Domestic cooking equipment, hobby kilns, refrigeration or Domestic clothes drying;
- (d) Equipment installed for use in detached garages, shops, or outbuildings.

MONTHLY RATE: Effective: October 1, 2005

(T)

The rates shown in this Rate Schedule may not always reflect actual billing rates. See **SCHEDULE 100** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments. The rates for Coos County customers are subject to the additional adjustment set forth in **SCHEDULE 160**.

	Base Rate	Base Rate Adjustment	Pipeline Capacity	Commodity	Temporary Adjustment	Total Billing
Customer Charge:	\$5.00	---	---	---	---	\$5.00
Delivery Charge (per therm):						
Residential	\$0.49044	\$0.01718	\$0.09466	\$0.73491	\$0.02263	\$1.35982
Commercial	\$0.46813	\$0.01377	\$0.09466	\$0.73491	\$0.01820	\$1.32967

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Minimum Monthly Bill: Customer Charge plus charges under **SCHEDULE C** and **SCHEDULE 15** (if applicable).

(continue to Sheet 1-2)

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Issued by: **NORTHWEST NATURAL GAS COMPANY**
d.b.a. NW Natural
220 N.W. Second Avenue
Portland, Oregon 97209-3991

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Fourth Revision of Sheet 2-1
Cancels Third Revision of Sheet 2-1

RATE SCHEDULE 2 RESIDENTIAL SALES SERVICE

AVAILABLE:

To Residential Customers in all territory served by the Company under the Tariff of which this Rate Schedule is a part. Seasonal or temporary Discontinuance of Service is allowed subject to Special Provision 1 of this Rate Schedule. The installation of Distribution Facilities, when required before service can be provided to equipment served under this Rate Schedule, are subject to the provisions of **SCHEDULE X**.

SERVICE DESCRIPTION:

Service under this Rate Schedule is Firm Sales Service to gas-fired equipment used in Residential dwellings that provide complete family living facilities in which the occupant normally cooks, eats, sleeps, and carries on the household operations incident to Domestic life, for at least one of the following purposes:

- (a) Operation of ducted forced air Natural Gas space heating equipment that is the primary source for space heating requirements; and/or
- (b) Operation of fully automatic water heating equipment for primary water heating requirements.

Service under this Rate Schedule includes the use of gas for equipment installed in addition to (a) or (b).

MONTHLY RATE: Effective: October 1, 2005

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The rates shown in this Rate Schedule may not always reflect actual billing rates. See Schedule 100 for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments. The rates for Coos County customers are subject to the additional adjustment set forth in **SCHEDULE 160**.

	Base Rate	Base Rate Adjustment	Pipeline Capacity	Commodity	Temporary Adjustment	Total Billing
Customer Charge:	\$6.00	---	---	---	---	\$6.00
Volumetric Charge (per therm):	\$0.42250	\$0.01718	\$0.09466	\$0.73491	\$0.02242	\$1.29167

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Minimum Monthly Bill: Customer Charge plus charges under **SCHEDULE C** or **SCHEDULE 15** (if applicable)

(continue to Sheet 2-2)

Issued September 12, 2005
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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Fifth Revision of Sheet 3-2
Cancels Fourth Revision of Sheet 3-2

RATE SCHEDULE 3 BASIC FIRM SALES AND TRANSPORTATION SERVICE NON-RESIDENTIAL

MONTHLY RATE: Effective: October 1, 2005

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The rates shown in this Rate Schedule may not always reflect actual billing rates. See **SCHEDULE 100** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments.

The rates for Coos County customers are subject to the additional adjustment set forth in **SCHEDULE 160**.

SALES SERVICE CHARGES:						Total Billing [1]
Customer Charge (per month):						\$8.00
Delivery Charge (per therm):	Base Rate	Base Rate Adjustment	Pipeline Capacity	Commodity	Temporary Adjustment	
Commercial:	\$0.33717	\$0.01347	\$0.09466	\$0.73491	\$0.01782	\$1.19803
Industrial:	\$0.31430	\$0.00209	\$0.09466	\$0.73491	\$0.00928	\$1.15524
Standby Charge (per therm of MHDV) [2]:						\$10.00
TRANSPORTATION SERVICE CHARGES:						Total Billing [1]
Customer Charge (per month):						\$8.00
Transportation Charge (per month):						\$250.00
Delivery Charge (per therm):	Total Base Rate	Base Rate Adjustment			Temporary Adjustment	
Commercial:	\$0.43183	\$0.01347			\$0.02247	\$0.46777
Industrial:	\$0.40896	\$0.00209			\$0.01393	\$0.42498

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[1] **SCHEDULE C** and **SCHEDULE 15** Charges shall apply, if applicable.

[2] Applies to Standby Sales Service only.

Minimum Monthly Bill. The Minimum Monthly Bill shall be any **SCHEDULE C** and **SCHEDULE 15** Charges, plus:

- (a) **Firm Transportation Service.** Customer Charge, plus Transportation Charge.
- (b) **Firm Sales Service.** Customer Charge.
- (c) **Firm Sales Standby Service.** Customer Charge, plus Standby Service Charge

(continue to Sheet 3-3)

Issued September 12, 2005
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d.b.a. NW Natural
220 N.W. Second Avenue
Portland, Oregon 97209-3991

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Third Revision of Sheet 19-1
Cancels Second Revision Sheet 19-1

FROZEN

RATE SCHEDULE 19 GAS LIGHT SERVICE

AVAILABLE:

In all territory served by the Company under the Tariff of which this Rate Schedule is a part for use exclusively in gas lighting devices to which Distribution Facilities were committed or installed prior to August 10, 1973.

SERVICE DESCRIPTION:

Firm unmetered gas service delivered on a continuous basis for use in gas lamps, not exceeding a rated capacity of 2.5 cubic feet per hour per Mantle or Mantle equivalent; and, only to approved installations using gas for mood or atmosphere lighting, for porch, patio or walkway lamps and for roadway or street lighting. Gas lamps installed downstream of the meter will be treated as additional equipment under the Rate Schedule appropriate for the existing service.

BILLING UNIT:

Rates for gas service under this Rate Schedule are expressed in units of the standard Mantle with a maximum rated capacity of 2.5 cubic feet per hour.

MONTHLY RATE: Effective: October 1, 2005

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The rates shown in this Rate Schedule may not always reflect actual billing rates. See **SCHEDULE 100** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments.

