

**Rates and Regulatory Affairs**  
**Facsimile: 503.721.2532**



October 14, 2008

***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: UP 245, Compliance Filing to Commission Order No. 08-395**

Northwest Natural Gas Company, dba NW Natural ("NW Natural" or the "Company") hereby files the enclosed journal entry recording in compliance with condition no. 5 of OPUC Commission Order No. 08-395, which approved the sale of the Company's former Albany customer service center.

The Order states that the journal entry transaction must be filed with the Commission within 60 days of the completion of the property sale. The sale was finalized August 15, 2008, confirmed in the attached settlement statement.

Please call me at (503) 336-4211 ext. 3590 if you have any questions.

Sincerely,

*/s/ Jennifer Gross*

Jennifer Gross  
Tariff and Regulatory Compliance Consultant

cc: Dustin Ball, OPUC

## Northwest Natural Gas Company SAP Journal Entry

Company Code	Document Type	Document Date	Posting Date	Currency	Reference	Header Text
(4) 5000	(2) SA	(9) 093008	(8) 093008	(3) USD	(16) JV JN Albany	(25) Albany Property sale
		(MMDDYYYY) (MMDDYYYY)				(Black) Do not change these cells; (Blue) Change these cells as nee

Line No.	Account	Cost Center	Internal Order	Debit (S) Credit (H)	Debit Amount (10+2)	Credit Amount (10+2)	Detail Text	Quantity (9+3)	Unit of Measure (3)
1	508500	12013	935-02255	S	686,274.00		Reverse Power Plant gain		
2	508500	12013	935-02256	H		20,616.00	Reverse Power Plant gain		
3	508500	12013	935-02257	H		217,106.75	Reverse Power Plant gain		
4	186221			H		448,551.25	Defer gross gain on sale of Albany property		
5	186221			S	162,658.98		Fed tax exp current		
6	186221			H		16,027.57	Fed tax exp deferred		
7	186221			S	32,840.30		OR tax exp current		
8	186221			H		3,235.91	OR tax exp deferred		
9	236028			H		162,658.98	Fed taxes payable		
10	236038			H		32,840.30	OR taxes payable		
11	186221			S	16,027.57		Deferred Fed taxes		
12	186221			S	3,235.91		Deferred OR Taxes		
13									
14									
15									
16									
17									
18									
19									
20									
Total					901,036.76	901,036.76			

Prepared by \_\_\_\_\_

Date \_\_\_\_\_

Approved by \_\_\_\_\_

Date \_\_\_\_\_

POWERPLANT

Company	Cost Element/Center	Cost	Internal Order	Funding Project	Account	Posting Order	Posting Cost Center	DR/CR	Quantity	Amount	Month Number	Month Period	Journal Category	Amount Type	Cwip Change Status
5000	506801	506801	63400999	PROJ	101000	63400999	Asset	-1	0.00	(\$406,454.45)	200809	11	PLPL	Actuals	
5000	506801	506801	63400999	PROJ	101000	63400999	Turnover	1	0.00	\$0.00	200809	12	PLPL	Actuals	
5000	506801	506801	63400999	PROJ	101000	63400999		-1	0.00	(\$20,616.00)	200809	11	PLPL	Actuals	
5000	506801	506801	63400999	PROJ	108001	63400999	CR	1	0.00	\$686,274.00	200809	12	PLPL	Actuals	
5000	506801	506801	63400999	PROJ	108011	63400999	DEPR	-1	0.00	(\$217,106.75)	200809	11	PLPL	Actuals	
5000	506801	506801	63400999	PROJ	108011	63400999	DEPR	-1	0.00	(\$686,274.00)	200809	12	PLPL	Actuals	
5000	506801	506801	63400999	PROJ	108011	63400999	DEPR	-1	0.00	(\$20,616.00)	200809	11	PLPL	Actuals	
5000	506801	506801	63400999	PROJ	108011	63400999	DEPR	1	0.00	\$20,616.00	200809	11	PLPL	Actuals	
5000	506801	506801	63400999	PROJ	108011	63400999	DEPR	1	0.00	\$406,454.45	200809	11	PLPL	Actuals	
5000	508500	508500	935-02255		508500	935-02255	GA/N	-1	0.00	(\$686,274.00)	200809	12	PLPL	Actuals	
5000	508500	508500	935-02255		508500	935-02255	GA/N	1	0.00	\$20,616.00	200809	11	PLPL	Actuals	
5000	508500	508500	935-02255		508500	935-02255	GA/N	1	0.00	\$217,106.75	200809	11	PLPL	Actuals	
									0.00	\$0.00					

