

Rates and Regulatory Affairs  
Facsimile: 503.721.2532



October 21, 2008

NWN Advice No. OPUC 08-5  
SUPPLEMENT C

***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: UG 183: Replacement Annual Purchased Gas Cost and Technical Rate Adjustments**

Northwest Natural Gas Company, dba NW Natural ("NW Natural" or the "Company"), files herewith revisions to its Tariff, P.U.C. Or. 24, as listed on the attached Table of Tariff Sheet Revisions. The Tariff sheets are stated to become effective with service on and after November 1, 2008.

This filing replaces NWN Advice Nos. OPUC 08-5A and OPUC 08-5B, dated August 29, 2008 and October 16, 2008, respectively, in the entirety. A request for approval on less than statutory notice is on file.

Introduction and Summary

The first purpose of this filing is to (a) revise rates for the effects of changes in purchased gas costs; (b) revise rates for the further effect of removing temporary rate adjustments incorporated into rates effective November 1, 2007; and (c) apply new temporary rate adjustments for inclusion in rates effective November 1, 2008. The Company revises rates for these purposes annually; its last filing was effective November 1, 2007.

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 Geohazard Risk mitigation and for the Pipeline Integrity Management

Program; and (b) NW Natural's 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 inclusion in rates of a portion of Mist storage capacity previously used for upstream sales capacity, and; (b) price elasticity effects of the rate increase reflected in this filing.

If the effects of the temporary rate increments were permanent, the result of all components of the rate changes would be a increase in the Company's revenues from its Oregon operations of about \$132,549,035 or about 14.53%.

The average residential Schedule 2 bill will increase by 14.3%; the commercial Schedule 3 bill will increase by 15.8%; the commercial Schedule 31 bill will increase by 20%, and; the bill for the average Schedule 32 industrial firm sales customer will increase by 22.7%.

The monthly bill of the average residential customer served under Schedule 2 using 56 therms per month will increase by \$10.67. The monthly increase for the average commercial Schedule 3 customer using 226 therms is \$41.33.

See Exhibit B of this filing for materials in support of the application of all adjustments to the applicable rate schedules.

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.

See Exhibit A of this filing for a summary of the Company's gas purchasing strategy.

This filing applies the methods for calculating the proposed Weighted Average Cost of Gas ("WACOG") that are set forth in a joint party stipulation filed with the Commission on May 2, 2008 in Docket UM 1286. In addition, this filing revises the Winter Sales WACOG option that is available to Rate Schedule 31 and 32 sales service customers.

The total effect of the PGA portion of this filing is to increase the Company's annual revenues by about \$100,304,799. The effect of the change in gas costs is \$100,775,234, which results in a proposed Annual Sales WACOG of \$0.85126 per therm, and a proposed Winter Sales WACOG of \$0.84955. The effect of the change in demand charge calculation is a decrease in total demand charges of about \$470,435, which results in a proposed firm service pipeline capacity charge of \$0.12115 per therm, or \$1.81 per therm of MDDV, and a proposed interruptible service pipeline capacity charge of \$0.01441 per therm.

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 approved Federal Energy Regulatory Commission (FERC) deferred accounts, Accounts 186 and 191, respectively.

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 by Commission authorization, as rate orders or under approved tariffs.

This filing does not require a review of earnings because the Company has adopted a 33% 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 2007 Earnings Review. Page 17 of Exhibit B shows the total proposed average change being applied to billing rates a decrease of \$8 million, which is below the current three percent limit of \$30.5 million.

The net effect of this portion of the filing is to increase the Company's annual revenues by \$24,984,770. The effect of removing the temporary adjustments placed into rates November 1, 2007 is an increase of \$35,425,211. The effect of applying the new temporary rate adjustments is a decrease of \$10,440,441.

### III. Base Rate Adjustments

The effect of this portion of the filing is to increase the Company's annual revenues by \$7,259,466.

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 OPUC 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 and described in Schedule 163.

Coos County. This filing applies the permanent effects of the revenue requirement associated with the construction of the Coos County distribution system pursuant to OPUC Order No. 03-236.

Mist Recall. This adjustment represents the permanent rate effects of the recall of 100,000 therms per day of Mist capacity from upstream market activities for use by the Company's core customers. This adjustment has been applied to rate schedules in the same manner as all Mist expansion projects, as described in Schedule 176.

The Company requests that the tariff sheets filed herewith be permitted to become effective with service on and after November 1, 2008.

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:

Kelley C. Miller, Staff Assistant  
Rates & Regulatory Affairs  
NW Natural  
220 NW Second Avenue  
Portland, Oregon 97209  
Telecopier: (503) 721-2532  
Telephone: (503) 226-4211, x3589  
kelley.miller@nwnatural.com

Natasha Siores, Sr. Rate Analyst  
Rates & Regulatory Affairs  
NW Natural  
220 NW Second Avenue  
Portland, Oregon 29709  
Telecopier: (503) 721-2532  
Telephone: (503) 226-4211, x3588  
natasha.siores@nwnatural.com

Sincerely,

NW NATURAL

  
Inara K. Scott, Manager *by*  
Regulatory Affairs

Attachments: Tariffs  
Exhibits A and B

TABLE OF TARIFF SHEET REVISIONS  
 PROPOSED TO BECOME EFFECTIVE NOVEMBER 1, 2008

PROPOSED REVISION	CANCELS REVISION	SCHEDULE TITLE
Seventh Revision of Sheet 1-1	Sixth Revision of Sheet 1-1	Schedule 1 "General Sales Service"
Seventh Revision of Sheet 2-1	Sixth Revision of Sheet 2-1	Schedule 2 "Residential Sales Service"
Fifth Revision of Sheet 3-3	Fourth Revision of Sheet 3-3	Schedule 3 "Basic Firm Sales Service – Non-Residential"
Sixth Revision of Sheet 19-1	Fifth Revision of Sheet 19-1	Schedule 19 "Gas Light Service"
Third Revision of Sheet 31-9	Second Revision of Sheet 31-9	Schedule 31 "Non-Residential Sales and Transportation Service"
Fourth Revision of Sheet 31-10	Third Revision of Sheet 31-10	Schedule 31 "Non-Residential Sales and Transportation Service"
Third Revision of Sheet 32-9	Second Revision of Sheet 32-9	Schedule 32 "Large Volume Non-Residential Sales and Transportation Service"
Fifth Revision of Sheet 32-10	Fourth Revision of Sheet 32-10	Schedule 32 "Large Volume Non-Residential Sales and Transportation Service"
Fourth Revision of Sheet 33-6	Third Revision of Sheet 33-6	Schedule 33 "High-Volume Non-Residential Firm and Interruptible Transportation Service"
Seventh Revision of Sheet 54-1	Sixth Revision of Sheet 54-1	Schedule 54 "Emergency Sales Service"
Seventh Revision of Sheet 162-1	Sixth Revision of Sheet 162-1	Schedule 162 "Temporary (Technical) Adjustments to Rates"
Sixth Revision of Sheet 162-2	Fifth Revision of Sheet 162-2	Schedule 162 "Temporary (Technical) Adjustments to Rates"
Eighth Revision of Sheet 163-1	Seventh Revision of Sheet 163-1	Schedule 163 "Special Adjustment to Rates Price Elasticity"
Seventh Revision of Sheet 164-1	Sixth Revision of Sheet 164-1	Schedule 164 "Purchased Gas Cost Adjustment to Rates"

<b>PROPOSED REVISION</b>	<b>CANCELS REVISION</b>	<b>SCHEDULE TITLE</b>
Second Revision of Sheet 169-1	First Revision of Sheet 169-1	Schedule 169 "Special Adjustment to Rates for Storage Inventories"
Eighth Revision of Sheet 177-2	Seventh Revision of Sheet 177-2	Schedule 177 "Adjustments to Rates for Safety Programs"
Original Sheet 177-2.1	N/A	Schedule 177 "Adjustments to Rates for Safety Programs"
Sixth Revision of Sheet 177-3	Fifth Revision of Sheet 177-3	Schedule 177 "Adjustments to Rates for Safety Programs"
Original Sheet 177-3.1	N/A	Schedule 177 "Adjustments to Rates for Safety Programs"
Fifth Revision of Sheet 177-4	Fourth Revision of Sheet 177-4	Schedule 177 "Adjustments to Rates for Safety Programs"
Original Sheet 177-4.1	N/A	Schedule 177 "Adjustments to Rates for Safety Programs"
Ninth Revision of Sheet 190-1	Eighth Revision of Sheet 190-1	Schedule 190 "Partial Decoupling Mechanism"
Seventh Revision of Sheet 190-2	Sixth Revision of Sheet 190-2	Schedule 190 "Partial Decoupling Mechanism"
Sixth Revision of Sheet 195-3	Fifth Revision of Sheet 195-3	Schedule 195 "Weather Adjusted Rate Mechanism (WARM Program)"
Fifth Revision of Sheet 195-4	Fourth Revision of Sheet 195-4	Schedule 195 "Weather Adjusted Rate Mechanism (WARM Program)"
Fourth Revision of Sheet 195-5	Third Revision of Sheet 195-5	Schedule 195 "Weather Adjusted Rate Mechanism (WARM Program)"
Fifth Revision of Sheet P-2	Fourth Revision of Sheet P-2	Schedule P "Purchased Gas Cost Adjustments"
Sixth Revision of Sheet P-3	Fifth Revision of Sheet P-3	Schedule P "Purchased Gas Cost Adjustments"
Eighth Revision of Sheet P-4	Seventh Revision of Sheet P-4	Schedule P "Purchased Gas Cost Adjustments"
Seventh Revision of Sheet P-5	Sixth Revision of Sheet P-5	Schedule P "Purchased Gas Cost Adjustments"

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Seventh Revision of Sheet 1-1  
Cancels Sixth 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, is subject to the provisions of **SCHEDULE X**.

(C)

### **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: November 1, 2008

(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	---	---	---	---	<b>\$5.00</b>
Delivery Charge (per therm):						
Residential	\$0.50932	\$0.01751	\$0.12115	\$0.85126	\$(0.01163)	<b>\$1.48761</b>
Commercial	\$0.48199	\$0.01340	\$0.12115	\$0.85126	\$(0.02928)	<b>\$1.43852</b>

(I)

(I)

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

(continue to Sheet 1-2)

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

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

Seventh Revision of Sheet 2-1  
Cancels Sixth 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, is 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: November 1, 2008

(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:	\$6.00	---	---	---	---	<b>\$6.00</b>
Volumetric Charge (per therm):	\$0.44173	\$0.01238	\$0.12115	\$0.85126	\$(0.01150)	<b>\$1.41502</b>

(I)

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

(continue to Sheet 2-2)

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

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

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

## RATE SCHEDULE 3

### BASIC FIRM SALES SERVICE - NON-RESIDENTIAL (continued)

**MONTHLY RATE:** Effective: November 1, 2008

(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**.

<b>FIRM SALES SERVICE CHARGES:</b>						<b>Billing Rates [1]</b>
<b>Customer Charge (per month):</b>						<b>\$8.00</b>
Volumetric Charges (per therm):	Base Rate	Base Rate Adjustment	Pipeline Capacity	Commodity Component [2]	Temporary Adjustment	
<b>Commercial (3 CSF):</b>	\$0.35149	\$0.00967	\$0.12115	\$0.85126	\$(0.02917)	<b>\$1.30440</b>
<b>Industrial (3 ISF):</b>	\$0.31448	\$0.00860	\$0.12115	\$0.85126	\$(0.01359)	<b>\$1.28190</b>
<b>Standby Charge (per therm of MHDV) [3]:</b>						<b>\$10.00</b>

(C)(I)

(C)(I)

- [1] **SCHEDULE C** and **SCHEDULE 15** Charges shall apply, if applicable.  
[2] The Commodity Component will be either Annual Sales WACOG or Monthly Incremental Cost of Gas.  
[3] 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 Sales Service.** Customer Charge.  
(b) **Firm Sales Standby Service.** Customer Charge, plus Standby Service Charge.

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Sixth Revision of Sheet 19-1  
Cancels Fifth 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: November 1, 2008

(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.

	Base Rate	Base Rate Adjustments	Temporary Adjustments	Billing Rate
One mantle	\$24.39	\$0.06	\$(0.26)	<b>\$24.19</b>
All additional mantles	\$23.78	\$0.06	\$(0.26)	<b>\$23.58</b>
Minimum Monthly Bill: Amount based on number of mantles installed				

(I)

(I)

**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 October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Third Revision of Sheet 31-9  
Cancels Second Revision of Sheet 31-9

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

**MONTHLY RATES FOR COMMERCIAL CUSTOMER CLASS:**

Effective: November 1, 2008

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**.

<b>FIRM SALES SERVICE CHARGES (31 CSF) [1]:</b>					Billing Rates
Customer Charge (per month):					<b>\$325.00</b>
Volumetric Charges (per therm)	Base Rate	Base Rate Adjustment	Commodity Component [2]	Total Temporary Adjustments [3]	
Block 1: 1 <sup>st</sup> 2,000 therms	\$0.18939	\$0.00770	\$0.85126	\$(0.02912)	<b>\$1.01923</b>
Block 2: All additional therms	\$0.17319	\$0.00729	\$0.85126	\$(0.02910)	<b>\$1.00264</b>
<b>Pipeline Capacity Charge Options (select one):</b>					
Firm Pipeline Capacity Charge - Volumetric option (per therm):					<b>\$0.12115</b>
Firm Pipeline Capacity Charge - Peak Demand option (per therm of MDDV):					<b>\$1.81</b>
<b>INTERRUPTIBLE SALES SERVICE CHARGES (31 CSI) [1]:</b>					
Customer Charge (per month):					<b>\$325.00</b>
Volumetric Charges (per therm)	Base Rate	Base Rate Adjustment	Commodity Component: [2]	Total Temporary Adjustments [3]	
Block 1: 1 <sup>st</sup> 2,000 therms	\$0.18937	\$0.00625	\$0.85126	\$(0.00854)	<b>\$1.03834</b>
Block 2: All additional therms	\$0.17317	\$0.00596	\$0.85126	\$(0.00852)	<b>\$1.02187</b>
Plus: Interruptible Pipeline Capacity Charge - Volumetric (per therm):					<b>\$0.01441</b>
<b>FIRM TRANSPORTATION SERVICE CHARGES (31 CTF):</b>					
Customer Charge (per month):					<b>\$325.00</b>
Transportation Charge (per month):					<b>\$250.00</b>
Volumetric Charges (per therm)	Base Rate	Base Rate Adjustment		Total Temporary Adjustments [4]	
Block 1: 1 <sup>st</sup> 2,000 therms	\$0.18932	\$0.00695		\$(0.01556)	<b>\$0.18071</b>
Block 2: All additional therms	\$0.17313	\$0.00661		\$(0.01556)	<b>\$0.16418</b>

- [1] The Monthly Bill shall equal the sum of the Customer Charge, plus the Volumetric Charges, plus the Pipeline Capacity Charge selected by the Customer, plus any other charges that may apply from Schedule C or Schedule 15.
- [2] The stated rate is the Company's Annual Sales WACOG. However, the Commodity Component to be billed will be dependent on Customer's Service Type Selection and may instead be Winter Sales WACOG or Monthly Incremental Cost of Gas.
- [3] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Temporary Adjustments as set forth in Schedule 162 may not apply.
- [4] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Sales Service Temporary Adjustments as set forth in Schedule 162 may also apply.