	Base Rate	Base Rate Adjustments	Temporary Adjustments	Billing Rate
One mantle	\$21.31	\$0.31	\$0.42	\$22.04
All additional mantles	\$20.70	\$0.31	\$0.42	\$21.43
Minimum Monthly Bill: Amount based on number of mantles installed				

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GENERAL TERMS:

Service under this Rate Schedule is governed by the terms of this Rate Schedule, the General Rules and Regulations contained in this Tariff, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

Issued September 12, 2005
NWN Advice No. OPUC 05-9A

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Fifth Revision of Sheet 31-2
Cancels Fourth Revision of Sheet 31-2

RATE SCHEDULE 31 NON-RESIDENTIAL SALES AND TRANSPORTATION SERVICE (continued)

MONTHLY RATES: Effective: October 1, 2005

The rates shown in this Rate Schedule may not always reflect actual billing rates. **SEE SCHEDULE 100** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments. The rates for Coos County customers are subject to the additional adjustment set forth in **SCHEDULE 160**. The rates for distributed generation customers are subject to **SCHEDULE 31-CHP**.

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COMMERCIAL FIRM SALES SERVICE CHARGES [1]:					Total Billing Components [2]
Customer Charge (per month):					\$325.00
Volumetric Charges (per therm)	Base Rate	Base Rate Adjustment	Commodity Rate	Temporary Adjustments	
Block 1: 1 st 2,000 therms	\$0.17548	\$0.01206	\$0.73491	\$0.01747	\$0.93992
Block 2: All additional therms	\$0.15928	\$0.01196	\$0.73491	\$0.01741	\$0.92356
Pipeline Capacity Charge Options (select one):					
Firm Pipeline Capacity Charge - Volumetric option (per therm):					\$0.09466
Firm Pipeline Capacity Charge - Peak Demand option (per therm of MDDV):					\$1.41
COMMERCIAL INTERRUPTIBLE SALES SERVICE CHARGES [1]:					
Customer Charge (per month):					
Volumetric Charges (per therm)	Base Rate	Base Rate Adjustment	Commodity Rate	Temporary Adjustments	
Block 1: 1 st 2,000 therms	\$0.17548	\$0.01206	\$0.73491	\$0.00561	\$0.92806
Block 2: All additional therms	\$0.15928	\$0.01196	\$0.73491	\$0.00555	\$0.91170
Plus: Interruptible Pipeline Capacity Charge - Volumetric (per therm):					\$0.01126
COMMERCIAL FIRM TRANSPORTATION SERVICE CHARGES:					
Customer Charge (per month):					\$325.00
Transportation Charge (per month):					\$250.00
Volumetric Charges (per therm)	Base Rate	Base Rate Adjustment		Temporary Adjustments	
Block 1: 1 st 2,000 therms	\$0.17548	\$0.01206		\$0.00940	\$0.19694
Block 2: All additional therms	\$0.15928	\$0.01196		\$0.00931	\$0.18055

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- [1] The Total Sales Service Billing Rate is the total of the Customer Charge, plus the Volumetric Charges, plus the Pipeline Capacity Charge selected by the Customer.
- [2] **SCHEDULE C** and **SCHEDULE 15** Charges shall apply, if applicable.

Minimum Monthly Bill. The Minimum Monthly Bill shall be any **SCHEDULE C** and **SCHEDULE 15** Charges, plus:

- (a) **Firm Transportation Service.** Customer Charge, plus Transportation Charge.
- (b) **Firm Sales Service – Volumetric Pipeline Capacity Option.** Customer Charge.
- (c) **Firm Sales Service – Peak Demand option.** Customer Charge, plus Capacity Charge.
- (d) **Interruptible Sales Service.** Customer Charge.

(continue to Sheet 31-3)

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Fourth Revision of Sheet 31-3
Cancels Third Revision of Sheet 31-3

RATE SCHEDULE 31 NON-RESIDENTIAL SALES AND TRANSPORTATION SERVICE (continued)

MONTHLY RATES (continued): Effective: October 1, 2005

The rates shown in this Rate Schedule may not always reflect actual billing rates. **SEE SCHEDULE 100** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments. The rates for distributed generation customers are subject to **SCHEDULE 31-CHP**.

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INDUSTRIAL FIRM SALES SERVICE CHARGES [1]:					Total Billing Components [2]
Customer Charge (per month):					\$325.00
Volumetric Charges (per therm)	Base Rate	Base Rate Adjustment	Commodity Rate	Temporary Adjustments	
Block 1: 1 st 2,000 therms	\$0.16802	\$0.00100	\$0.73491	\$0.00899	\$0.91292
Block 2: All additional therms	\$0.15183	\$0.00090	\$0.73491	\$0.00893	\$0.89657
Pipeline Capacity Charge Options (select one):					
Firm Pipeline Capacity Charge - Volumetric option (per therm):					\$0.09466
Firm Pipeline Capacity Charge - Peak Demand option (per therm of MDDV):					\$1.41
INDUSTRIAL INTERRUPTIBLE SALES SERVICE CHARGES [1]:					
Customer Charge (per month):					\$325.00
Volumetric Charges (per therm)	Base Rate	Base Rate Adjustment	Commodity Rate	Temporary Adjustments	
Block 1: 1 st 2,000 therms	\$0.16802	\$0.00100	\$0.73491	(\$0.00287)	\$0.90106
Block 2: All additional therms	\$0.15183	\$0.00090	\$0.73491	(\$0.00293)	\$0.88471
Plus: Interruptible Pipeline Capacity Charge - Volumetric (per therm):					\$0.01126
INDUSTRIAL FIRM TRANSPORTATION SERVICE CHARGES:					
Customer Charge (per month):					\$325.00
Transportation Charge (per month):					\$250.00
Volumetric Charges (per therm)	Base Rate	Base Rate Adjustment		Temporary Adjustments	
Block 1: 1 st 2,000 therms	\$0.16802	\$0.00100		\$0.00092	\$0.16994
Block 2: All additional therms	\$0.15183	\$0.00090		\$0.00083	\$0.15356

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[1] The Total Sales Service Billing Rate is the total of the Customer Charge, plus the Volumetric Charges, plus the Pipeline Capacity Charge selected by the Customer.

[2] **SCHEDULE C** and **SCHEDULE 15** Charges shall apply, if applicable.

Minimum Monthly Bill. The Minimum Monthly Bill shall be any **SCHEDULE C** and **SCHEDULE 15** Charges, plus:

- (a) **Firm Transportation Service.** Customer Charge, plus Transportation Charge.
- (b) **Firm Sales Service – Volumetric Pipeline Capacity Option.** Customer Charge.
- (c) **Firm Sales Service – Peak Demand option.** Customer Charge, plus Capacity Charge.
- (d) **Interruptible Sales Service.** Customer Charge.

