

Rates and Regulatory Affairs  
Facsimile: 503.721.2532



October 27, 2008

NWN Advice No. OPUC 08-9

**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: **Docket UM 1286 Compliance; Schedule P**

Northwest Natural Gas Company, dba NW Natural ("NW Natural" or the "Company"), files herewith a revision to its Tariff, P.U.C. Or. 24, as listed below. The Tariff sheet is filed in compliance with Commission Order No. 08-504, Docket UM 1286 and is stated to become effective with service on and after November 1, 2008.

Eighth Revision of Sheet P-5,  
Schedule P  
"Purchased Gas Cost Adjustments (continued)."

The Company has elected an 80/20 sharing, with the corresponding earnings threshold at 150 basis points of ROE, further modified by 20 percent of any change in the risk free rate for the 12-month calendar year preceding the annual earnings review.

Copies of this letter and the filing made herewith are available in the Company's main office in Oregon and on its website at [www.nwnatural.com](http://www.nwnatural.com).

Please address correspondence on this matter to me at  
efiling@nwnatural.com, with copies to the following:

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Sincerely,

NW NATURAL

/s/ Inara K. Scott

Inara K. Scott, Manager  
Regulatory Affairs

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Eighth Revision of Sheet P-5  
Cancels Seventh Revision of Sheet P-5

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## SCHEDULE P PURCHASED GAS COST ADJUSTMENTS (continued)

### CALCULATION OF MONTHLY GAS COSTS FOR DEFERRAL PURPOSES (continued):

2. A debit or credit entry shall be made equal to 100% of any monthly difference between Embedded Non-Commodity Costs and Monthly Seasonalized Fixed Charges. The monthly Seasonalized Fixed Charges for the period November 1, 2008 through November 30, 2009 are:

November 2008	\$8,469,845
December 2008	\$11,670,252
January 2009	\$11,400,976
February	\$9,648,910
March	\$8,247,049
April	\$6,001,030
May	\$4,204,062
June	\$2,805,127
July	\$2,314,440
August	\$2,345,880
September	\$2,614,855
October	\$5,051,083
November	<u>\$8,395,499</u>
ANNUAL TOTAL	\$74,699,163

3. A debit or credit entry shall be made equal to 80% of the difference between the Actual Commodity Cost and the Embedded Commodity Cost. A debit or credit entry will also be made equal to 100% of the difference between storage withdrawals priced at the actual book inventory rate as of October 31 prior to the PGA year and storage withdrawals priced at the inventory rate used in the PGA filing. (C)
4. Monthly differentials shall be deemed to be positive if actual costs exceed embedded costs and to be negative if actual costs fall below embedded costs.
5. The cost differential entries shall be debited to the sub-accounts of Account 191 if positive, and credited to the sub-accounts of Account 191 if negative.
6. Interest – Beginning November 1, 2007, the Company shall compute interest on existing deferred balances on a monthly basis using the interest rate(s) approved by the Commission.

(continue to Sheet P-6)

Issued October 27, 2008  
NWN Advice No. OPUC 08-9

Effective with service on  
and after November 1, 2008

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Issued by: **NORTHWEST NATURAL GAS COMPANY**  
d.b.a. NW Natural  
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