(continue to Sheet 31-10)

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Fourth Revision of Sheet 31-10  
Cancels Third Revision of Sheet 31-10

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

### MONTHLY RATES FOR INDUSTRIAL CUSTOMER CLASS:

**Effective: November 1, 2008**

(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 31-CHP**.

<b>FIRM SALES SERVICE CHARGES (31 ISF) [1]:</b>					<b>Billing Rates</b>
Customer Charge (per month):					<b>\$325.00</b>
Volumetric Charges (per therm)	Base Rate	Base Rate Adjustment	Commodity Component [2]	Total Temporary Adjustments [3]	
Block 1: 1 <sup>st</sup> 2,000 therms	\$0.16796	\$0.00380	\$0.85126	\$(0.01354)	<b>\$1.00948</b>
Block 2: All additional therms	\$0.15177	\$0.00344	\$0.85126	\$(0.01354)	<b>\$0.99293</b>
<b>Pipeline Capacity Charge Options (select one):</b>					
Firm Pipeline Capacity Charge - Volumetric option (per therm):					<b>\$0.12115</b>
Firm Pipeline Capacity Charge - Peak Demand option (per therm of MDDV):					<b>\$1.81</b>
<b>INTERRUPTIBLE SALES SERVICE CHARGES (31 ISI) [1]:</b>					
Customer Charge (per month):					<b>\$325.00</b>
Volumetric Charges (per therm)	Base Rate	Base Rate Adjustment	Commodity Component [2]	Total Temporary Adjustments [3]	
Block 1: 1 <sup>st</sup> 2,000 therms	\$0.16798	\$0.00535	\$0.85126	\$0.00695	<b>\$1.03154</b>
Block 2: All additional therms	\$0.15179	\$0.00484	\$0.85126	\$0.00698	<b>\$1.01487</b>
Plus: Interruptible Pipeline Capacity Charge - Volumetric (per therm):					<b>\$0.01441</b>
<b>FIRM TRANSPORTATION SERVICE CHARGES (31 ITF):</b>					
Customer Charge (per month):					<b>\$325.00</b>
Transportation Charge (per month):					<b>\$250.00</b>
Volumetric Charges (per therm)	Base Rate	Base Rate Adjustment		Total Temporary Adjustments [4]	
Block 1: 1 <sup>st</sup> 2,000 therms	\$0.16790	\$0.00365		\$0.00000	<b>\$0.17155</b>
Block 2: All additional therms	\$0.15172	\$0.00331		\$0.00000	<b>\$0.15503</b>

(I)

(I)

(R)

(R)

(I)

(I)

(R)

(I)

(I)

- [1] The Monthly Bill shall equal the sum of the Customer Charge, plus the Volumetric Charges, plus the Pipeline Capacity Charge selected by the Customer, plus any other charges that may apply from **SCHEDULE C** and **SCHEDULE 15**.
- [2] The stated rate is the Company's Annual Sales WACOG. However, the Commodity Component to be billed will be dependent on Customer's Service Type Selection and may instead be Winter Sales WACOG, or Monthly Incremental Cost of Gas.
- [3] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Temporary Adjustments as set forth in **SCHEDULE 162** may not apply.
- [4] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Sales Service Temporary Adjustments as set forth in **SCHEDULE 162** may also apply.

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

**NORTHWEST NATURAL GAS COMPANY**

P.U.C. Or. 24

Third Revision of Sheet 32-9  
 Cancels Second Revision of Sheet 32-9

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

**MONTHLY RATES:**

Effective: November 1, 2008

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**.

(T)

<b>FIRM SALES SERVICE CHARGES [1]:</b>					
Customer Charge (per month, all service types):					<b>\$675.00</b>
	Base Rate	Base Rate Adjustment	Commodity Component [2]	Total Temporary Adjustments [3]	Billing Rates
<b>32 CSF Volumetric Charges (per therm):</b>					
Block 1: 1 <sup>st</sup> 10,000 therms	\$0.10011	\$0.00249	\$0.85126	\$(0.01360)	<b>\$0.94026</b>
Block 2: Next 20,000 therms	\$0.08508	\$0.00211	\$0.85126	\$(0.01359)	<b>\$0.92486</b>
Block 3: Next 20,000 therms	\$0.06007	\$0.00149	\$0.85126	\$(0.01358)	<b>\$0.89924</b>
Block 4: Next 100,000 therms	\$0.03504	\$0.00087	\$0.85126	\$(0.01356)	<b>\$0.87361</b>
Block 5: Next 600,000 therms	\$0.02003	\$0.00049	\$0.85126	\$(0.01355)	<b>\$0.85823</b>
Block 6: All additional therms	\$0.01003	\$0.00025	\$0.85126	\$(0.01354)	<b>\$0.84800</b>
<b>32 ISF Volumetric Charges (per therm):</b>					
Block 1: 1 <sup>st</sup> 10,000 therms	\$0.10011	\$0.00258	\$0.85126	\$(0.01351)	<b>\$0.94044</b>
Block 2: Next 20,000 therms	\$0.08508	\$0.00219	\$0.85126	\$(0.01350)	<b>\$0.92503</b>
Block 3: Next 20,000 therms	\$0.06007	\$0.00155	\$0.85126	\$(0.01349)	<b>\$0.89939</b>
Block 4: Next 100,000 therms	\$0.03504	\$0.00089	\$0.85126	\$(0.01347)	<b>\$0.87372</b>
Block 5: Next 600,000 therms	\$0.02003	\$0.00053	\$0.85126	\$(0.01346)	<b>\$0.85836</b>
Block 6: All additional therms	\$0.01003	\$0.00026	\$0.85126	\$(0.01345)	<b>\$0.84810</b>
Firm Service Distribution Capacity Charge (per therm of MDDV per month):					<b>\$0.15748</b>
Firm Sales Service Storage Charge (per therm of MDDV per month):					<b>\$0.20415</b>
<b>Pipeline Capacity Charge Options (select one):</b>					
Firm Pipeline Capacity Charge - Volumetric option (per therm):					<b>\$0.12115</b>
Firm Pipeline Capacity Charge - Peak Demand option (per therm of MDDV per month):					<b>\$1.81</b>
<b>INTERRUPTIBLE SALES SERVICE CHARGES [4]:</b>					
Customer Charge (per month):					<b>\$675.00</b>
<b>32 ISI Volumetric Charges (per therm):</b>					
Block 1: 1 <sup>st</sup> 10,000 therms	\$0.10010	\$0.00215	\$0.85126	\$0.00704	<b>\$0.96055</b>
Block 2: Next 20,000 therms	\$0.08508	\$0.00182	\$0.85126	\$0.00706	<b>\$0.94522</b>
Block 3: Next 20,000 therms	\$0.06007	\$0.00128	\$0.85126	\$0.00706	<b>\$0.91967</b>
Block 4: Next 100,000 therms	\$0.03504	\$0.00075	\$0.85126	\$0.00708	<b>\$0.89413</b>
Block 5: Next 600,000 therms	\$0.02003	\$0.00043	\$0.85126	\$0.00709	<b>\$0.87881</b>
Block 6: All additional therms	\$0.01003	\$0.00021	\$0.85126	\$0.00709	<b>\$0.86859</b>
Interruptible Pipeline Capacity Charge (per therm):					<b>\$0.01441</b>

(I)

(I)

(R)

(R)

(I)

(I)

(R)

- [1] The Monthly Bill shall equal the sum of the Customer Charge, plus the Volumetric Charges, plus the Pipeline Capacity Charge selected by the Customer, plus any other charges that may apply from Schedule C or Schedule 15.
- [2] The stated rate is the Company's Annual Sales WACOG. However, the Commodity Component to be billed will be dependent on Customer's Service Type Selection and may instead be Winter Sales WACOG or Monthly Incremental Cost of Gas.
- [3] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Temporary Adjustments as set forth in Schedule 162 may not apply.
- [4] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Sales Service Temporary Adjustments as set forth in Schedule 162 may also apply.

(continue to Sheet 32-10)

Issued October 21, 2008  
 NWN Advice No. OPUC 08-5C

Effective with service on  
 and after November 1, 2008

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Fifth Revision of Sheet 32-10  
Cancels Fourth Revision of Sheet 32-10

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

### MONTHLY RATES:

Effective: November 1, 2008

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**.

(T)

<b>FIRM TRANSPORTATION SERVICE CHARGES (32 CTF or 32 ITF) [1]:</b>					<b>Billing Rates</b>
Customer Charge (per month):					<b>\$675.00</b>
Transportation Charge (per month):					<b>\$250.00</b>
Volumetric Charges (per therm)	Base Rate	Base Rate Adjustment		Total Temporary Adjustments [2]	
Block 1: 1 <sup>st</sup> 10,000 therms	\$0.10007	\$0.00203		\$0.00004	<b>\$0.10214</b>
Block 2: Next 20,000 therms	\$0.08505	\$0.00172		\$0.00005	<b>\$0.08682</b>
Block 3: Next 20,000 therms	\$0.06005	\$0.00121		\$0.00006	<b>\$0.06132</b>
Block 4: Next 100,000 therms	\$0.03503	\$0.00070		\$0.00007	<b>\$0.03580</b>
Block 5: Next 600,000 therms	\$0.02002	\$0.00041		\$0.00008	<b>\$0.02051</b>
Block 6: All additional therms	\$0.01003	\$0.00020		\$0.00008	<b>\$0.01031</b>
Firm Service Distribution Capacity Charge (per therm of MDDV per month):					<b>\$0.15748</b>
<b>INTERRUPTIBLE TRANSPORTATION SERVICE CHARGES (32 ITI) [3]:</b>					
Customer Charge (per month):					<b>\$675.00</b>
Transportation Charge (per month):					<b>\$250.00</b>
Volumetric Charges (per therm)	Base Rate	Base Rate Adjustment		Temporary Adjustments [2]	
Block 1: 1 <sup>st</sup> 10,000 therms	\$0.10007	\$0.00190		\$0.00004	<b>\$0.10201</b>
Block 2: Next 20,000 therms	\$0.08505	\$0.00163		\$0.00006	<b>\$0.08674</b>
Block 3: Next 20,000 therms	\$0.06005	\$0.00115		\$0.00006	<b>\$0.06126</b>
Block 4: Next 100,000 therms	\$0.03503	\$0.00067		\$0.00008	<b>\$0.03578</b>
Block 5: Next 600,000 therms	\$0.02002	\$0.00038		\$0.00008	<b>\$0.02048</b>
Block 6: All additional therms	\$0.01003	\$0.00019		\$0.00008	<b>\$0.01030</b>

(I)

(I)

(I)

(I)

- [1] For Firm Transportation Service, the Monthly Bill shall equal the sum of the Customer Charge, plus Transportation Charge, plus the Volumetric Charges, plus the Distribution Capacity Charge, plus any other charges that may apply from Schedule C or Schedule 15.
- [2] Where applicable, the Account 191 Adjustments shall apply.
- [3] For Interruptible Transportation Service, the Monthly Bill shall equal the sum of the Customer Charge, plus Transportation Charge, plus the Volumetric Charges, plus any other charges that may apply from Schedule C or Schedule 15.
- [4] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Sales Service Temporary Adjustments as set forth in Schedule 162 may also apply.

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

**NORTHWEST NATURAL GAS COMPANY**

P.U.C. Or. 24

Fourth Revision of Sheet 33-6  
 Cancels Third Revision of Sheet 33-6

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

**MONTHLY RATE:**

Effective: November 1, 2008

(T)

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

<b>FIRM TRANSPORTATION SERVICE CHARGES (33 TF)</b>					<b>Billing Rates</b>
Customer Charge:					<b>\$38,000.00</b>
Transportation Charge:					<b>\$250.00</b>
Volumetric Charge:		Base Rate	Base Rate Adjustments	Total Temporary Adjustment [1]	
Per therm, all therms:		\$0.00542	\$0.00012	\$(0.00001)	<b>\$0.00553</b>
Firm Service Distribution Capacity Charge: Per therm of MDDV per month					<b>\$0.15748</b>
<b>Minimum Monthly Bill:</b> Customer Charge, plus Transportation Charge, plus Firm Service Distribution Capacity Charge, plus any other charges that may apply from <b>SCHEDULE C</b> and <b>SCHEDULE 15</b> .					

(I)

<b>INTERRUPTIBLE TRANSPORTATION SERVICE CHARGES (33 TI)</b>					<b>Billing Rates</b>
Customer Charge:					<b>\$38,000.00</b>
Transportation Charge:					<b>\$250.00</b>
Volumetric Charge:		Base Rate	Base Rate Adjustments	Total Temporary Adjustment [1]	
Per therm, all therms:		\$0.00542	\$0.00012	\$(0.00001)	<b>\$0.00553</b>
<b>Minimum Monthly Bill:</b> Customer Charge, plus Transportation Charge, plus any other charges that may apply from <b>SCHEDULE C</b> and <b>SCHEDULE 15</b> .					

(I)

[1] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Temporary Adjustments as set forth in **SCHEDULE 162** shall apply.