(continue to Sheet 31-4)

Issued September 12, 2005
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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Sixth Revision of Sheet 32-2
Cancels Fifth Revision of Sheet 32-2

RATE SCHEDULE 32 LARGE VOLUME NON-RESIDENTIAL SALES AND TRANSPORTATION SERVICE (continued)

MONTHLY RATES:

Effective: October 1, 2005

(T)

The rates shown in this Rate Schedule may not always reflect actual billing rates. See **SCHEDULE 100** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments. The rates for Coos County customers are subject to the additional adjustment set forth in **SCHEDULE 160**. The rates for distributed generation customers are subject to **SCHEDULE 32-CHP**.

FIRM SALES SERVICE CHARGES [1]:					Total Billing Components [3]
Customer Charge (per month):					\$675.00
Volumetric Charges (per therm)	Base Rate	Base Rate Adjustment	Commodity Rate	Temporary Adjustments	
Block 1: 1 st 10,000 therms	\$0.09984	\$0.00087	\$0.73491	\$0.00872	\$0.84434
Block 2: Next 20,000 therms	\$0.08486	\$0.00072	\$0.73491	\$0.00868	\$0.82917
Block 3: Next 20,000 therms	\$0.05991	\$0.00051	\$0.73491	\$0.00862	\$0.80395
Block 4: Next 100,000 therms	\$0.03495	\$0.00030	\$0.73491	\$0.00856	\$0.77872
Block 5: Next 600,000 therms	\$0.01998	\$0.00017	\$0.73491	\$0.00852	\$0.76358
Block 6: All additional therms	\$0.01000	\$0.00010	\$0.73491	\$0.00850	\$0.75351
Firm Service Distribution Capacity Charge (per therm of MDDV per month):					\$0.15748
Firm Sales Service Storage Charge (per therm of MDDV per month):					\$0.20415
Pipeline Capacity Charge Options (select one):					
Firm Pipeline Capacity Charge - Volumetric option (per therm):					\$0.09466
Firm Pipeline Capacity Charge - Peak Demand option (per therm of MDDV per month):					\$1.41
INTERRUPTIBLE SALES SERVICE CHARGES [2]:					
Customer Charge (per month):					\$675.00
Volumetric Charges (per therm)	Base Rate	Base Rate Adjustment	Commodity Rate	Temporary Adjustments	
Block 1: 1 st 10,000 therms	\$0.09984	\$0.00087	\$0.73491	(\$0.00314)	\$0.83248
Block 2: Next 20,000 therms	\$0.08486	\$0.00072	\$0.73491	(\$0.00318)	\$0.81731
Block 3: Next 20,000 therms	\$0.05991	\$0.00051	\$0.73491	(\$0.00324)	\$0.79209
Block 4: Next 100,000 therms	\$0.03495	\$0.00030	\$0.73491	(\$0.00330)	\$0.76686
Block 5: Next 600,000 therms	\$0.01998	\$0.00017	\$0.73491	(\$0.00334)	\$0.75172
Block 6: All additional therms	\$0.01000	\$0.00010	\$0.73491	(\$0.00336)	\$0.74165
Interruptible Pipeline Capacity Charge (per therm):					\$0.01126

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[1] The total Firm Sales Service Billing Rate is the total of the Customer Charge, plus the Volumetric Charges, plus the Distribution Capacity Charge, plus the Storage Capacity Charge, plus the Pipeline Capacity Charge selected by the Customer.

[2] The total Interruptible Sales Service Billing Rate is the total of the Customer Charge, plus the Volumetric Charges, plus the Pipeline Capacity Charge.

[3] **SCHEDULE C** and **SCHEDULE 15** Charges shall apply, if applicable.

(continue to Sheet 32-3)

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NORTHWEST NATURAL GAS COMPANY

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Fourth Revision of Sheet 32-3
Cancels Third Revision of Sheet 32-3

RATE SCHEDULE 32 LARGE VOLUME NON-RESIDENTIAL SALES AND TRANSPORTATION SERVICE (continued)

MONTHLY RATES: Effective: October 1, 2005

(T)

The rates shown in this Rate Schedule may not always reflect actual billing rates. See **SCHEDULE 100** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments. The rates for distributed generation customers are subject to **SCHEDULE 32-CHP**.

FIRM TRANSPORTATION SERVICE CHARGES [1]:					Total Billing Components [3]
Customer Charge (per month):					\$675.00
Transportation Charge (per month):					\$250.00
Volumetric Charges (per therm)	Base Rate	Base Rate Adjustment		Temporary Adjustments	
Block 1: 1 st 10,000 therms	\$0.09984	\$0.00087		\$0.00047	\$0.10118
Block 2: Next 20,000 therms	\$0.08486	\$0.00072		\$0.00039	\$0.08597
Block 3: Next 20,000 therms	\$0.05991	\$0.00051		\$0.00027	\$0.06069
Block 4: Next 100,000 therms	\$0.03495	\$0.00030		\$0.00015	\$0.03540
Block 5: Next 600,000 therms	\$0.01998	\$0.00017		\$0.00008	\$0.02023
Block 6: All additional therms	\$0.01000	\$0.00010		\$0.00003	\$0.01013
Firm Service Distribution Capacity Charge (per therm of MDDV per month):					\$0.15748
INTERRUPTIBLE TRANSPORTATION SERVICE CHARGES [2]:					
Customer Charge (per month):					\$675.00
Transportation Charge (per month):					\$250.00
Volumetric Charges (per therm)	Base Rate	Base Rate Adjustment		Temporary Adjustments	
Block 1: 1 st 10,000 therms	\$0.09984	\$0.00087		\$0.00047	\$0.10118
Block 2: Next 20,000 therms	\$0.08486	\$0.00072		\$0.00039	\$0.08597
Block 3: Next 20,000 therms	\$0.05991	\$0.00051		\$0.00027	\$0.06069
Block 4: Next 100,000 therms	\$0.03495	\$0.00030		\$0.00015	\$0.03540
Block 5: Next 600,000 therms	\$0.01998	\$0.00017		\$0.00008	\$0.02023
Block 6: All additional therms	\$0.01000	\$0.00010		\$0.00003	\$0.01013

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- [1] The total Firm Transportation Service Billing Rate is the total of the Customer Charge, plus Transportation Charge, plus the Volumetric Charges, plus the Distribution Capacity Charge.
- [2] The total Interruptible Transportation Service Billing Rate is the total of the Customer Charge, plus Transportation Charge, plus the Volumetric Charges.
- [3] **SCHEDULE C** and **SCHEDULE 15** charges shall apply, if applicable.