NW Natural Gas Company  
 Year ended Dec. 31, 2008

**Gain on Sale of Albany Property**

Federal statutory tax rate 35%  
 Oregon statutory tax rate 6.6%

**Gain (Loss) on Sale:**

	<u>Book</u>	<u>Regulatory</u>	<u>Tax</u>
Proceeds	710,000.00	710,000.00	710,000.00
Cost of sale	23,726.00	23,726.00	23,726.00
Net proceeds	<b>C</b> 686,274.00	686,274.00	686,274.00
Book basis (below)	<b>B</b> 237,722.74	237,722.74	188,693.76
Pre-tax gain (loss)	448,551.26	448,551.26	<u>497,580.24</u>
Income taxes (below)	<b>A</b> 176,235.79	176,235.79	
After-tax gain (loss)	<u>272,315.47</u>	<u>272,315.47</u>	

Federal income taxes-current expense 162,658.98  
 Federal income taxes-deferred benefit (16,027.57)

Oregon income taxes-current expense 32,840.30  
 Oregon income taxes-deferred benefit (3,235.91)

Total income tax expense **A** 176,235.79

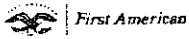
Effective tax rate **39.29%** <== Check = should be 39.29%

**Basis:**

Cost of Land	20,616.00	20,616.00	20,616.00
Cost of Building	406,454.45	406,454.45	406,454.45
	427,070.45	427,070.45	427,070.45
Accumulated depreciation	189,347.71	189,347.71	238,376.69
Net	<b>B</b> 237,722.74	237,722.74	<u>188,693.76</u>

**Net cash flow:**

Net proceeds, less tax pmts **C - A** 490,774.72



First American Title Insurance Company of Oregon

1124 Cornucopia St NW, Ste 202 • Salem, OR 97304

Seller's Final Settlement Statement

Property: 730 34th Ave SW, Albany, OR 97322

File No: 7088-1237121

Officer: Debbie Smith/DSS

New Loan No:

Settlement Date: 08/15/2008

Disbursement Date: 08/15/2008

Print Date: 8/14/2008, 2:35 PM

Buyer: Elwood Martin

Address: 730 34th Ave SW, Albany, OR 97322

Seller: Northwest Natural Gas Company

Address: 220 NW Second Avenue, Portland, OR 97209

Charge Description	Seller Charge	Seller Credit
<b>Consideration:</b>		
Total Consideration		710,000.00
<b>Commission:</b>		
Commission Paid at Settlement to Northwest Commercial Services, LLC	21,300.00	
<b>Title/Escrow Charges to:</b>		
Escrow/Closing Fee - First American Title Insurance Company of Oregon	580.00	
Partial Reconveyance Fee - First American Title Insurance Company of Oregon	125.00	
Wire & Handling Fee - First American Title Insurance Company of Oregon	20.00	
Policy: ALTA Owners - 2006 STD - First American Title Insurance Company of Oregon	1,665.00	
Record Release/Recon-First - First American Title Insurance Company of Oregon	36.00	
<b>Cash (X To) ( From) Seller</b>	686,274.00	
<b>Totals</b>	710,000.00	710,000.00

First American Title Insurance Company of Oregon

By Debbie Smith  
Debbie Smith