Issued October 21, 2008  
 NWN Advice No. OPUC 08-5C

Effective with service on  
 and after November 1, 2008



# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Seventh Revision of Sheet 54-1  
Cancels Sixth 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: November 1, 2008

(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	Temporary Adjustment	Billing Rate
Usage Charge, per therm, all therms	\$1.39717	\$(0.01377)	<b>\$1.38340</b>

(I)

### **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 October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Seventh Revision of Sheet 162-1  
Cancels Sixth 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: November 1, 2008

(T)

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		\$0.01065	\$(0.02329)	\$0.00267	\$(0.00997)
1C		\$0.01065	\$(0.02329)	\$(0.01519)	\$(0.02783)
2		\$0.01065	\$(0.02329)	\$0.00254	\$(0.01010)
3 (CSF)		\$0.01065	\$(0.02329)	\$(0.01528)	\$(0.02792)
3 (ISF)		\$0.01065	\$(0.02329)	\$0.00025	\$(0.01239)
19		\$0.20	\$(0.44)	\$0.00	\$(0.24)
31 (CSF)	Block 1	\$0.01065	\$(0.02329)	\$(0.01533)	\$(0.02797)
	Block 2	\$0.01065	\$(0.02329)	\$(0.01533)	\$(0.02797)
31 (CTF)	Block 1	N/A	N/A	\$(0.01536)	\$(0.01536)
	Block 2	N/A	N/A	\$(0.01537)	\$(0.01537)
31 (CSI)	Block 1	\$0.01065	\$(0.00273)	\$(0.01538)	\$(0.00746)
	Block 2	\$0.01065	\$(0.00273)	\$(0.01538)	\$(0.00746)
31 (ISF)	Block 1	\$0.01065	\$(0.02329)	\$0.00021	\$(0.01243)
	Block 2	\$0.01065	\$(0.02329)	\$0.00019	\$(0.01245)
31 (ITF)	Block 1	N/A	N/A	\$0.00019	\$0.00019
	Block 2	N/A	N/A	\$0.00017	\$0.00017
31 (ISI)	Block 1	\$0.01065	\$(0.00273)	\$0.00022	\$0.00814
	Block 2	\$0.01065	\$(0.00273)	\$0.00022	\$0.00814

(C)

(C)

(continue to Sheet 162-2)

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Sixth Revision of Sheet 162-2  
Cancels Fifth Revision of Sheet 162-2

## SCHEDULE 162 TEMPORARY (TECHNICAL) ADJUSTMENTS TO RATES (continued)

**APPLICATION TO RATE SCHEDULES** (continued):

Effective: November 1, 2008

Schedule	Block	Account 191 Commodity Adjustment	Account 191 Pipeline Capacity Adjustment	Account 186 Net Adjustments	Total Temporary Adjustment
32(CSF)	Block 1	\$0.01065	\$(0.02329)	\$0.00008	\$(0.01256)
	Block 2	\$0.01065	\$(0.02329)	\$0.00007	\$(0.01257)
	Block 3	\$0.01065	\$(0.02329)	\$0.00005	\$(0.01259)
	Block 4	\$0.01065	\$(0.02329)	\$0.00004	\$(0.01260)
	Block 5	\$0.01065	\$(0.02329)	\$0.00003	\$(0.01261)
	Block 6	\$0.01065	\$(0.02329)	\$0.00002	\$(0.01262)
32(ISF)	Block 1	\$0.01065	\$(0.02329)	\$0.00017	\$(0.01247)
	Block 2	\$0.01065	\$(0.02329)	\$0.00016	\$(0.01248)
	Block 3	\$0.01065	\$(0.02329)	\$0.00014	\$(0.01250)
	Block 4	\$0.01065	\$(0.02329)	\$0.00013	\$(0.01251)
	Block 5	\$0.01065	\$(0.02329)	\$0.00012	\$(0.01252)
	Block 6	\$0.01065	\$(0.02329)	\$0.00011	\$(0.01253)
32(TF)	Block 1	N/A	N/A	\$0.00014	\$0.00014
	Block 2	N/A	N/A	\$0.00014	\$0.00014
	Block 3	N/A	N/A	\$0.00012	\$0.00012
	Block 4	N/A	N/A	\$0.00011	\$0.00011
	Block 5	N/A	N/A	\$0.00010	\$0.00010
	Block 6	N/A	N/A	\$0.00009	\$0.00009
32(SI)	Block 1	\$0.01065	\$(0.00273)	\$0.00014	\$0.00806
	Block 2	\$0.01065	\$(0.00273)	\$0.00014	\$0.00806
	Block 3	\$0.01065	\$(0.00273)	\$0.00012	\$0.00804
	Block 4	\$0.01065	\$(0.00273)	\$0.00011	\$0.00803
	Block 5	\$0.01065	\$(0.00273)	\$0.00010	\$0.00802
	Block 6	\$0.01065	\$(0.00273)	\$0.00009	\$0.00801
32(TI)	Block 1	N/A	N/A	\$0.00014	\$0.00014
	Block 2	N/A	N/A	\$0.00014	\$0.00014
	Block 3	N/A	N/A	\$0.00012	\$0.00012
	Block 4	N/A	N/A	\$0.00011	\$0.00011
	Block 5	N/A	N/A	\$0.00010	\$0.00010
	Block 6	N/A	N/A	\$0.00009	\$0.00009
33(TI)		N/A	N/A	\$0.00000	\$0.00000
33(TF)		N/A	N/A	\$0.00000	\$0.00000
54		\$0.01065	\$(0.02329)	\$0.00024	\$(0.01240)

**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 October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Eighth Revision of Sheet 163-1  
Cancels Seventh 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:

<b>Residential</b>	<b>Commercial</b>
<b>Schedule 1</b>	Schedule 1
<b>Schedule 2</b>	Schedule 3 (CSF)
	Schedule 31 (CSF)
	Schedule 31 (CTF)
	Schedule 31 (CSI)

**APPLICATION TO RATE SCHEDULES:**

**Effective: November 1, 2008**

(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:           \$0.01051 per therm  
Commercial Rate Schedules:         \$0.00656 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.

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Seventh Revision of Sheet 164-1  
Cancels Sixth 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: November 1, 2008

(T)

Annual Sales WACOG [1]	\$0.85126
Winter Sales WACOG [2]	\$0.84955
Firm Sales Service Pipeline Capacity Component [3]	\$0.12115
Firm Sales Service Pipeline Capacity Component [4]	\$1.81
Interruptible Sales Service Pipeline Capacity Component [5]	\$0.01441

(I)

(I)

(R)

(R)

(R)

- [1] Applies to all Sales Service Rate Schedules (per therm) except where Winter Sales WACOG or Monthly Incremental Cost of Gas applies.
- [2] Applies to Sales Customers that request Winter Sales WACOG at the September 15 Annual Service Election.
- [3] Applies to Rate Schedules 1, 2, 3, and Schedule 31 and Schedule 32 Firm Sales Service Volumetric Pipeline Capacity option (per therm).
- [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: November 1, 2008

(T)

The above listed components shall be adjusted as follows:

Commodity Component	Firm 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.

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

**NORTHWEST NATURAL GAS COMPANY**

P.U.C. Or. 24

Second Revision of Sheet 169-1  
Cancels First Revision of Sheet 169-1

**SCHEDULE 169  
SPECIAL ADJUSTMENT TO RATES FOR STORAGE INVENTORIES**

**PURPOSE:**

To identify adjustments to rates in the Rate Schedules listed below that relate to the amortization of balances in the Company's storage inventories.

**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: November 1, 2008

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	Schedule	Block	Account 191 Commodity Adjustment
1R		\$(0.00091)	32(CSF/ISF)	Block 1	\$(0.00091)
1C		\$(0.00091)		Block 2	\$(0.00091)
2		\$(0.00091)		Block 3	\$(0.00091)
3 (CSF)		\$(0.00091)		Block 4	\$(0.00091)
				Block 5	\$(0.00091)
3 (ISF)		\$(0.00091)		Block 6	\$(0.00091)
			32(TF)	Block 1	N/A
19		\$(0.02)		Block 2	N/A
31 (CSF)	Block 1	\$(0.00091)		Block 3	N/A
	Block 2	\$(0.00091)		Block 4	N/A
31(CTF)	Block 1	N/A		Block 5	N/A
	Block 2	N/A		Block 6	N/A
31 (CSI)	Block 1	\$(0.00091)	32(SI)	Block 1	\$(0.00091)
	Block 2	\$(0.00091)		Block 2	\$(0.00091)
31 (ISF)	Block 1	\$(0.00091)		Block 3	\$(0.00091)
	Block 2	\$(0.00091)		Block 4	\$(0.00091)
31 (ITF)	Block 1	N/A		Block 5	\$(0.00091)
	Block 2	N/A		Block 6	\$(0.00091)
31 (ISI)	Block 1	\$(0.00091)	32(TI)	Block 1	N/A
	Block 2	\$(0.00091)		Block 2	N/A
				Block 3	N/A
				Block 4	N/A
				Block 5	N/A
				Block 6	N/A
			33(TI)		N/A
			33(TF)		N/A
			54		\$(0.00091)

(T)

(C)

(C)

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

**SCHEDULE 177  
 ADJUSTMENTS TO RATES FOR SAFETY PROGRAM  
 (continued)**

**BARE STEEL REPLACEMENT PROGRAM (continued)**

**APPLICATION TO RATE SCHEDULES:**

**Effective: November 1, 2008**

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

Schedule	Block	70%	30%	Total Adjustment
1R		\$0.00302	\$0.00214	\$0.00516
1C		\$0.00302	\$0.00153	\$0.00455
2		\$0.00302	\$0.00138	\$0.00440
3 (CSF)		\$0.00302	\$0.00098	\$0.00328
3 (ISF)		\$0.00302	\$0.00082	\$0.00384
19		\$0.06	\$0.00	\$0.06
31 (CSF)	Block 1	\$0.00302	\$0.00069	\$0.00371
	Block 2	\$0.00302	\$0.00063	\$0.00365
31(CTF)	Block 1	\$0.00302	\$0.00058	\$0.00360
	Block 2	\$0.00302	\$0.00053	\$0.00355
31 (CSI)	Block 1	\$0.00302	\$0.00048	\$0.00350
	Block 2	\$0.00302	\$0.00043	\$0.00345
31 (ISF)	Block 1	\$0.00000	\$0.00056	\$0.00056
	Block 2	\$0.00000	\$0.00051	\$0.00051
31 (IFT)	Block 1	\$0.00000	\$0.00054	\$0.00054
	Block 2	\$0.00000	\$0.00049	\$0.00049
31 (ISI)	Block 1	\$0.00000	\$0.00079	\$0.00079
	Block 2	\$0.00000	\$0.00071	\$0.00071
32 (CSF)	Block 1	\$0.00000	\$0.00037	\$0.00037
	Block 2	\$0.00000	\$0.00031	\$0.00031
	Block 3	\$0.00000	\$0.00022	\$0.00022
	Block 4	\$0.00000	\$0.00013	\$0.00013
	Block 5	\$0.00000	\$0.00007	\$0.00007
	Block 6	\$0.00000	\$0.00004	\$0.00004
32 (ISF)	Block 1	\$0.00000	\$0.00038	\$0.00038
	Block 2	\$0.00000	\$0.00032	\$0.00032
	Block 3	\$0.00000	\$0.00023	\$0.00023
	Block 4	\$0.00000	\$0.00013	\$0.00013
	Block 5	\$0.00000	\$0.00008	\$0.00008
	Block 6	\$0.00000	\$0.00004	\$0.00004
32 (TF)	Block 1	\$0.00000	\$0.00030	\$0.00030
	Block 2	\$0.00000	\$0.00025	\$0.00025
	Block 3	\$0.00000	\$0.00018	\$0.00018
	Block 4	\$0.00000	\$0.00010	\$0.00010
	Block 5	\$0.00000	\$0.00006	\$0.00006
	Block 6	\$0.00000	\$0.00003	\$0.00003

(continue to Sheet 177-2.1)

Issued October 21, 2008  
 NWN Advice No. OPUC 08-5C

Effective with service on  
 and after November 1, 2008

(T)

(C)

(C)





# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Sixth Revision of Sheet 177-3  
Cancels Fifth 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 November 1 through October 31. 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, 2007 or until such other time as the Commission may approve. (C)

### **APPLICATION TO RATE SCHEDULES:**

Effective: November 1, 2008

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

Schedule	Block	Total Adjustment
1R		\$0.00276
1C		\$0.00198
2		\$0.00178
3 (CSF)		\$0.00126
3 (ISF)		\$0.00106
19		\$0.00
31 (CSF)	Block 1	\$0.00089
	Block 2	\$0.00081
31 (CTF)	Block 1	\$0.00075
	Block 2	\$0.00068
31 (CSI)	Block 1	\$0.00061
	Block 2	\$0.00056
31 (ISF)	Block 1	\$0.00072
	Block 2	\$0.00065
31 (ITF)	Block 1	\$0.00069
	Block 2	\$0.00063
31 (ISI)	Block 1	\$0.00102
	Block 2	\$0.00092
32 (CSF)	Block 1	\$0.00047
	Block 2	\$0.00040
	Block 3	\$0.00028
	Block 4	\$0.00017
	Block 5	\$0.00009
	Block 6	\$0.00005

(continue to Sheet 177-3.1) (C)

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

**SCHEDULE 177  
ADJUSTMENTS TO RATES FOR SAFETY PROGRAM  
(continued)**

<b>Schedule</b>	<b>Block</b>	<b>Total Adjustment</b>
32 (ISF)	Block 1	\$0.00049
	Block 2	\$0.00042
	Block 3	\$0.00029
	Block 4	\$0.00017
	Block 5	\$0.00010
	Block 6	\$0.00005
32 (TF)	Block 1	\$0.00039
	Block 2	\$0.00033
	Block 3	\$0.00023
	Block 4	\$0.00013
	Block 5	\$0.00008
	Block 6	\$0.00004
32 (SI)	Block 1	\$0.00041
	Block 2	\$0.00035
	Block 3	\$0.00024
	Block 4	\$0.00014
	Block 5	\$0.00008
	Block 6	\$0.00004
32 (TI)	Block 1	\$0.00036
	Block 2	\$0.00031
	Block 3	\$0.00022
	Block 4	\$0.00013
	Block 5	\$0.00007
	Block 6	\$0.00004
33 (all)		\$0.00002
54		\$0.00167