(continue to Sheet 32-4)

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Third Revision of Sheet 33-2
Cancels Second Revision of Sheet 33-2

RATE SCHEDULE 33
HIGH VOLUME NON-RESIDENTIAL
FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE
(continued)

MONTHLY RATE: Effective: October 1, 2005

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The rates shown below may not always reflect actual billing rates. See **Schedule 100** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments.

		Base Rate	Base Rate Adjustments	Temporary Adjustment	Billing Rate
Customer Charge:					\$38,000.00
Transportation Charge:		\$250.00			\$250.00
Volumetric Charge:	Per therm, all therms	\$0.00541	\$0.00005	\$0.00001	\$0.00547
Firm Service Distribution Capacity Charge:	Per therm of MDDV per month				\$0.15748
Minimum Monthly Bill: Customer Charge, plus Transportation Charge, plus Capacity Charge (if applicable), plus SCHEDULE C and SCHEDULE 15 Charges (if applicable).					

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Fourth Revision of Sheet 54-1
Cancels Third Revision of Sheet 54-1

RATE SCHEDULE 54 EMERGENCY SALES SERVICE

AVAILABLE:

To Non-Residential Customers, in all territory served by the Company under the Tariff of which this Rate Schedule is a part, on a best efforts basis at times and in amounts determined in Company's sole judgment.

SERVICE DESCRIPTION:

Service under this Rate Schedule is for emergency purposes only. Customer must make a showing acceptable to Company that Customer's operations could not continue or that severe damage to Customer's facilities or the occupants of Customer's facilities would occur in the absence of service by Company under this schedule. Customer shall be obligated to exercise every reasonable effort to obtain and utilize an alternate supply of fuel to minimize the period that emergency service is required.

Gas supplied under this Rate Schedule will be limited to the maximum volume limits imposed on Customer by Company on an hourly or daily basis, or both, and/or as a total over the estimated period of Customer's emergency. These limits may be established by Company in verbal or written instructions given to any authorized representative of Customer. Gas taken under this Rate Schedule will not be applied to the minimum monthly bill requirements under Customer's primary Rate Schedule.

Any gas taken in excess of that permitted shall be unauthorized, subject to charges set forth in **SCHEDULE C**.

MONTHLY RATE: Effective: October 1, 2005

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The rates shown in this Rate Schedule may not always reflect actual billing rates. See **SCHEDULE 100** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments. The rates for Coos County customers are subject to the additional adjustment set forth in **SCHEDULE 160**.

	Base Rate	Temporary Adjustment	Billing Rate
Usage Charge, per therm, all therms	\$1.24807	\$0.01802	\$1.26609

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GENERAL TERMS:

Service under this Rate Schedule is governed by the terms of this Rate Schedule, the General Rules and Regulations contained in this Tariff and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

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P.U.C. Or. 24

Third Revision of Sheet 162-1
Cancels Second Revision of Sheet 162-1

SCHEDULE 162 TEMPORARY (TECHNICAL) ADJUSTMENTS TO RATES

PURPOSE:

To identify adjustments to rates in the Rate Schedules listed below that relate to the amortization of balances in all of the Company's conventional deferred revenue and gas cost accounts, Accounts 186 and 191, respectively.

APPLICABLE:

To the following Rate Schedules of this Tariff:

Schedule 1	Schedule 3	Schedule 31	Schedule 33
Schedule 2	Schedule 19	Schedule 32	Schedule 54

APPLICATION TO RATE SCHEDULES: Effective: October 1, 2005

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The Total Adjustment amount shown below is included in the Temporary Adjustments reflected in the above-listed Rate Schedules. NO ADDITIONAL ADJUSTMENT TO RATES IS REQUIRED.

Schedule	Block	Account 191 Commodity Adjustment	Account 191 Pipeline Capacity Adjustment	Account 186 Net Adjustments	Total Temporary Adjustment
1R		(\$0.00465)	\$0.01077	\$0.01651	\$0.02263
1C		(\$0.00465)	\$0.01077	\$0.01208	\$0.01820
2		(\$0.00465)	\$0.01077	\$0.01630	\$0.02242
3 (CFS)		(\$0.00465)	\$0.01077	\$0.01170	\$0.01782
3 (CFT)		N/A	\$0.01077	\$0.01170	\$0.02247
3 (IFS)		(\$0.00465)	\$0.01077	\$0.00316	\$0.00928
3 (IFT)		N/A	\$0.01077	\$0.00316	\$0.01393
19		(\$0.09)	\$0.21	\$0.30	\$0.42
31 (CFS)	Block 1	(\$0.00465)	\$0.01077	\$0.01135	\$0.01747
	Block 2	(\$0.00465)	\$0.01077	\$0.01129	\$0.01741
31(CFT)	Block 1	N/A	N/A	\$0.00940	\$0.00940
	Block 2	N/A	N/A	\$0.00931	\$0.00931
31 (CIS)	Block 1	(\$0.00465)	\$0.00128	\$0.00898	\$0.00561
	Block 2	(\$0.00465)	\$0.00128	\$0.00892	\$0.00555
31 (IFS)	Block 1	(\$0.00465)	\$0.01077	\$0.00287	\$0.00899
	Block 2	(\$0.00465)	\$0.01077	\$0.00281	\$0.00893
31 (IFT)	Block 1	N/A	N/A	\$0.00092	\$0.00092
	Block 2	N/A	N/A	\$0.00083	\$0.00083
31 (IIS)	Block 1	(\$0.00465)	\$0.00128	\$0.00050	(\$0.00287)
	Block 2	(\$0.00465)	\$0.00128	\$0.00044	(\$0.00293)

(C)

(C)

(continue to Sheet 162-2)

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d.b.a. NW Natural
220 N.W. Second Avenue
Portland, Oregon 97209-3991

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Third Revision of Sheet 162-2
Cancels Second Revision of Sheet 162-2**SCHEDULE 162
TEMPORARY (TECHNICAL) ADJUSTMENTS TO RATES
(continued)****APPLICATION TO RATE SCHEDULES (continued):** Effective: October 1, 2005

(T)