(C)

(C)

(continue to Sheet 177-4)

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Fifth Revision of Sheet 177-4  
Cancels Fourth Revision of 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 November 1 through October 31, 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: November 1, 2008

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

Schedule	Block	Total Adjustment
1R		\$0.01001
1C		\$0.00716
2		\$0.00647
3 (CSF)		\$0.00460
3 (ISF)		\$0.00386
19		\$0.00
31 (CSF)	Block 1	\$0.00323
	Block 2	\$0.00295
31 (CTF)	Block 1	\$0.00271
	Block 2	\$0.00248
31 (CSI)	Block 1	\$0.00223
	Block 2	\$0.00203
31 (ISF)	Block 1	\$0.00263
	Block 2	\$0.00238
31 (ITF)	Block 1	\$0.00252
	Block 2	\$0.00228
31 (ISI)	Block 1	\$0.00370
	Block 2	\$0.00335
32 (CSF)	Block 1	\$0.00172
	Block 2	\$0.00146
	Block 3	\$0.00103
	Block 4	\$0.00060
	Block 5	\$0.00034
	Block 6	\$0.00017

(T)

(C)

(T)  
(T)

(C)

(continue to Sheet 177-4.1)

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

**SCHEDULE 177  
ADJUSTMENTS TO RATES FOR SAFETY PROGRAM  
(continued)**

**INTEGRITY MANAGEMENT PROGRAM (IMP): (continued)**

Schedule	Block	Total Adjustment
32 (ISF)	Block 1	\$0.00178
	Block 2	\$0.00151
	Block 3	\$0.00107
	Block 4	\$0.00062
	Block 5	\$0.00036
	Block 6	\$0.00018
32 (TF)	Block 1	\$0.00140
	Block 2	\$0.00119
	Block 3	\$0.00084
	Block 4	\$0.00049
	Block 5	\$0.00028
	Block 6	\$0.00014
32 (SI)	Block 1	\$0.00148
	Block 2	\$0.00125
	Block 3	\$0.00089
	Block 4	\$0.00052
	Block 5	\$0.00030
	Block 6	\$0.00015
32 (TI)	Block 1	\$0.00132
	Block 2	\$0.00113
	Block 3	\$0.00079
	Block 4	\$0.00046
	Block 5	\$0.00026
	Block 6	\$0.00013
33 (all)		\$0.00008
54		\$0.00608

(C)

(C)

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Ninth Revision of Sheet 190-1  
Cancels Eighth 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.

**TERM:**

This Schedule shall automatically terminate on October 31, 2012, or on such other date as the Commission may approve.

**APPLICABLE:**

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

Residential	Commercial
Schedule 1	Schedule 1
Schedule 2	Schedule 3(SF)
	Schedule 31(SF)
	Schedule 31(SI)
	Schedule 31(TF)

(D)

**ADJUSTMENT TO RATE SCHEDULES:**

**Effective: November 1, 2008**

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

(T)

Residential Rate Schedules:	\$ 0.00214 per therm
Commercial Rate Schedules:	\$(0.01546) per therm

(C)

(C)

**PARTIAL DECOUPLING DEFERRAL ACCOUNT:**

- 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.

(continue to Sheet 190-2)

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Seventh Revision of Sheet 190-2  
Cancels Sixth Revision of Sheet 190-2

## SCHEDULE 190

### PARTIAL DECOUPLING MECHANISM (continued)

#### PARTIAL DECOUPLING DEFERRAL ACCOUNT (continued):

- 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.

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

- 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 stations identified in **RULE 24**.

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.

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.

- Baseline usage will be adjusted to reflect actual customers billed each month.
- The per therm distribution margins to be used in the deferral calculation effective November 1, 2008 is \$0.44375 per therm for Residential customers and \$0.30353 per therm for Commercial customers.

(T)(C)

(continue to Sheet 190-3)

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

**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:  $WARM\ Adjustment = \sum_{t=1}^T (HDD_{n,t} - HDD_{a,t}) * B * Mrgn$

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 December 1, 2008 are:

Schedule 2: \$0.45411	Schedule 3: \$0.36116
-----------------------	-----------------------

(T)  
(R)

(continue to Sheet 195-4)

Issued October 21, 2008  
 NWN Advice No. OPUC 08-5C

Effective with service on  
 and after November 1, 2008

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Fifth Revision of Sheet 195-4  
Cancels Fourth Revision of Sheet 195-4

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

### WARM FORMULA: (continued)

Weather data used in the calculation of HDD for each customer shall be from the same weather stations and weather zones that are used in the determination of thermal units as set forth in **RULE 24**.

### 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	\$ 0.28
5	.9790	\$0.44	3.8345	\$ 1.38
10	1.958	\$0.89	7.669	\$ 2.77
15	2.937	\$1.33	11.5035	\$ 4.15
20	3.916	\$1.78	15.338	\$ 5.54
25	4.895	\$2.22	19.1725	\$ 6.92
30	5.874	\$2.67	23.007	\$ 8.31
35	6.853	\$3.11	26.8415	\$ 9.69
40	7.832	\$3.56	30.676	\$11.08
45	8.811	\$4.00	34.5105	\$12.46
50	9.790	\$4.45	38.345	\$13.85

(C)  
|  
(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)

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008



# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Fourth Revision of Sheet 195-5  
Cancels Third Revision of 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 \$1.22449 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:	\$0.45411	
	Total WARM Adj.:	$-9.79 \times \$0.45411 = -\$4.44573$	(R)
Total WARM Adjustment converted to cents per therm:	Total WARM Adj.	-\$4.44573	(R)
	Monthly usage:	129 therms	(R)
	Cent/therm Adj.:	$-\$4.44573 \div 129 = -\$0.03446$	(R)
Billing Rate per therm:	Current Rate/therm:	\$1.41502	(R)
	WARM cent/therm Adj.	-\$0.03446	(R)
	WARM Billing Rate:	$\$1.41502 + -\$0.03446 = \$1.38056$	(R)
Total WARM Bill:	Customer Charge:	\$6.00	
	Usage Charge:	\$1.38056	(R)
	Total	$(129 \times \$1.38056) + \$6.00 = \$184.05$	(R)

(continue to Sheet 195-6)

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

*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

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

## SCHEDULE P PURCHASED GAS COST ADJUSTMENTS (continued)

### DEFINITIONS (continued):

7. Estimated Annual Sales Weighted Average Cost of Gas (Annual Sales WACOG):  
The estimated Annual Sales WACOG is used for purposes of calculating the monthly gas cost deferral costs for entry into the Account 191 sub-accounts calculated by the following formula: (Forecasted Purchases at Adjusted Contract Prices) divided by forecasted sales volumes. (C)
- a. "Forecasted Purchases" means November 1 – October 31 forecasted sales volumes, "weather-normalized", plus a percentage for distribution system LUFG. (C)  
(D)
- b. "Distribution system embedded LUFG" means the 5-year average of actual distribution system LUFG, not to exceed 2%.
- c. "Adjusted contract prices" means actual and projected contract prices that are adjusted by each associated Canadian pipeline's published (closest to August 1) fuel use and line loss amount provided for by tariff, and by each associated U.S. pipeline's tariffed rate.
- Effective November 1, 2008:
- |   |                  |            |
|---|------------------|------------|
| Estimated Annual Sales WACOG per therm (w/ revenue sensitive):  | <b>\$0.85126</b> | (T)<br>(I) |
| Estimated Annual Sales WACOG per therm (w/o revenue sensitive): | <b>\$0.82668</b> | (I)        |
8. Estimated Winter Sales WACOG: The Company's weighted average Commodity Cost of Gas for the five-month period November through March.
- Effective November 1, 2008:
- |   |                  |            |
|---|------------------|------------|
| Estimated Winter Sales WACOG per therm (w/ revenue sensitive):  | <b>\$0.84955</b> | (T)<br>(I) |
| Estimated Winter Sales WACOG per therm (w/o revenue sensitive): | <b>\$0.82502</b> | (I)        |
9. Estimated Non-Commodity Cost: Estimated annual Non-Commodity gas costs shall be equal to estimated annual Demand Costs, less estimated annual Capacity Release Benefits, plus or minus estimated annual pipeline refunds or surcharges.
10. Estimated Non-Commodity Cost per Therm – Firm Sales: The portion of the Estimated annual Non-Commodity Cost applicable to Firm Sales Service divided by November 1 – October 31 forecasted Firm Sales Service volumes. (C)
- Effective November 1, 2008:
- |  |                  |            |
|--|------------------|------------|
| Estimated Non-Commodity Cost per therm-Firm Sales (w/revenue sensitive):   | <b>\$0.12115</b> | (T)<br>(R) |
| Estimated Non-Commodity Cost per therm-Firm Sales (w/o revenue sensitive): | <b>\$0.11765</b> | (R)        |

(continue to Sheet P-3)

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

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

**DEFINITIONS** (continued):

- 11. Estimated Non-Commodity Cost per Therm – Interruptible Sales: The portion of the Estimated annual Non-Commodity Cost applicable to Interruptible Sales Service divided by November 1 – October 31 forecasted Interruptible Sales Service volumes. (C)  
Effective November 1, 2008:  
Estimated Non-Commodity Cost per therm-Interruptible Sales (w/revenue sensitive): (T)  
**\$0.01441** (R)  
Estimated Non-Commodity Cost per therm-Interruptible Sales (w/o revenue sensitive): (R)  
**\$0.01399** (R)
  
- 12. Estimated Non-Commodity Cost per Therm – MDDV Based Sales: The portion of the Estimated annual Non-Commodity Cost applicable to MDDV Based Sales Service. (T)  
Effective November 1, 2008:  
Estimated Non-Commodity Cost per therm - MDDV Based Sales (w/revenue sensitive): (T)  
**\$1.81** (R)  
Estimated Non-Commodity Cost per therm- MDDV Based Sales (w/o revenue sensitive): (R)  
**\$1.76** (R)
  
- 13. Actual Monthly Firm Sales Service Volumes: The total actual monthly billed Firm Sales Service therms, excluding MDDV based volumes, adjusted for estimated unbilled Firm Sales Service therms.
  
- 14. Actual Monthly Interruptible Sales Service Volumes: The total actual monthly billed Interruptible Sales Service therms, adjusted for estimated unbilled Interruptible Sales Service therms.
  
- 15. Actual Monthly MDDV Based Firm Sales Service Volumes: The total actual monthly billed Firm Sales Service Volumes for Rate Schedule 31 and Rate Schedule 32 customers billed under the Firm Pipeline Capacity Charge - Peak Demand option, adjusted for estimated unbilled MDDV Firm Sales Service Volumes.
  
- 16. Embedded Commodity Cost: The Estimated Annual Sales WACOG, updated for October 31 storage inventory prices, multiplied by the Total of the Actual Monthly Firm and Interruptible Sales Service Volumes.
  
- 17. Embedded Non-Commodity Cost per Therm – Firm Sales Service: The Estimated Non-Commodity Cost per Therm - Firm Sales Service multiplied by the Actual Monthly Firm Sales Service Volumes.
  
- 18. Embedded Non-Commodity Cost per Therm – Interruptible Sales Service: The Estimated Non-Commodity Cost per Therm – Interruptible Sales Service multiplied by the Actual Monthly Interruptible Sales Service Volumes.

(continue to Sheet P-4)

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

---

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

**DEFINITIONS** (continued):

19. Embedded Non-Commodity Cost – MDDV Based Sales Service: The Estimated Non-Commodity Cost per Therm – MDDV Based Firm Sales Service multiplied by the Actual Monthly MDDV Sales Service Volumes.
20. Financial Transactions: Cost of Financial Transactions related to gas supply, including but not limited to, hedges, swaps, puts, calls, options and collars that are exercised to provide price stability/control or supply reliability for sales service customers.
21. Gas Storage Facilities: The cost of natural gas for injections shall be the actual cost of purchasing gas for storage and the cost of injection of the gas into the storage facility. Withdrawals of natural gas shall be valued at the weighted average cost of gas in the facility plus any variable withdrawal costs. For purposes of annual rate filings, the cost of inventory in storage shall be an overall average cost including existing inventory volumes and costs and refill inventory volumes and costs. Refill volumes will be priced at the expected pricing used in each filing. Only the cost of natural gas withdrawn from Gas Storage Facilities will be included in the Actual Commodity Cost, as defined herein.
22. Seasonalized Fixed Charges: The projected monthly non-Commodity costs of gas recovery, calculated by multiplying the Embedded Non-Commodity Costs by Oregon forecasted sales.

(C)

**CALCULATION OF MONTHLY GAS COSTS FOR DEFERRAL PURPOSES:**

The Company shall maintain sub-accounts of Account 191. Monthly entries into these sub-accounts shall be made to reflect: 1) the difference between the monthly Actual Commodity Cost and the monthly Embedded Commodity Cost, 2) the difference between Actual Non-Commodity Cost and the monthly portion of Estimated Non-Commodity Cost and, 3) the difference between Embedded Non-Commodity Cost and monthly Seasonalized Fixed Charges. The entries shall be calculated each month as follows:

1. A debit or credit entry shall be made equal to 100% of the difference between the monthly Actual Non-Commodity Cost and the Monthly Embedded Non-Commodity Cost, net of revenue sensitive effects.

(continue to Sheet P-5)

Issued October 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

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

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

3. A debit or credit entry shall be made equal to 67% 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.
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 21, 2008  
NWN Advice No. OPUC 08-5C

Effective with service on  
and after November 1, 2008

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UG 183



REPLACEMENT SUPPORTING MATERIALS

Purchased Gas Cost and Technical Adjustments to Rates

UG 183; NWN Advice No. OPUC 08-5C

October 21, 2008



Exhibit Replacement A  
Supporting Materials

UG 183; NWN Advice No. OPUC 08-5C

**Gas Purchasing Strategy, Contract Summaries and Gas Cost Forecast:**

Summary of NW Natural’s Gas Purchasing Strategy .....	1 – 3
Firm Off-System Gas Supply Contracts (Table 1) .....	4
Firm Transportation Capacity (Table 2) .....	5
Firm Storage Resources (Table 3).....	6
Other Resources: Recall Agreements, Citygate Deliveries and Mist Production (Table 4).....	7
Firm Resource Summary (Table 5).....	8



## SUMMARY OF NW NATURAL'S GAS PURCHASING STRATEGY

NWN's goal is to assemble resources sufficient to meet expected firm customer requirements under "design" year conditions at the lowest reasonable cost.<sup>1</sup>

To ensure adequate reliability, NWN contracts for firm upstream pipeline capacity, firm off-system storage service and firm recallable gas supply/capacity arrangements with certain on-system customers, in addition to its development of on-system underground and LNG storage.<sup>2</sup>

Upstream pipeline capacity has been contracted with the following objectives in mind: (1) Diversify capacity sources so that disruptions in any one supply region, such as from a pipeline rupture, well freeze-offs, etc., have a minimal impact on NWN; (2) Obtain upstream capacity along the path from NWN's service territory to points generally recognized for their liquidity, such as AECO, to maximize trading opportunities and minimize price volatility; and (3) Find ways to minimize the cost of upstream capacity such as through optimization activities or committing to capacity only on a winter season basis if possible.

Upstream gas supply contracts have been negotiated with the following objectives in mind: (1) Use a diverse group of reliable suppliers as established by their asset positions, past performance and other factors; (2) Try to match our year-round customer requirements to baseload (take-or-pay) annual or multi-year supply contracts to obtain the most favorable pricing; (3) Use winter only (Nov-Mar) term contracts to match our rise in requirements during the heating season; (4) Leave very little to be purchased on the spot market during the winter due to the likely correlation of high requirements with high spot prices; (5) Use a variety of multi-year contract durations to avoid having to re-contract all supplies every year; (6) Use index-related pricing formulas in term contracts to enable easy evaluation of competitive offers and avoid the need for further price negotiation over the term of the contract; (7) Structure the portfolio to provide some opportunity to take advantage when spot prices are favorable; and (8) Avoid over-contracting gas on a take-or-pay basis, which could result in excess gas supplies that must be sold at a loss if requirements fail to materialize such as during a warm winter.

---

<sup>1</sup> "Design" year is based on the 85% probability of the coldest heating season in the last 20 years. The design year is augmented by the coldest historical coincident system-weighted average day observed during the last 20 years. This coincident system-weighted coldest average day occurred on February 3, 1989. In addition, the days prior to and following the peak day are also included in the design year to model a consecutive three-day cold snap. For the non-heating season (April through October), daily heating degree day values are assumed equal to the 20-year average.

<sup>2</sup> Customer requirements increase dramatically during the heating season, so past and present storage developed in or adjacent to NWN's service territory has offered a significant cost advantage because it avoids the need to subscribe to upstream pipeline capacity that would be under-utilized much of the year. Future storage developments will depend of course on the cost to develop new reservoirs and associated infrastructure.



NWN has contracted with suppliers for approximately 1.2 million therms per day of firm deliveries on a daily basis over the upcoming November 2008 through October 2009 period. This reflects the relatively stable daily component of NWN's demand, including some portion of storage injection requirements in the summer months. This figure is nearly the same as that contracted for the Nov06-Oct07 and Nov07-Oct08 periods, reflecting relatively flat demand. In essence, the load associated with new customer additions has been offset by overall declining use per customer.

In addition, during the heating season Nov08-Mar09, NWN has contracted for another 1.0 million therms/day of supply under baseload and peaking (swing) agreements, reflecting the higher consumption of customers during those months. This is about the same as the volumes contracted for the Nov07-Mar08 period, which was significantly higher than the prior Nov06-Mar07 period. The increase in winter contract volumes since 2006/07 takes into account pipeline projects in the Rockies, most notably phase 2 of Rockies Express, which increased the outlets for Rockies gas. Buying more under term contracts lessens the need to rely extensively on spot market during periods of high demand when competition with mid-continent markets may be intense. Most of the winter contracted volume (600,000 therms/day) is purchased on a take-or-pay basis. The remaining 400,000 therms/day are made available to NWN on a daily basis in exchange either for payment of a fixed "reservation" charge or for equivalent value in the form of put options during the summer months. These swing contracts have no minimum daily, monthly or seasonal purchase requirement, but they provide additional daily supply flexibility, which is especially valuable since winter weather can fluctuate rapidly between mild and cool temperatures, resulting in rapidly changing customer requirements.

This means between 1.1 and 1.5 million therms/day of upstream capacity could be available during the heating season for spot (one month and shorter duration) purchases as and when needed. Accordingly, on days when all upstream capacity is in use, purchases will be split among three roughly equal categories – year-round contracts, winter term contracts and spot purchases.

NWN "swaps" monthly index prices for fixed prices and other price structures through the use of financial instruments in order to increase price stability across the year. Volumes in storage provide another form of hedging. Overall, NWN's target this year is to hedge the prices of approximately 75% of its expected annual purchase volumes for the upcoming 12-month period commencing in November, the traditional start month for its supply contracts. This target is set by an executive level oversight committee within the company and could change from time-to-time in reaction to market conditions or other factors as the year progresses.

For example, a topic of frequent discussion of late has been the resurgence of domestic natural gas production. Once thought to have peaked and be inexorably in decline, domestic gas production has increased roughly 7% over the previous year and led some to say that the U.S. will be "awash" with gas supplies in the near future. These

predictions center on the rapid emergence of non-conventional gas production from tight sands and shale gas. While much more expensive than conventional gas production, the recent regime of higher prices has spurred development of this resource, which in turn has fostered technological innovations that have and will continue to bring more resources on line than previously thought technically and/or economically feasible.

As with the rest of the industry, NW Natural is monitoring these developments with great interest. While the potential for higher gas production rates seems undeniable, the higher cost of these new ventures may not lead to a downward movement of gas prices. Or stated differently, if market prices do begin to move downward, there are offsetting forces that could force a rapid rebound, including the cessation of development activities as well as a drop in LNG imports due to unfavorable pricing. For these reasons, the company is trying not to over-react to the potential for a world awash with gas, but will adjust its gas buying patterns and hedging targets if and when appropriate.

Table 1

NW Natural  
Firm Off-System Gas Supply Contracts  
for the 2008/2009 Tracker Year

Supply Location	Duration	Baseload Quantity (Dth/day)	Swing Quantity (Dth/day)	Contract Termination Date
<i>British Columbia (Station 2):</i>				
BP Canada	Nov-Oct	5,000		10/31/2009
Coral Energy Canada	Nov-Oct	10,000		10/31/2010
Husky Energy Marketing	Nov-Oct	5,000		10/31/2009
Husky Energy Marketing	Nov-Oct	5,000		10/31/2009
Alta Energy Marketing	Nov-Oct	5,000		10/31/2010
Nexen	Nov-Oct	10,000		10/31/2009
Nexen	Nov-Oct	10,000		10/31/2010
TD Commodities	Nov-Oct	5,000		10/31/2009
<i>Alberta:</i>				
BP Canada	Nov-Oct	10,000		10/31/2009
BP Canada	Nov-Oct	10,000		10/31/2009
Suncor	Nov-Mar	10,000		3/31/2009
Husky Energy Marketing	Nov-Mar	10,000		3/31/2009
Sequent	Nov-Mar	10,000		3/31/2009
Sempra Energy Trading	Nov-Oct	10,000		10/31/2014
Sequent	Nov-Mar		10,000	3/31/2009
<i>Rockies:</i>				
Sempra Energy Trading	Nov-Oct	5,000		10/31/2009
BP Energy	Nov-Oct	10,000		10/31/2011
BP Energy	Nov-Mar		10,000	3/31/2009
Coral Energy Resources	Nov-Mar		10,000	3/31/2009
BP Energy	Nov-Mar	5,000		3/31/2009
ONEOK Energy Services	Nov-Mar		10,000	3/31/2009
Iberdrola	Nov-Oct	10,000		10/31/2009
Sempra Energy Trading	Nov-Mar	10,000		3/31/2009
Sempra Energy Trading	Nov-Mar	5,000		3/31/2009
Questar	Nov-Mar	5,000		3/31/2009
Western Gas Resources	Nov-Mar	10,000		3/31/2009
Western Gas Resources	Nov-Oct	5,000		10/31/2010
<b>Total Off-System Firm Contract Supply</b>		<b>180,000</b>	<b>40,000</b>	

## Notes:

- Contract quantities represent deliveries into upstream pipelines. Accordingly, quantities delivered into NW Natural's system are slightly less due to upstream pipeline fuel consumption.

Table 2

NW Natural  
Firm Transportation Capacity  
for the 2008/2009 Tracker Year

Pipeline and Contract	Contract Demand (Dth/day)	Termination Date
<b>Northwest Pipeline:</b>		
Sales Conversion	216,044	9/30/2013
1993 Expansion	34,000	9/30/2008
1995 Expansion	102,000	11/30/2011
Duke Capacity Acquisition	5,000	3/31/2008
Weyerhaeuser Capacity Acquisition	<u>5,200</u>	6/30/2008
Total NWP Capacity	362,244	
less recallable release to - Portland General Electric	(30,000)	10/31/2010
Net NWP Capacity	332,244	
<b>TransCanada's GTN System:</b>		
Sales Conversion	3,616	10/31/2023
1993 Expansion	46,549	10/31/2023
1995 Rationalization	<u>56,000</u>	10/31/2005
Total GTN Capacity	106,165	
<b>TransCanada's BC System:</b>		
1993 Expansion	47,000	10/31/2008
1995 Rationalization	56,500	10/31/2005
Engage Capacity Acquisition	3,814	10/31/2008
2004 Capacity Acquisition	<u>48,200</u>	10/31/2016
Total TCPL-BC Capacity	155,514	
<b>TransCanada's Alberta System:</b>		
1993 Expansion	47,595	10/31/2008
1995 Rationalization	57,000	10/31/2001
Engage Capacity Acquisition	3,861	10/31/2008
2004 Capacity Acquisition	<u>48,910</u>	10/31/2016
Total TCPL-ALberta Capacity	157,366	
<b>WEI T-South Capacity</b>	60,000	10/31/2014
<b>Southern Crossing Pipeline</b>	47,200	10/31/2020

## Notes:

- All of the above agreements continue year-to-year after termination at NW Natural's sole option except for PGE and Weyerhaeuser, which require mutual agreement to continue. *The Weyerhaeuser Capacity Acquisition will end on June 30, 2009, per notice from Weyerhaeuser.*
- The TCPL-Alberta, WEI and Southern Crossing contracts are denominated in volumetric units. Accordingly, the above energy units are an approximation.
- The numbers shown for the 1993 Expansion contracts on GTN and TCPL-BC are for the winter season (Oct-Mar) only. Both contracts decline during the summer season (Apr-Sep) to approximately 30,000 Dth/day.

Table 3

NW Natural  
Firm Storage Resources  
for the 2008/2009 Tracker Year

Facility	Max. Daily Rate (Dth/day)	Max. Seasonal Level (Dth)	Termination Date
<b>Jackson Prairie:</b>			
SGS-2F	46,030	1,120,288	10/31/2004
TF-2 (redelivery service)	32,624	839,046	10/31/2004
TF-2 (redelivery service)	13,406	281,242	3/31/2008
<b>Plymouth LNG:</b>			
LS-1	60,100	478,900	10/31/2004
TF-2 (redelivery service)	60,100	478,900	10/31/2004
<b>Total Firm Off-system Storage:</b>			
Withdrawal/Vaporization	106,130	1,599,188	
TF-2 Redelivery	106,130	1,599,188	
<b>Firm On-System Storage Plants:</b>			
Mist (reserved for core)	240,000	9,197,000	n/a
Portland LNG Plant	120,000	600,000	n/a
Newport LNG Plant	60,000	1,000,000	n/a
Total On-System Storage	420,000	10,797,000	
Total Firm Storage Resource	526,130	12,396,188	

## Notes:

1. All of the above agreements continue year-to-year after termination at NW Natural's sole option.
2. The second Jackson Prairie TF-2 service, for 13,406 Dth/day, is a subordinated firm service. However, on cold weather days, when flows are maximized on NWP's system, service on this agreement should be highly reliable.
3. On-system storage peak deliverability based on design criteria.
4. Mist numbers shown are the portions reserved for service to utility core customers per the company's Integrated Resource Plan. Additional capacity and deliverability has been contracted under varying terms to off-system customers. The number is approximate as it depends on the heat content of the stored gas, which in turn is dependent on the blended heat content of upstream pipeline gas together with Mist production gas.

Table 4

NW Natural  
Other Resources: Recall Agreements, Citygate Deliveries and Mist Production  
for the 2008/2009 Tracker Year

Type	Max. Daily Rate (Dth/day)	Max. Annual Recall (days)	Termination Date
<b>Recall Agreements:</b>			
PGE	30,000	30	11/1/2010 upon 1 year notice upon 1 year notice
Weyerhaeuser 1	3,000	40	
Weyerhaeuser 2	5,000	40	
Total Recall Resource	38,000		
<b>Citygate Deliveries:</b>			
none			
<b>Mist Production:</b>			
Enerfin Resources	≈1,200	n/a	4/1/2005

## Notes:

- There are a variety of terms and conditions surrounding the recall rights under each of the above agreements.  
All of the recall arrangements include delivery to NW Natural's system.
- Mist production is currently flowing at roughly the figure shown above. Flows vary as new wells are added and older wells deplete. NW Natural's obligation to take gas from existing wells continues for the life of those wells.  
An extension of the current contract is currently being negotiated to allow the addition of new wells.