Schedule	Block	Account 191 Commodity Adjustment	Account 191 Pipeline Capacity Adjustment	Account 186 Net Adjustments	Total Temporary Adjustment
32(FS)	Block 1	(\$0.00465)	\$0.01077	\$0.00260	\$0.00872
	Block 2	(\$0.00465)	\$0.01077	\$0.00256	\$0.00868
	Block 3	(\$0.00465)	\$0.01077	\$0.00250	\$0.00862
	Block 4	(\$0.00465)	\$0.01077	\$0.00244	\$0.00856
	Block 5	(\$0.00465)	\$0.01077	\$0.00240	\$0.00852
	Block 6	(\$0.00465)	\$0.01077	\$0.00238	\$0.00850
32(FT)	Block 1	N/A	N/A	\$0.00047	\$0.00047
	Block 2	N/A	N/A	\$0.00039	\$0.00039
	Block 3	N/A	N/A	\$0.00027	\$0.00027
	Block 4	N/A	N/A	\$0.00015	\$0.00015
	Block 5	N/A	N/A	\$0.00008	\$0.00008
	Block 6	N/A	N/A	\$0.00003	\$0.00003
32(IS)	Block 1	(\$0.00465)	\$0.00128	\$0.00023	(\$0.00314)
	Block 2	(\$0.00465)	\$0.00128	\$0.00019	(\$0.00318)
	Block 3	(\$0.00465)	\$0.00128	\$0.00013	(\$0.00324)
	Block 4	(\$0.00465)	\$0.00128	\$0.00007	(\$0.00330)
	Block 5	(\$0.00465)	\$0.00128	\$0.00003	(\$0.00334)
	Block 6	(\$0.00465)	\$0.00128	\$0.00001	(\$0.00336)
32(IT)	Block 1	N/A	N/A	\$0.00047	\$0.00047
	Block 2	N/A	N/A	\$0.00039	\$0.00039
	Block 3	N/A	N/A	\$0.00027	\$0.00027
	Block 4	N/A	N/A	\$0.00015	\$0.00015
	Block 5	N/A	N/A	\$0.00008	\$0.00008
	Block 6	N/A	N/A	\$0.00003	\$0.00003
33(IT)		N/A	N/A	\$0.00001	\$0.00001
33(FT)		N/A	N/A	\$0.00001	\$0.00001
54		(0.00465)	\$0.01077	\$0.01190	\$0.01802

(C)

(C)

GENERAL TERMS:

This Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this Tariff and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

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d.b.a. NW Natural

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Fourth Revision of Sheet 163-1
Cancels Third Revision of Sheet 163-1

SCHEDULE 163

SPECIAL ADJUSTMENT TO RATES PRICE ELASTICITY

PURPOSE:

To identify permanent adjustments to rates in the schedules listed below in accordance with a Stipulation and Agreement adopted by the Public Utility Commission of Oregon in Docket UG 143.

APPLICABLE:

To Residential and Commercial Customers served on the following schedules of this Tariff:

<u>Residential</u>	<u>Commercial</u>
Schedule 1	Schedule 1
Schedule 2	Schedule 3 (CFS)
	Schedule 3 (CFT)
	Schedule 31 (CFS)
	Schedule 31 (CFT)
	Schedule 31 (CIS)

APPLICATION TO RATE SCHEDULES:

Effective: October 1, 2005

(T)

The Base Adjustments stated in the above-listed rate schedules reflect the following adjustments (increase). NO FURTHER ADJUSTMENT TO RATES IS REQUIRED.

Residential Rate Schedules: \$0.01147 per therm
Commercial Rate Schedules: \$0.00834 per therm

(C)

(C)

GENERAL RULES AND REGULATIONS:

This Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this Tariff and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Third Revision of Sheet 164-1
Cancels Second Revision of Sheet 164-1

SCHEDULE 164 PURCHASED GAS COST ADJUSTMENT TO RATES

PURPOSE:

To (a) identify the Commodity and Pipeline Capacity Components applicable to the Rate Schedules listed below; and (b) to identify any changes to such components due to changes in the cost of Pipeline capacity and the cost of gas purchased from the Company's suppliers that apply the Rate Schedules listed below.

APPLICABLE:

To the following Rate Schedules of this Tariff:

Schedule 1	Schedule 3	Schedule 31	Schedule 54
Schedule 2	Schedule 19	Schedule 32	

APPLICATION TO RATE SCHEDULES: Effective: October 1, 2005

(T)

Commodity Component [1]	\$0.73491
Firm Sales Service Pipeline Capacity Component [2]	\$0.09466
Gas Light Service Pipeline Capacity Component [3]	\$1.81
Firm Sales Service Pipeline Capacity Component [4]	\$1.41
Interruptible Sales Service Pipeline Capacity Component [5]	\$0.01126

(I)

(R)

(R)

- [1] Applies to all Sales Service Rate Schedules (per therm).
- [2] Applies to Rate Schedules 1, 2, 3, and Schedule 31 and Schedule 32 Firm Sales Service Volumetric Pipeline Capacity option (per therm).
- [3] Applies to Schedule 19.
- [4] Applies to Schedules 31 and 32 Firm Sales Service Peak Demand Pipeline Capacity option (per therm of MDDV per month).
- [5] Applies to Schedule 31 and Schedule 32 Interruptible Sales Service (per therm).

ADJUSTMENTS TO RATE COMPONENTS: Effective: October 1, 2005

(T)

The above listed components shall be adjusted as follows:

Commodity Component	Pipeline Capacity Component
\$0.00000	\$0.00000

GENERAL TERMS:

This schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this Tariff and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

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220 N.W. Second Avenue
Portland, Oregon 97209-3991

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Third Revision of Sheet 176-1
Cancels Second Revision of Sheet 176-1

SCHEDULE 176

ADJUSTMENTS TO RATES FOR COSTS RELATING TO SOUTH MIST PIPELINE EXTENSION PROJECT

PURPOSE:

The rate adjustments under this Schedule represent the rate treatment for the Oregon portion of the incremental cost of service relating to NW Natural's South Mist Pipeline Extension Project ("Mist Project").

The allocation of costs to customers under this Schedule is consistent with OPUC Order No. 03-507, in Docket UG 152.

APPLICATION TO RATE SCHEDULES: Effective: October 1, 2005

(T)

The Base Adjustment in each of the following Rate Schedules includes the following amounts. NO ADDITIONAL ADJUSTMENT TO RATES IS REQUIRED.

Schedule	Adjustments
1(R)	\$0.00030
1(C)	\$0.00029
2	\$0.00026
3C(FS/FT)	\$0.00021
3I(FS/FT)	\$0.00019
31C (FS/IS/FT):	
Block 1	\$0.00011
Block 2	\$0.00010
31I (FS/IS/FT):	
Block 1	\$0.00011
Block 2	\$0.00010
33 (All)	\$0.00000

(C)

(C)

SPECIAL CONDITIONS:

Each Mist project phase shall be considered in service beginning on the date that NW Natural provides attestation by a corporate officer that the project meets the following minimum requirements:

- (a) Completion of any operational testing required by the construction contract;
- (b) Release of the plant operation to the system dispatcher for full commercial operation, and;
- (c) Continuous operation for 24 hours.

(continue to Sheet 176-2)

Issued September 12, 2005
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Effective with service on
and after October 1, 2005

SCHEDULE 177
ADJUSTMENTS TO RATES FOR SAFETY PROGRAM
(continued)

BARE STEEL REPLACEMENT PROGRAM (continued)

APPLICATION TO RATE SCHEDULES: **Effective: October 1, 2005**

The Adjustments shown below are included in the Base Adjustments in the listed Rate Schedules:

Schedule	Block	30%	70%	Total Adjustment
1R		\$0.00142	\$0.00272	\$0.00414
1C		\$0.00136	\$0.00272	\$0.00408
2		\$0.00122	\$0.00272	\$0.00394
3 (CFS)		\$0.00098	\$0.00272	\$0.00370
3 (CFT)		\$0.00098	\$0.00272	\$0.00370
3 (IFS)		\$0.00091	N/A	\$0.00091
3 (IFT)		\$0.00091	N/A	\$0.00091
19		\$0.02	\$0.05	\$0.07
31 (CFS)	Block 1	\$0.00051	\$0.00272	\$0.00323
	Block 2	\$0.00046	\$0.00272	\$0.00318
31(CFT)	Block 1	\$0.00051	\$0.00272	\$0.00323
	Block 2	\$0.00046	\$0.00272	\$0.00318
31 (CIS)	Block 1	\$0.00051	\$0.00272	\$0.00323
	Block 2	\$0.00046	\$0.00272	\$0.00318
31 (IFS)	Block 1	\$0.00051	N/A	\$0.00051
	Block 2	\$0.00046	N/A	\$0.00046
31 (IFT)	Block 1	\$0.00051	N/A	\$0.00051
	Block 2	\$0.00046	N/A	\$0.00046
31 (IIS)	Block 1	\$0.00051	N/A	\$0.00051
	Block 2	\$0.00046	N/A	\$0.00046
32 (all)	Block 1	\$0.00029	N/A	\$0.00029
	Block 2	\$0.00024	N/A	\$0.00024
	Block 3	\$0.00017	N/A	\$0.00017
	Block 4	\$0.00010	N/A	\$0.00010
	Block 5	\$0.00006	N/A	\$0.00006
	Block 6	\$0.00003	N/A	\$0.00003
33 (all)		\$0.00002	N/A	\$0.00002
54		\$0.00136	\$0.00272	\$0.00408

(continue to Sheet 177-3)

Issued September 12, 2005
NWN Advice No. OPUC 05-9A

Effective with service on
and after October 1, 2005

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(C)

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Second Revision of Sheet 177-3
Cancels First Revision of Sheet 177-3

SCHEDULE 177 ADJUSTMENTS TO RATES FOR SAFETY PROGRAM (continued)

GEOHAZARD REPAIR AND RISK MITIGATION:

Each year, rates in the Rate Schedules listed below will be adjusted to recover the costs of geohazard repair and risk mitigation during the most recent 12-month period October 1 through September 30. Adjustments to rates shall be made coincident with the Company's annual Purchased Gas Adjustment (PGA) filing, or at such other time as the Commission may authorize.

TERM:

The Geohazard Repair and Risk Mitigation Program shall be in effect through December 31, 2006 or until such other time as the Commission may approve.

APPLICATION TO RATE SCHEDULES:

Effective: October 1, 2005

(T)

The Adjustments shown below are included in the Base Rate Adjustments in the above-listed Rate Schedules.

Schedule	Block	Total Adjustment
1R		\$0.00078
1C		\$0.00074
2		\$0.00067
3 (CFS)		\$0.00054
3 (CFT)		\$0.00054
3 (IFS)		\$0.00050
3 (IFT)		\$0.00050
19		\$0.01
31 (all)	Block 1	\$0.00028
	Block 2	\$0.00025
32 (all)	Block 1	\$0.00016
	Block 2	\$0.00013
	Block 3	\$0.00009
	Block 4	\$0.00006
	Block 5	\$0.00003
	Block 6	\$0.00002
33 (all)		\$0.00001
54		\$0.00074

(C)

(C)

(continue to Sheet 177-4)

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

First Revision of Sheet 177-4
Cancels Original Sheet 177-4

SCHEDULE 177 ADJUSTMENTS TO RATES FOR SAFETY PROGRAM (continued)

INTEGRITY MANAGEMENT PROGRAM (IMP):

Each year, the costs of the Integrity Management Program during the most recent 12-month period October 1 through September 30, will be allocated to the Rate Schedules listed below on an equal percentage of margin basis, and within a Rate Schedule, spread on a declining block basis. Adjustments to rates shall be made coincident with the Company's annual Purchased Gas Adjustment (PGA) filing, or at such other time as the Commission may authorize.

TERM:

The IMP adjustments shall be in effect through September 30, 2008 or until such other time as the Commission may approve.

APPLICATION TO RATE SCHEDULES:

Effective: October 1, 2005

The Adjustments shown below are included in the Base Rate Adjustments in the above-listed Rate Schedules.

Schedule	Block	Total Adjustment
1R		\$0.00116
1C		\$0.00111
2		\$0.00100
3 (CFS)		\$0.00080
3 (CFT)		\$0.00080
3 (IFS)		\$0.00074
3 (IFT)		\$0.00074
19		\$0.01
31 (all)	Block 1	\$0.00042
	Block 2	\$0.00038
32 (all)	Block 1	\$0.00024
	Block 2	\$0.00020
	Block 3	\$0.00014
	Block 4	\$0.00008
	Block 5	\$0.00005
	Block 6	\$0.00002
33 (all)		\$0.00001
54		\$0.00111

(T)

(C)

(C)

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Fifth Revision of Sheet 190-1
Cancels Fourth Revision of Sheet 190-1

SCHEDULE 190

PARTIAL DECOUPLING MECHANISM

PURPOSE:

To (a) describe the partial decoupling mechanism established in accordance with a Stipulation and Agreement adopted by the Oregon Public Utility Commission (OPUC) in Docket UG 143, Order No. 02-634 dated September 12, 2002 and later reauthorized, with modifications, in Docket UG 163, Order No. 05-934 dated August 25, 2005; and (b) identify the adjustment applicable to rates under the Rate Schedules listed below.

(N)
(N)

TERM:

This Schedule shall automatically terminate on September 30, 2009.