Table 5

NW Natural  
 Firm Resource Summary  
 for the 2008/2009 Tracker Year

Resource Type	Max. Daily Rate (Dth/day)
Net Deliverability over Upstream Pipeline Capacity	332,244
Off-System Storage (Jackson Prairie and Plymouth)	106,130
On-System Storage (Mist, Portland LNG and Newport LNG)	420,000
Recallable Capacity and Supply Agreements	38,000
Citygate Deliveries	-
Nominal Mist Production Gas	1,200
<b>Total Firm Resource</b>	<b>897,574</b>

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON



**SUPPORTING MATERIALS**

**TO**

**COMBINED EFFECTS,  
COMMODITY AND NON-COMMODITY COSTS, AND  
TEMPORARY AND PERMANENT ADJUSTMENTS EFFECTS**

Purchased Gas Cost and Technical Adjustments to Rates

UG 183; NWN Advice No. OPUC 08-5C

October 21, 2008





Exhibit B  
Supporting Materials

UG 183; NWN Advice No. OPUC 08-5C

**Combined Effects:**

	<u>Page</u>
Calculation of Proposed Rates – Summary .....	1
PGA Effects on Average Bill by Rate Schedule.....	2
PGA Effects on Revenue .....	3
Basis for Revenue Related Costs .....	4

**Commodity and Non-Commodity Costs:**

Summary of Total Commodity Cost .....	5
Summary of Total Demand Charges .....	6
Derivation of Demand Increments .....	7
Calculation of Winter Sales WACOG – Oregon .....	8
Derivation of Seasonalized Fixed Charges.....	9
Northwest Pipeline Corporation; Original Sheet No. 5.....	10
Northwest Pipeline Corporation; Original Sheet No. 7.....	11
Northwest Pipeline Corporation; Original Sheet No. 8.....	12

**Temporary and Permanent Adjustments Effects:**

Elasticity Adjustment .....	13
Summary of Permanent Increments .....	14
Summary of Temporary Increments.....	15
Bare Steel, Geohazard and Integrity Management Programs Cost of Service Summary .....	16
Estimated Revenue Effects for the 12 Months Beginning November 1, 2008 .....	17

NW Natural  
 Rates & Regulatory Affairs  
 2008-2009 PGA Filing - Oregon: October refile REVISÉD  
 Calculation of Proposed Rates - SUMMARY

		11/1/2007			Proposed	Net change	Net change			Proposed
		Billing	Net change	Net change	Rates	Permanent	Temporary	Elasticity	Storage Recall	11/1/2008
		Rates	WACOG	Demand [1]	PGA Only [1]	Increments	Increments	Adjustment	Adjustment	Rates [1]
		D=A+B+C				I=D+E+F+G+H				
Schedule	Block	A	B	C	D	E	F	G	H	I
1R		1.29228	0.14321	(0.00019)	1.43530	0.00801	0.03357	0.01051	0.00022	1.48761
1C		1.25248	0.14321	(0.00019)	1.39550	0.00427	0.03203	0.00656	0.00016	1.43852
2R		1.22449	0.14321	(0.00019)	1.36751	0.00382	0.03304	0.01051	0.00014	1.41502
3C Firm Sales		1.12149	0.14321	(0.00019)	1.26451	0.00237	0.03086	0.00656	0.00010	1.30440
Intentionally blank										
3I Firm Sales		1.09951	0.14321	(0.00019)	1.24253	0.00176	0.03753	0.00000	0.00008	1.28190
Intentionally blank										
19	1st mantle	20.60	2.74	(0.01)	23.33	0.01	0.65	0.20	0.00	24.19
19	add'l mtis	19.99	2.74	(0.01)	22.72	0.01	0.65	0.20	0.00	23.58
31C Firm Sales	Block 1	0.83739	0.14321		0.98060	0.00267	0.02933	0.00656	0.00007	1.01923
	Block 2	0.82114	0.14321		0.96435	0.00249	0.02918	0.00656	0.00006	1.00264
31C Firm Trans	Block 1	0.17742	0.00000		0.17742	0.00192	(0.00519)	0.00656	0.00000	0.18071
	Block 2	0.16117	0.00000		0.16117	0.00181	(0.00536)	0.00656	0.00000	0.16418
31C Interr Sales	Block 1	0.83945	0.14321		0.98266	0.00122	0.04785	0.00656	0.00005	1.03834
	Block 2	0.82320	0.14321		0.96641	0.00116	0.04770	0.00656	0.00004	1.02187
31I Firm Sales	Block 1	0.82863	0.14321		0.97184	0.00146	0.03612	0.00000	0.00006	1.00948
	Block 2	0.81238	0.14321		0.95559	0.00133	0.03596	0.00000	0.00005	0.99293
31I Firm Trans	Block 1	0.16866	0.00000		0.16866	0.00131	0.00158	0.00000	0.00000	0.17155
	Block 2	0.15241	0.00000		0.15241	0.00120	0.00142	0.00000	0.00000	0.15503
31I Interr Sales	Block 1	0.83069	0.14321		0.97390	0.00301	0.05455	0.00000	0.00008	1.03154
	Block 2	0.81444	0.14321		0.95765	0.00273	0.05442	0.00000	0.00007	1.01487
32C Firm Sales	Block 1	0.76046	0.14321		0.90367	0.00110	0.03545	0.00000	0.00004	0.94026
	Block 2	0.74536	0.14321		0.88857	0.00093	0.03533	0.00000	0.00003	0.92486
	Block 3	0.72028	0.14321		0.86349	0.00065	0.03508	0.00000	0.00002	0.89924
	Block 4	0.69516	0.14321		0.83837	0.00038	0.03485	0.00000	0.00001	0.87361
	Block 5	0.68008	0.14321		0.82329	0.00021	0.03472	0.00000	0.00001	0.85823
	Block 6	0.67004	0.14321		0.81325	0.00012	0.03463	0.00000	0.00000	0.84800
32I Firm Sales	Block 1	0.76052	0.14321		0.90373	0.00119	0.03548	0.00000	0.00004	0.94044
	Block 2	0.74542	0.14321		0.88863	0.00101	0.03536	0.00000	0.00003	0.92503
	Block 3	0.72034	0.14321		0.86355	0.00071	0.03511	0.00000	0.00002	0.89939
	Block 4	0.69522	0.14321		0.83843	0.00040	0.03488	0.00000	0.00001	0.87372
	Block 5	0.68014	0.14321		0.82335	0.00025	0.03475	0.00000	0.00001	0.85836
	Block 6	0.67010	0.14321		0.81331	0.00013	0.03466	0.00000	0.00000	0.84810
32 Firm Trans	Block 1	0.10055	0.00000		0.10055	0.00064	0.00095	0.00000	0.00000	0.10214
	Block 2	0.08545	0.00000		0.08545	0.00054	0.00083	0.00000	0.00000	0.08682
	Block 3	0.06037	0.00000		0.06037	0.00037	0.00058	0.00000	0.00000	0.06132
	Block 4	0.03525	0.00000		0.03525	0.00021	0.00034	0.00000	0.00000	0.03580
	Block 5	0.02017	0.00000		0.02017	0.00013	0.00021	0.00000	0.00000	0.02051
	Block 6	0.01013	0.00000		0.01013	0.00007	0.00011	0.00000	0.00000	0.01031
32 Interr Sales	Block 1	0.76258	0.14321		0.90579	0.00076	0.05397	0.00000	0.00003	0.96055
	Block 2	0.74748	0.14321		0.89069	0.00064	0.05386	0.00000	0.00003	0.94522
	Block 3	0.72240	0.14321		0.86561	0.00044	0.05360	0.00000	0.00002	0.91967
	Block 4	0.69728	0.14321		0.84049	0.00026	0.05337	0.00000	0.00001	0.89413
	Block 5	0.68220	0.14321		0.82541	0.00015	0.05324	0.00000	0.00001	0.87881
	Block 6	0.67216	0.14321		0.81537	0.00008	0.05314	0.00000	0.00000	0.86859
32 Interr Trans	Block 1	0.10055	0.00000		0.10055	0.00051	0.00095	0.00000	0.00000	0.10201
	Block 2	0.08545	0.00000		0.08545	0.00045	0.00084	0.00000	0.00000	0.08674
	Block 3	0.06037	0.00000		0.06037	0.00031	0.00058	0.00000	0.00000	0.06126
	Block 4	0.03525	0.00000		0.03525	0.00018	0.00035	0.00000	0.00000	0.03578
	Block 5	0.02017	0.00000		0.02017	0.00010	0.00021	0.00000	0.00000	0.02048
	Block 6	0.01013	0.00000		0.01013	0.00006	0.00011	0.00000	0.00000	0.01030
54		1.19829	0.14321	(0.00019)	1.34131	0.00359	0.03837	0.00000	0.00013	1.38340
33		0.00545	0.00000	0.00000	0.00545	0.00004	0.00004	0.00000	0.00000	0.00553

Sources:

Direct Inputs	07-08 PGA
Rates in detail	Col F - Col B    Column G+H-C-D    Col K - Col J    Col M - Col L    Column O    Column P

[1] For convenience of presentation, demand charges for Rate Schedules 31 and 32 are omitted

NW Natural  
Rates & Regulatory Affairs  
2008-2009 PGA Filing - Oregon: October refilling REVISED  
PGA Effects on Average Bill by Rate Schedule