(C)

APPLICABLE:

To Residential and Commercial Customers served on the following Rate Schedules of this Tariff:

<u>Residential</u>	<u>Commercial</u>
Schedule 1	Schedule 1
Schedule 2	Schedule 3(FS)
	Schedule 3(FT)
	Schedule 31(FS)
	Schedule 31(IS)
	Schedule 31(FT)

ADJUSTMENT TO RATE SCHEDULES:

Effective: October 1, 2005

(T)

The Temporary Adjustments for Residential and Commercial Customers taking service on the above-listed Rate Schedules includes the following adjustment:

Residential Rate Schedules: **\$0.01265** per therm
Commercial Rate Schedules: **\$0.00846** per therm

(C)
(C)

PARTIAL DECOUPLING DEFERRAL ACCOUNT:

1. Each month, the company will calculate the difference between weather-normalized usage and the calculated baseline usage for each Residential and Commercial Customer group. The resulting usage differential shall be multiplied by the per therm distribution margin for the applicable customer group.

The Company shall defer and amortize, with interest, 100% of the distribution margin differential in a sub-account of Account 186. The deferral will be a credit (accruing a refund to customers) if the differential is positive, or a debit (accruing a recovery by the company) if the differential is negative.

(C)

(continue to Sheet 190-2)

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SCHEDULE 190

PARTIAL DECOUPLING MECHANISM
 (continued)

PARTIAL DECOUPLING DEFERRAL ACCOUNT (continued):

2. The baseline usage shall be determined from actual weather normalized usage for the Company's most recent rate case, as adjusted for any price elasticity effects since that rate case. (C)
 (C)

The following is an example baseline usage calculation for the Residential Group:

Weather-normalized usage, divided by Residential Customers, equal	<u>330,164,716</u> 450,709
Normalized use per therm per customer	733
October 1 price decrease	-10%
Usage increase due to price elasticity (-10% x -0.172)	1.72%
Estimated usage increase due to price elasticity (weather normalized usage x % of usage increase)	5,678,833
Total New Baseline Usage: (weather normalized usage plus estimated usage increase), divided by customer count, equal	<u>335,843,549</u> 450,709
Reset baseline usage per therm per customer	745

(T)

(T)

3. Weather-normalized usage is calculated using the approach to weather normalization adopted in the Company's last general rate case, Docket UG 152. The weather data is taken from the station identified in Schedule 195, at Sheet 195-4.

Step One. For the heating season months October through May, usage is normalized by taking the difference between normal and actual heating degree days for each district using a base of 59 degrees for Residential and 58 degrees for Commercial. (N)

Step Two. This step derives the per-therm customer variance by multiplying the heating degree day difference by the usage coefficient of .1958 for Residential variances, and .7669 for Commercial variances.

Step Three. The per-therm customer variance is multiplied by the appropriate customer count, by district, with the sum of the district results representing the normalized therm amount. (N)

4. Baseline usage will be adjusted to reflect actual customers billed each month.
5. The per therm distribution margins to be used in the deferral calculation effective October 1, 2005 is \$0.45078 per therm for Residential customers and \$0.30316 per therm for Commercial customers. (T)
 (C)

(continue to Sheet 190-3)

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 and after October 1, 2005

SCHEDULE 190

PARTIAL DECOUPLING MECHANISM
(continued)

PARTIAL DECOUPLING DEFERRAL ACCOUNT (continued):

6. Coincident with the Company's annual Purchased Gas Cost and Technical Rate Adjustment filing commencing with the filing effective October 1, 2003, and each year thereafter during the term of this Schedule, the Company shall apply an adjustment to Residential and Commercial rates to amortize over the following 12 months, the balance in the balancing account as of June 30.
7. This Schedule is an "automatic adjustment clause" as defined in ORS 757.210, and is subject to review by the Commission at least once every two (2) years. (D)

SPECIAL CONDITIONS:

1. The existence of this Partial Decoupling Mechanism will not affect the Company's service line and main extension policies.
2. Other terms and conditions as specified in the Stipulation and Agreement.

GENERAL TERMS:

This Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this Tariff and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

Issued September 12, 2005
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Effective with service on
and after October 1, 2005

SCHEDULE 195
WEATHER ADJUSTED RATE MECHANISM
 (WARM Program)
 (continued)

SPECIAL CONDITIONS: (continued)

- 10. Upon request, the Company will provide Customer with historical billing information under both the opt-in and opt-out option for any month during the WARM Period.
- 11. The WARM Program is subject to other terms and conditions as set forth in the Partial Stipulation and in the Second Stipulation on record in Docket UG 152.

WARM FORMULA:

1. The Formula is:
$$\text{WARM Adjustment} = \sum_1^T (\text{HDD}_{n,t} - \text{HDD}_{a,t}) * B * \text{Mrgn}$$

Where:

- T = the days covered by the meter read dates for an individual customer's bill
- HDDn** = the 25 year average of heating degree-days for each day (1976-2000) determined using a 25-year average temperature published by the National Oceanic and Atmospheric Administration (NOAA).
- HDDa** = the actual heating degree-days for each day based on the individual customer's actual beginning and ending meter read dates
- B** = the statistical coefficient relating heating degree-days to therm use determined in the most recent general rate case, or other Commission authorized proceeding.
- Mrgn** = the relevant Rate Schedule margin defined as the current Billing Rate less the current Commodity Rate, Pipeline Capacity Charge, and any Temporary Adjustments.

- 2. For purposes of calculating the WARM Adjustment, the following shall apply:
 - a. A Heating Degree Day (HDD) is defined as the extent by which the daily mean temperature falls below a specified set point on a specified day. The HDD calculation uses a set point temperature of 59 degrees Fahrenheit for the **RATE SCHEDULE 2** calculation, and 58 degrees Fahrenheit for the **RATE SCHEDULE 3** calculation;
 - b. The statistical coefficients to be used in the calculation of the WARM Adjustment Factor effective with the WARM Period commencing November 15, 2003 are:

Schedule 2: .1958	Schedule 3: .7669
-------------------	-------------------

- c. The applicable margins to be used in the calculation of the WARM Adjustment Factor effective with the WARM Period commencing November 15, 2005 are:

Schedule 2: \$0.43968	Schedule 3: \$0.35064
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(continue to Sheet 195-4)

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

First Revision of Sheet 195-4
Cancels Original Sheet 195-4

SCHEDULE 195 WEATHER ADJUSTED RATE MECHANISM (WARM Program) (continued)

WARM FORMULA: (continued)

- c. Weather data used in the calculation of HDD for each customer shall be based on the daily temperatures reported at the following weather stations. In the event that data is not available for any of the listed stations, the company will use a substitute station and associated basis temperature differentials in accordance with Company policy.

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(C)

Weather Station	NWN Service District
Astoria (350328)	Astoria
Coos Bay (356073)	Coos Bay
Newport (356032)	Lincoln City
Corvallis (351862)	Albany
Hood River Exp Station (354003)	The Dalles
Portland (356751)	Portland
Eugene (352709)	Eugene
Salem (357500)	Salem

(N)

WARM BILL EFFECTS:

The following table depicts the impact on residential **RATE SCHEDULE 2** and commercial **RATE SCHEDULE 3** customer bills, respectively, at specified variations in HDDs.

HDD Variance (+ or -)	RESIDENTIAL		COMMERCIAL	
	Equivalent therms	Total Monthly WARM adjustment (+ or -) *	Equivalent therms	Total Monthly WARM adjustment (+ or -) *
1	.1958	\$0.09	.7669	\$ 0.27
5	.9790	\$0.43	3.8345	\$ 1.34
10	1.958	\$0.86	7.669	\$ 2.69
15	2.937	\$1.29	11.5035	\$ 4.03
20	3.916	\$1.72	15.338	\$ 5.38
25	4.895	\$2.15	19.1725	\$ 6.72
30	5.874	\$2.58	23.007	\$ 8.07
35	6.853	\$3.01	26.8415	\$ 9.41
40	7.832	\$3.44	30.676	\$10.76
45	8.811	\$3.87	34.5105	\$12.10
50	9.790	\$4.30	38.345	\$13.45

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(C)

To calculate variations beyond or in-between specified levels, multiply the desired HDD variance by the applicable statistical coefficient, and then multiply that sum by the applicable margin.

To obtain the cent per therm effect of the Warm Adjustment, divide the WARM Adjustment by the number of therms used during the billing month.

(continue to Sheet 195-5)

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P.U.C. Or. 24

First Revision of Sheet 195-5
Cancels Original Sheet 195-5

SCHEDULE 195 WEATHER ADJUSTED RATE MECHANISM (WARM Program) (continued)

WARM BILL EFFECTS: (continued)

Example Bill Calculation:

Here is the how the WARM adjustment is calculated for a residential **RATE SCHEDULE 2** customer where the base billing rate is \$1.29167 cents per therm, the HDD variance is 50 HDDs colder than normal, and the monthly therm usage is 129 therms:

(C)

HDD Differential:	Normal HDDs:	600 HDDs	
	Actual HDDs:	650 HDDs	
	HDD variance:	$600 - 650 = -50$ HDDs	
Equivalent Therms:	HDD variance:	-50 HDDs	
	Statistical coefficient:	.1958	
	Equivalent therms:	$-50 \times .1958 = -9.79$ therms	
Total Warm Adjustment:	Equivalent therms:	-9.79 therms	
	Margin Rate:	\$0.43968	
	Total WARM Adj.:	$-9.79 \times \$0.43968 = -\4.30446	
Total WARM Adjustment converted to cents per therm:	Total WARM Adj.	-\$4.30446	
	Monthly usage:	129 therms	
	Cent/therm Adj.:	$-\$4.30446 \div 129 = -\0.03336	
Billing Rate per therm:	Current Rate/therm:	\$1.29167	
	WARM cent/therm Adj.	-\$0.03336	
	WARM Billing Rate:	$\$1.29167 + -\$0.03336 = \$1.25831$	
Total WARM Bill:	Customer Charge:	\$6.00	
	Usage Charge:	\$1.25831	
	Total	$(129 \times \$1.25831) + \$6.00 = \$168.32$	

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(continue to Sheet 195-6)

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

First Revision of Sheet 199-1
Cancels Original Sheet 199-1

SCHEDULE 199 SPECIAL RATE ADJUSTMENT (UM 1148/UP 205)

PURPOSE

The purpose of this schedule is to reflect the effects of rate adjustments made pursuant to OPUC Order No. 04-439 in Docket UM 1148/UP 205.

APPLICABLE:

To the following Rate Schedules of this Tariff:

Schedule 1	Schedule 3 (all)	Schedule 31 (all)	Schedule 33
Schedule 2	Schedule 19 (all)	Schedule 32 (all)	Schedule 54

APPLICATION TO RATE SCHEDULES: Effective: October 1, 2005

(T)

The Total Adjustment amounts shown below are included in the Base Adjustments reflected in the above-listed Rate Schedules. NO ADDITIONAL ADJUSTMENT TO RATES IS REQUIRED.

Schedule	Block	Temporary Adjustment	Base Rate Adjustment
1R		(\$0.00001)	\$0.00000
1C		(\$0.00001)	\$0.00000
2		(\$0.00001)	\$0.00000
3 (CFS)		(\$0.00001)	\$0.00000
3 (CFT)		(\$0.00001)	\$0.00000
3 (IFS)		\$0.00000	\$0.00000
3 (IFT)		\$0.00000	\$0.00000
19		\$0.00000	\$0.00
31 (CFS)	Block 1	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000
31(CFT)	Block 1	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000
31 (CIS)	Block 1	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000
31 (IFS)	Block 1	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000
31 (IFT)	Block 1	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000
31 (IIS)	Block 1	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000

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(continue to Sheet 199-2)

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

First Revision of Sheet 199-2
Cancels Original Sheet 199-2

SCHEDULE 199 SPECIAL RATE ADJUSTMENT (UM 1148/UP205) (continued)

APPLICATION TO RATE SCHEDULES (continued): Effective: October 1, 2005

(T)

Schedule	Block	Temporary Adjustment	Base Rate Adjustment
32(FS)	Block 1	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000
	Block 3	\$0.00000	\$0.00000
	Block 4	\$0.00000	\$0.00000
	Block 5	\$0.00000	\$0.00000
	Block 6	\$0.00000	\$0.00000
32(FT)	Block 1	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000
	Block 3	\$0.00000	\$0.00000
	Block 4	\$0.00000	\$0.00000
	Block 5	\$0.00000	\$0.00000
	Block 6	\$0.00000	\$0.00000
32(IS)	Block 1	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000
	Block 3	\$0.00000	\$0.00000
	Block 4	\$0.00000	\$0.00000
	Block 5	\$0.00000	\$0.00000
	Block 6	\$0.00000	\$0.00000
32(IT)	Block 1	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000
	Block 3	\$0.00000	\$0.00000
	Block 4	\$0.00000	\$0.00000
	Block 5	\$0.00000	\$0.00000
	Block 6	\$0.00000	\$0.00000
33(IT)		\$0.00000	\$0.00000
33(FT)		\$0.00000	\$0.00000
54		(\$0.00001)	\$0.00000

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GENERAL TERMS:

This Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this Tariff and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

Issued September 12, 2005
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