**Calculation of Effect on Customer Average Bill by Rate Schedule [1]**

Schedule	Block	Normal Therms Monthly Average use	PGA Normalized Volumes page, Column D	A	B	C	D	E	11/1/2007			11/1/2008			Proposed 11/1/2008			Proposed 11/1/2008 Total % Bill Change O=(N-F)/F
									F	G	H	I	J	K	L	M	N	
				F=D+(C*E)			H=D+(C*G)			K=D+(C*N)			L=(K-F)/F			M=(N-F)/F		
1	IR	15.0	N/A	7,414,486	15.0	0.0	5.00	1,292,228	24.38	1,433,350	26.53	1,344,337	25.17	3.2%	1,487,611	27.31	12.0%	
2	IC	42.0	N/A	95,064	42.0	0.0	5.00	1,252,448	57.60	1,393,550	63.61	1,293,534	59.40	3.1%	1,439,524	65.42	13.6%	
3	IR	226.0	N/A	358,131,828	226.0	0.0	6.00	1,224,449	74.57	1,367,511	82.58	1,271,866	71.22	3.6%	1,415,027	85.24	14.3%	
4	IR	226.0	N/A	149,890,944	226.0	0.0	8.00	1,121,149	261.46	1,264,651	293.78	1,161,228	270.45	3.4%	1,304,440	302.73	15.8%	
5	IR	226.0	N/A	4,758,378	226.0	0.0	8.00	1,099,511	1,928.84	1,242,653	2,178.70	1,138,880	1,997.48	3.6%	1,281,910	2,247.48	15.5%	
6	IR	226.0	N/A	22,996	226.0	0.0	8.00	20.60	23.33	23.33	21.46	21.46	21.46	4.2%	24.19	24.19	17.4%	
7	IR	226.0	N/A	23,178,859	2,000	all additional	325.00	0.83239	1,999.78	0.80660	2,266.30	0.83955	2,076.90	4.3%	2,358	2,358	18.0%	
8	IR	226.0	N/A	37,919,144	2,000	all additional	325.00	0.83114	1,691.55	0.96435	1,986.56	0.83937	1,770.30	4.2%	1,002,64	2,363.46	20.0%	
9	IR	226.0	N/A	0	2,000	all additional	325.00	0.17742	325.00	0.17742	325.00	0.18071	325.00	0.0%	0.16418	325.00	0.0%	
10	IR	226.0	N/A	109,935	2,000	all additional	325.00	0.83945	325.00	0.98266	325.00	0.89508	325.00	0.0%	1.03834	325.00	0.0%	
11	IR	226.0	N/A	985,987	2,000	all additional	325.00	0.83230	325.00	0.96641	325.00	0.87862	325.00	0.0%	1.02187	325.00	0.0%	
12	IR	226.0	N/A	5,622,793	2,000	all additional	325.00	0.82863	1,987.26	0.97184	2,268.68	0.86621	2,057.42	0.0%	1.00948	2,343.96	0.0%	
13	IR	226.0	N/A	17,490,861	2,000	all additional	325.00	0.81238	3,895.36	0.95559	4,582.05	0.84967	4,074.17	4.3%	0.99293	4,761.10	20.9%	
14	IR	226.0	N/A	46,633	2,000	all additional	325.00	0.16866	662.32	0.16866	662.32	0.17155	668.10	1.4%	0.17155	668.10	1.4%	
15	IR	226.0	N/A	254,367	2,000	all additional	325.00	0.15241	1,631.80	0.15241	1,631.80	0.15503	986.15	1.4%	0.15503	986.15	1.4%	
16	IR	226.0	N/A	113,096	2,000	all additional	325.00	0.83069	1,986.38	0.97390	2,272.80	0.88825	2,101.50	6.0%	1.03154	2,388.08	20.9%	
17	IR	226.0	N/A	492,121	2,000	all additional	325.00	0.81444	3,901.12	0.95765	4,581.71	0.87159	4,147.49	6.0%	1.01487	4,864.12	20.9%	
18	IR	226.0	N/A	3,906,434	10,000	all additional	675.00	0.76046	8,275.60	0.90367	9,711.70	0.79701	8,645.10	4.6%	0.94026	10,077.60	22.7%	
19	IR	226.0	N/A	4,066,330	20,000	all additional	675.00	0.74536	6,109.72	0.88857	7,283.61	0.78162	6,406.94	6.0%	0.92486	7,561.08	22.7%	
20	IR	226.0	N/A	1,430,110	20,000	all additional	675.00	0.72028	6,095.16	0.86949	7,263.61	0.75601	6,406.94	6.0%	0.89924	7,561.08	22.7%	
21	IR	226.0	N/A	320,442	100,000	all additional	675.00	0.69516	6,095.16	0.83837	7,263.61	0.73039	6,406.94	6.0%	0.87261	7,561.08	22.7%	
22	IR	226.0	N/A	600,000	600,000	all additional	675.00	0.68008	6,095.16	0.83239	7,263.61	0.71501	6,406.94	6.0%	0.85823	7,561.08	22.7%	
23	IR	226.0	N/A	0	0	all additional	675.00	0.67004	6,095.16	0.81325	7,263.61	0.70473	6,406.94	6.0%	0.84600	7,561.08	22.7%	
24	IR	226.0	N/A	4,760,700	10,000	all additional	675.00	0.76052	8,280.30	0.90373	9,712.30	0.79719	8,646.90	4.6%	0.94044	10,079.40	22.7%	
25	IR	226.0	N/A	7,035,004	20,000	all additional	675.00	0.74542	6,109.72	0.88863	7,283.61	0.78179	6,231.65	4.6%	0.92503	7,373.41	22.7%	
26	IR	226.0	N/A	2,827,019	20,000	all additional	675.00	0.72034	6,095.16	0.86355	7,263.61	0.75616	6,406.94	6.0%	0.89939	7,561.08	22.7%	
27	IR	226.0	N/A	2,588,720	100,000	all additional	675.00	0.69522	6,095.16	0.83843	7,263.61	0.73050	6,406.94	6.0%	0.87372	7,561.08	22.7%	
28	IR	226.0	N/A	40,417	600,000	all additional	675.00	0.68014	6,095.16	0.82335	7,263.61	0.71514	6,406.94	6.0%	0.85836	7,561.08	22.7%	
29	IR	226.0	N/A	0	0	all additional	675.00	0.67010	6,095.16	0.81331	7,263.61	0.70489	6,406.94	6.0%	0.84610	7,561.08	22.7%	
30	IR	226.0	N/A	5,177,678	10,000	all additional	675.00	0.10055	1,680.50	0.10055	1,680.50	0.10214	1,696.40	1.4%	0.10214	1,696.40	1.4%	
31	IR	226.0	N/A	8,381,392	20,000	all additional	675.00	0.08545	1,709.00	0.08545	1,709.00	0.08682	1,736.40	1.4%	0.08682	1,736.40	1.4%	
32	IR	226.0	N/A	5,901,959	20,000	all additional	675.00	0.06037	1,207.40	0.06037	1,207.40	0.06132	1,226.40	1.4%	0.06132	1,226.40	1.4%	
33	IR	226.0	N/A	14,327,461	100,000	all additional	675.00	0.03525	1,181.51	0.03525	1,181.51	0.03560	1,199.94	1.4%	0.03560	1,199.94	1.4%	
34	IR	226.0	N/A	15,119,834	600,000	all additional	675.00	0.02017	0.2017	0.02017	0.2017	0.02051	0.2051	0.02051	0.02051	0.02051	0.02051	
35	IR	226.0	N/A	0	0	all additional	675.00	0.01013	0.01013	0.01013	0.01013	0.01031	0.01031	0.01031	0.01031	0.01031	0.01031	
36	IR	226.0	N/A	15,605,099	10,000	all additional	675.00	0.76258	8,300.80	0.90579	9,732.90	0.81731	8,648.10	4.6%	0.96055	10,800.50	1.4%	
37	IR	226.0	N/A	22,517,519	20,000	all additional	675.00	0.74748	14,949.60	0.89069	17,813.80	0.80198	16,039.60	6.0%	0.94522	18,904.40	1.4%	
38	IR	226.0	N/A	12,590,675	20,000	all additional	675.00	0.72240	6,095.16	0.86561	13,661.92	0.77644	12,254.55	4.6%	0.91967	14,515.15	1.4%	
39	IR	226.0	N/A	20,925,496	100,000	all additional	675.00	0.69728	6,095.16	0.84049	7,263.61	0.75091	6,406.94	6.0%	0.89413	7,561.08	22.7%	
40	IR	226.0	N/A	8,572,762	600,000	all additional	675.00	0.68220	6,095.16	0.82541	7,263.61	0.73559	6,406.94	6.0%	0.87881	7,561.08	22.7%	
41	IR	226.0	N/A	0	0	all additional	675.00	0.67216	6,095.16	0.81537	7,263.61	0.72538	6,406.94	6.0%	0.86859	7,561.08	22.7%	
42	IR	226.0	N/A	5,909,302	10,000	all additional	675.00	0.10055	1,680.50	0.10055	1,680.50	0.10214	1,696.40	1.4%	0.10214	1,696.40	1.4%	
43	IR	226.0	N/A	10,353,293	20,000	all additional	675.00	0.08545	1,709.00	0.08545	1,709.00	0.08682	1,736.40	1.4%	0.08682	1,736.40	1.4%	
44	IR	226.0	N/A	7,535,404	20,000	all additional	675.00	0.06037	1,207.40	0.06037	1,207.40	0.06132	1,226.40	1.4%	0.06132	1,226.40	1.4%	
45	IR	226.0	N/A	23,202,985	100,000	all additional	675.00	0.03525	3,525.00	0.03525	3,525.00	0.03560	3,578.00	1.4%	0.03560	3,578.00	1.4%	
46	IR	226.0	N/A	50,222,809	600,000	all additional	675.00	0.02017	2,331.39	0.02017	2,331.39	0.02051	2,367.22	1.4%	0.02051	2,367.22	1.4%	
47	IR	226.0	N/A	87,623,948	all additional	all additional	675.00	0.01013	10,453.29	0.01013	10,453.29	0.01031	10,600.32	1.4%	0.01031	10,600.32	1.4%	
48	IR	226.0	N/A	0	0	all additional	675.00	0.00545	36,000.00	0.00545	36,000.00	0.00553	36,000.00	0.0%	0.00553	36,000.00	0.0%	
49	IR	226.0	N/A	1,982.29	N/A	N/A	1,982.29	N/A	1,982.29	N/A	1,982.29	N/A	1,982.29	N/A	N/A	N/A	N/A	N/A
50	IR	226.0	N/A	0	0	all additional	675.00	0.00545	36,000.00	0.00545	36,000.00	0.00553	36,000.00	0.0%	0.00553	36,000.00	0.0%	
51	IR	226.0	N/A	0	0	all additional	675.00	0.00545	36,000.00	0.00545	36,000.00	0.00553	36,000.00	0.0%	0.00553	36,000.00	0.0%	
52	IR	226.0	N/A	0	0	all additional	675.00	0.00545	36,000.00	0.00545	36,000.00	0.00553	36,000.00	0.0%	0.00553	36,000.00	0.0%	
53	IR	226.0	N/A	0	0	all additional	675.00	0.00545	36,000.00	0.00545	36,000.00	0.00553	36,000.00	0.0%	0.00553	36,000.00	0.0%	
54	IR	226.0	N/A	0	0	all additional	675.00	0.00545	36,000.00	0.00545	36,000.00	0.00553	36,000.00	0.0%	0.00553	36,000.00	0.0%	
55	IR	226.0	N/A	0	0	all additional	675.00	0.00545	36,000.00	0.00545	36,000.00	0.00553	36,000.00	0.0%	0.00553	36,000.00	0.0%	
56	IR	226.0	N/A	0	0	all additional	675.00	0.00545	36,000.00	0.00545	36,000.00	0.00553	36,000.00	0.0%	0.00553	36,000.00	0.0%	
57	IR	226.0	N/A	0	0	all additional	675.00	0.00										



**NW Natural**  
**Rates and Regulatory Affairs**  
**2008-2009 PGA Filing - OREGON**  
**Basis for Revenue Related Costs**

	Twelve Months Ended 06/30/08	
1		
2		
3	886,722,565	
4	915,023,554	
5		
6	2,287,559	0.250% Statutory rate
7	21,287,643	2.326% Line 7 ÷ Line 4
8	2,847,234	0.311% Line 8 ÷ Line 4
9		
10	<u>26,422,436</u>	<u><b>2.887%</b></u> Sum lines 8-9
11		
12		

13 **Note:**

14 [1] Dollar figure is set at statutory level of 0.25% times Total Oregon Revenues (line 4)

15  
 16  
 17

NW Natural  
2008-2009 PGA - SYSTEM: October Refilling REVISED  
Summary of Total Commodity Cost

**SYSTEM COSTS**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January
1															
2															
3															
4															
5															
6															
7															
8															
9															
10															
11															
12															
13															
14															
15															
16															
17															
18															
19															
20															
21															
22															
23															
24															
25															
OR															
WA															
	\$72,223,695	\$75,354,394	\$77,545,854	\$52,053,718	\$67,285,424	\$44,388,462	\$35,758,464	\$26,285,244	\$22,687,294	\$23,359,098	\$25,125,204	\$38,206,761	\$38,206,761	\$560,273,612	
	\$277,334	\$319,954	\$281,433	\$205,373	\$247,939	\$187,825	\$147,961	\$102,759	\$86,515	\$88,645	\$96,836	\$170,695	\$170,695	\$2,213,269	
	\$152,871	\$21,617,048	\$20,029,841	\$30,908,513	\$7,085,641	\$3,960,921	\$157,966	\$152,871	\$157,966	\$157,966	\$152,871	\$157,966	\$157,966	\$84,692,441	
	\$72,653,900	\$97,291,396	\$97,857,128	\$83,167,604	\$74,619,004	\$48,537,208	\$36,064,391	\$26,540,874	\$22,931,775	\$23,605,709	\$25,374,911	\$38,535,422	\$38,535,422	\$647,179,322	
13															
14															
15															
16															
17															
18															
19															
20															
21															
22															
23															
24															
25															
OR															
WA															
	88,557,136	91,281,407	89,821,003	57,208,023	77,263,834	59,671,692	47,586,638	33,068,651	27,823,417	28,510,807	31,157,121	54,877,452	54,877,452	686,827,181	
	2,339,876	2,412,750	2,342,691	1,561,115	2,060,154	1,576,073	1,311,941	985,543	901,748	914,334	950,135	1,475,985	1,475,985	18,832,346	
	86,217,260	88,868,657	87,478,312	55,646,908	75,203,680	58,095,619	46,274,697	32,083,108	26,921,669	27,596,473	30,206,986	53,401,467	53,401,467	667,994,836	
	210,000	29,171,208	28,262,042	43,428,878	9,854,151	5,530,760	217,000	210,000	217,000	217,000	210,000	217,000	217,000	117,745,039	
	86,427,260	118,039,865	115,740,354	99,075,786	85,057,831	63,626,379	46,491,697	32,293,108	27,138,669	27,813,473	30,416,986	53,618,467	53,618,467	785,739,875	
	371,177	382,588	376,604	239,569	323,759	250,110	199,221	138,123	115,903	118,807	130,047	229,900	229,900	2,875,807	
	86,056,083	117,657,277	115,363,750	98,836,217	84,734,072	63,376,269	46,292,476	32,154,985	27,022,766	27,694,666	30,286,939	53,388,567	53,388,567	782,864,069	
	\$0.84426	\$0.82691	\$0.84825	\$0.84147	\$0.88063	\$0.76586	\$0.77906	\$0.82540	\$0.84861	\$0.85236	\$0.83782	\$0.72179	\$0.72179	\$0.82668	
	\$0.86936	\$0.85149	\$0.87347	\$0.86649	\$0.90681	\$0.78863	\$0.80222	\$0.84994	\$0.87384	\$0.87770	\$0.86273	\$0.74325	\$0.74325	\$0.85126	
	\$0.88302	\$0.86488	\$0.88720	\$0.88011	\$0.92106	\$0.80102	\$0.81483	\$0.86330	\$0.88757	\$0.89150	\$0.87629	\$0.75493	\$0.75493	\$0.86464	

NW Natural  
 2008-2009 PGA - SYSTEM: October Refiling REVISED  
 Summary of Total Demand Charges

**SYSTEM COSTS**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	
	November	December	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	
	30	31	31	28	31	31	30	31	31	31	30	31	30	31	365	
<b>Transport charges by transporter:</b>																
1																
2																
3																
4																
5																
6																
7																
8																
9																
10																
11																
12																
13																
14																
15																
16																
17																
18																
19																
20																
21																
22																
23																
	\$6,841,731	\$7,074,642	\$7,074,642	\$6,553,196	\$7,074,642	\$6,789,269	\$6,960,351	\$6,730,172	\$6,899,284	\$6,899,284	\$6,730,172	\$7,013,575	\$6,730,172	\$7,013,575	\$82,640,959	

Detail in file "NOVA ANG Monthly Summary for Tracker 2008-9 Updated.xls"

**Oregon Derivation of Demand Increments**

	(a)	(b)	Without Revenue Sensitive (c)	WITH Revenue Sensitive (d)
1				
2				
3				
4	System Demand		\$82,640,959	
5	Oregon Allocation Factor 1/		90.39%	
6	Oregon Demand		\$74,699,163	
7				
8	Oregon Firm Sales Forecasted Normal Volumes		625,170,528	
9	Oregon Interruptible Sales Forecasted Normal Volumes		81,952,690	
10				
11				
12	Proposed Firm Demand Per Therm 2/		\$0.11765	\$0.12115
13	Proposed Interruptible Demand 2/		\$0.01399	\$0.01441
14	Proposed MDDV Demand Charge		\$1.76	\$1.81
15				
16	Current Firm Demand Per Therm		\$0.11795	\$0.12134
17	Current Interruptible Demand		\$0.01403	\$0.01443
18	Current MDDV Demand Charge		\$1.76	\$1.81
19				
20	Percent Change in Firm Demand		-0.25%	
21				
22				
23	1/Allocation Factor: Actual 12 months ended 06/30/08 firm sales volumes:			
24		<u>Washington</u>	<u>Oregon</u>	<u>System</u>
25	Residential	47,249,317	388,438,971	435,688,288
26	Commercial	21,874,999	245,897,868	267,772,867
27	Industrial	3,298,736	46,638,060	49,936,796
28	Total	<u>72,423,052</u>	<u>680,974,899</u>	<u>753,397,951</u>
29		9.61%	90.39%	100.00%
30				
31	2/Calculation of Proposed Demand Rates:			
32				
33	Demand change factor		0.997	
34				
35	Firm Demand (line 8 * line 35)		\$0.11765	\$73,552,276
36	Interruptible Demand (line 9 * line 36)		\$0.01399	\$1,146,887
37				<u>\$74,699,163</u>
38				\$0



NW Natural  
 2008-2009 PGA - SYSTEM: October Refiling REVISED  
 Calculation of Winter WACOG

1	Forecast price for AECO gas:		
2			
3		<u>AECO/NIT</u>	
4			
5	November	\$0.72571	
6	December	\$0.76633	
7	January	\$0.78955	
8	February	\$0.79224	
9	March	\$0.77775	
10	April	\$0.75370	
11	May	\$0.75454	
12	June	\$0.76429	
13	July	\$0.77524	
14	August	\$0.78276	
15	September	\$0.78605	
16	October	\$0.79426	
17			
18			
19	Average price, November-March	\$0.77032	average lines 5-9
20			
21	Annual average price, November-October	\$0.77187	average lines 5-16
22			
23	Ratio of winter to annual	0.99799	line 19 ÷ line 21
24			
25		Without Rev	WITH Rev
26		<u>Sensitive</u>	<u>Sensitive</u>
OR	Oregon Annual WACOG	\$0.82668	\$0.85126
OR	Oregon Winter WACOG	\$0.82502	\$0.84955
		line 23 * 0.82668	
WA	Washington Annual WACOG	\$0.82668	\$0.86464
WA	Washington Winter WACOG	\$0.82502	\$0.86290
		line 23 * 0.82668	

NW Natural  
 2008-2009 PGA - OREGON: October REFILING  
 Derivation of Oregon Seasonalized Fixed Charges

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
			Normalized Residential Volumes	Normalized Commercial Volumes	Firm Industrial Volumes	Interruptible Industrial Volumes	Total		Firm Demand Increment Eff. 11/01/08	Interr. Demand Increment Eff. 11/01/08		Seasonalized Fixed Charges
1	November	2008										\$8,469,845
2	December	2008	60,499,149	33,808,790	4,168,383	7,387,324	105,863,646		\$0.11765	\$0.01399		\$11,670,252
3	January	2009	58,764,400	33,076,320	4,304,411	7,712,826	103,857,956		\$0.11765	\$0.01399		\$11,400,976
4	February	2009	48,649,855	27,629,918	4,921,858	7,942,214	89,143,845		\$0.11765	\$0.01399		\$9,648,910
5	March	2009	41,196,806	24,267,417	3,854,900	7,502,834	76,821,957		\$0.11765	\$0.01399		\$8,247,049
6	April	2009	28,436,688	17,778,209	4,000,187	7,356,012	57,571,096		\$0.11765	\$0.01399		\$6,001,030
7	May	2009	18,338,802	12,960,900	3,666,472	6,939,035	41,905,209		\$0.11765	\$0.01399		\$4,204,062
8	June	2009	10,966,576	9,142,144	3,063,405	5,965,225	29,137,351		\$0.11765	\$0.01399		\$2,805,127
9	July	2009	8,284,904	7,920,835	2,867,850	5,301,524	24,375,113		\$0.11765	\$0.01399		\$2,314,440
10	August	2009	8,169,944	7,817,740	3,291,742	5,821,396	25,100,822		\$0.11765	\$0.01399		\$2,345,880
11	September	2009	9,663,231	8,455,476	3,454,549	5,788,525	27,361,781		\$0.11765	\$0.01399		\$2,614,855
12	October	2009	23,660,105	15,248,641	3,384,012	5,968,044	48,260,802		\$0.11765	\$0.01399		\$5,051,083
13	November	2009	42,268,850	24,416,858	3,946,123	7,091,809	77,723,640		\$0.11765	\$0.01399		\$8,395,499
14												
15												
16												
17												
18												
19												
20												
21												
22			358,899,309	222,523,247	44,923,892	80,776,768	707,123,217					\$74,699,163

ok ok ok ok

TF0305 0000003P158Original Sheet No. 5  
TF04  
TF05Laren M. Gertsch, Director  
TF06121907 013108

STATEMENT OF RATES  
Effective Rates Applicable to  
Rate Schedules TF-1, TF-2, TI-1, TFL-1 and TIL-1  
(Dollars per Dth)

Rate Schedule and Type of Rate	Base Tariff Rate		ACA(2)	Currently Effective Tariff Rate(3)	
	Minimum	Maximum		Minimum	Maximum
Rate Schedule TF-1 (4)(5)					
Reservation					
(Large Customer)					
System-Wide	.00000	.37883	-	.00000	.37883
15 Year Evergreen Exp.	.00000	.37995	-	.00000	.37995
25 Year Evergreen Exp.	.00000	.36344	-	.00000	.36344
Volumetric					
(Large Customer)					
System-Wide	.00756	.03000	.00190	.00946	.03190
15 Year Evergreen Exp.	.00369	.00369	.00190	.00559	.00559
25 Year Evergreen Exp.	.00369	.00369	.00190	.00559	.00559
(Small Customer) (6)	.00756	.67209	.00190	.00946	.67399
Scheduled Overrun	.00756	.40984	.00190	.00946	.41174
Rate Schedule TF-2 (4)(5)					
Reservation	.00000	.37883	-	.00000	.37883
Volumetric	.00756	.03000	-	.00756	.03000
Scheduled Daily Overrun	.00756	.40984	-	.00756	.40984
Annual Overrun	.00756	.40984	-	.00756	.40984
Rate Schedule TI-1					
Volumetric (7)	.00756	.40984	.00190	.00946	.41174
Scheduled Overrun	.00756	.40984	.00190	.00946	.41174
Rate Schedule TFL-1 (4)(5)					
Parachute Lateral (9)					
Reservation	.00000	.07357	-	.00000	.07357
Volumetric	.00000	.00000	.00190	.00190	.00190
Scheduled Overrun	.00000	.07377	.00190	.00190	.07567
Rate Schedule TIL-1					
Parachute Lateral (9)					
Volumetric	.00000	.07377	.00190	.00190	.07567
Scheduled Overrun	.00000	.07377	.00190	.00190	.07567

TF0307 000003P128Original Sheet No. 7  
TF04  
TF05Laren M. Gertsch, Director  
TF06121907 013108

STATEMENT OF RATES (Continued)

Effective Rates Applicable to Rate Schedules SGS-2F and SGS-2I

(Dollars per Dth)

Rate Schedule and Type of Rate	Currently Effective Tariff Rate (1)	
	Minimum	Maximum
Rate Schedule SGS-2F (2) (3)		
Demand Charge		
Pre-Expansion Shipper	0.00000	0.01547
Interim Best-Efforts Withdrawal Charge		
Expansion Shipper	0.00000	0.01547
Capacity Demand Charge		
Pre-Expansion Shipper	0.00000	0.00056
Expansion Shipper - 2008 Phase	0.00000	0.00264
Volumetric Bid Rates		
Withdrawal Charge		
Pre-Expansion Shipper	0.00000	0.01547
Storage Charge		
Pre-Expansion Shipper	0.00000	0.00056
Expansion Shipper - 2008 Phase	0.00000	0.00264
Rate Schedule SGS-2I		
Volumetric	0.00000	0.00113

Footnotes

- (1) Shippers receiving service under these rate schedules are required to furnish fuel reimbursement in-kind at the rates specified on Sheet No. 14.

TF0308 0000003P126Original Sheet No. 8  
TF04  
TF05Laren M. Gertsch, Director  
TF06121907033007RP06-416-000 013108  
TF071861272

STATEMENT OF RATES (Continued)

Effective Rates Applicable to Rate Schedule LS-1

(Dollars per Dth)

Type of Rate	Currently Effective Tariff Rate (1)
Demand Charge (2)	0.03054
Capacity Charge (2)	0.00390
Liquefaction	0.64110
Vaporization	0.04184

---

Footnotes

- (1) Shippers receiving service under this rate schedule are required to furnish fuel reimbursement in-kind at the rate specified on Sheet No. 14.
- (2) Rates are daily rates computed on the basis of 365 days per year, except that rates for leap years are computed on the basis of 366 days.

NW Natural  
Rates & Regulatory Affairs  
2008-2009 PGA Filing - Oregon: October refiling REVISED  
Elasticity Adjustment

Schedule	Block	Elasticity Volumes	Monthly Service Charge	Customers	Current Billing Rate	Proposed Billing Rate	Current Revenue	Proposed Revenue	Proposed WACOG	Proposed Demand	Proposed Temporary	Proposed Margin Rate	Proposed Margin
		A	B	C	D	E	F=(D*A)+(B*C*12)	G=(E*A)+(B*C*12)	H	I	J	K	L=K+A
1	IR	757,537.6	\$5.00	4,171	\$1,292.28	\$1,477.10	\$1,229,211	\$1,369,219	\$0.85126	\$0.12115	(\$0.01163)	\$0.51632	\$391,132
2	IC	95,571.2	\$5.00	190	\$1,257.48	\$1,431.96	\$131,101	\$148,254	\$0.85126	\$0.12115	(\$0.02928)	\$0.48883	\$46,718
3	2R	364,411,872.4	\$8.00	538,391	\$1,224.49	\$1,404.51	\$484,262,846	\$549,864,271	\$0.85126	\$0.12115	(\$0.01150)	\$0.44360	\$161,653,107
4	3C Firm Sales	150,761,017.1	\$8.00	55,166	\$1,121.49	\$1,297.84	\$174,372,909	\$200,959,614	\$0.85126	\$0.12115	(\$0.02917)	\$0.35460	\$53,459,857
5	Intentionally blank												
6	3I Firm Sales												
7	Intentionally blank												
8	19												
9	19												
10	1st. mantle addl. rmts												
11	31C Firm Sales	23,302,508.5	\$325.00	1,254	\$0.83739	\$1.13382	\$24,403,888	\$31,311,450	\$0.85126	\$0.12115	(\$0.02912)	\$0.19053	\$4,439,827
12	Block 1	38,121,426.5			\$0.82114	\$1.11723	\$31,303,028	\$42,590,401	\$0.85126	\$0.12115	(\$0.02910)	\$0.17392	\$6,630,078
13	Block 2				\$0.17742	\$0.17415	\$0	\$0	\$0.00000	\$0.00000	(\$0.01556)	\$0.18971	\$0
14	31C Firm Trans	0.0		0	\$0.16117	\$0.15762	\$0	\$0	\$0.00000	\$0.00000	(\$0.01556)	\$0.17318	\$0
15	Block 1	190,947.8	\$325.00	0	\$0.83945	\$1.04619	\$160,291	\$199,768	\$0.85126	\$0.01441	(\$0.00854)	\$0.18906	\$36,101
16	Block 2	920,779.9			\$0.82320	\$1.02972	\$757,986	\$948,145	\$0.85126	\$0.01441	(\$0.00852)	\$0.17257	\$158,899
17		578,561,661		589,172			\$716,621,260	\$827,391,122					\$226,815,718

Calculation of Class Prices and Margins:

Residential (Line 2 + Line 4)	Commercial (Line 17 - Line 21)	07-08 Class Price Column F ÷ A	08-09 Class Price Column G ÷ A	07-08 Class Revenues	08-09 Class Revenues	Class Margin Rate Column L ÷ A	Class Margin
\$1.32950	\$1.08312	\$1.50953	\$1.29413	485,492,057	551,233,490	\$0.44375	162,044,238
\$6,610	589,172	56,610	589,172	231,129,203	276,157,632	\$0.30353	64,771,480
				716,621,260	827,391,122		226,815,718

Sources for lines 1-17:

Direct Inputs	Per Tariff
Residential (Line 2 + Line 4)	Column A
Commercial (Line 17 - Line 21)	Column H
PGA Effects page	Column D
	Column N
	Column F
	Columns G + H
	Column N

ELASTICITY CALCULATION:

	Residential	Commercial
	Current	Proposed
Elasticity volumes	365,169,410	213,392,251
Class prices (Columns D & E, lines 21, 22)	\$1.32950	\$1.08312
Change in class prices	\$0.18003	\$0.21101
Percentage change in class prices	13.5%	19.5%
Volume change due to elasticity (Residential @ 0.172, Commercial @ 0.11)	2.3%	2.1%
Volume change due to elasticity in terms (line 42 x line 34)	8,398,896	4,481,237
Margin rate per therm (Columns K & L, lines 21, 22)	\$0.44375	\$0.30353
Margin Shortfall (line 44 x line 46)	\$3,727,010	\$1,360,190
Rate Change Due to Elasticity Effects (line 48 + line 34)	\$0.01021	\$0.00637
Rate Change Due to Elasticity Effects with revenue sensitive added	\$0.01051	\$0.00656

NW Natural  
Rates & Regulatory Affairs  
2008-2009 PGA Filing - Oregon: October re-filing REVISED  
Summary of PERMANENT Increments

Line	Schedule	Block	REMOVE Current Bare Steel	REMOVE Current Geo Hazard	REMOVE Current IMP	REMOVE Current Coos Bay	REMOVE Current Subtotal E=A+B+C+D	ADD Proposed Bare Steel 70%	ADD Proposed Bare Steel 30%	ADD Proposed Geo Hazard	ADD Proposed IMP	ADD Proposed Coos Bay	ADD Proposed Subtotal K=sum F thru J	Net Effect of Permanent Items L=K-E
1														
2														
3														
4														
5														
6														
7	IR		0.00367	0.00164	0.00448	(0.00029)	0.00950	0.00302	0.00214	0.00276	0.01001	(0.00042)	0.01751	0.00801
8	IC		0.00361	0.00155	0.00424	(0.00027)	0.00913	0.00302	0.00213	0.00198	0.00647	(0.00029)	0.01340	0.00427
9	2R		0.00351	0.00142	0.00388	(0.00025)	0.00856	0.00302	0.00138	0.00178	0.00647	(0.00027)	0.01238	0.00382
10	3C Firm Sales		0.00328	0.00113	0.00309	(0.00020)	0.00730	0.00302	0.00098	0.00126	0.00460	(0.00019)	0.00967	0.00237
11	Intentionally Blank													
12	3I Firm Sales		0.00320	0.00102	0.00280	(0.00018)	0.00684	0.00302	0.00082	0.00106	0.00386	(0.00016)	0.00860	0.00176
13	Intentionally Blank													
14	19	1st month	0.05	0.00	0.00	0.00	0.05	0.06	0.00	0.00	0.00	0.00	0.06	0.01
15	19	sub1 month	0.05	0.00	0.00	0.00	0.05	0.06	0.00	0.00	0.00	0.00	0.06	0.01
16	31C Firm Sales	Block 1	0.00288	0.00060	0.00166	(0.00011)	0.00503	0.00302	0.00069	0.00089	0.00323	(0.00013)	0.00770	0.00267
17		Block 2	0.00284	0.00055	0.00151	(0.00010)	0.00480	0.00302	0.00063	0.00081	0.00295	(0.00012)	0.00729	0.00249
18	31C Firm Sales	Block 1	0.00288	0.00060	0.00166	(0.00011)	0.00503	0.00302	0.00069	0.00089	0.00323	(0.00013)	0.00770	0.00267
19		Block 2	0.00284	0.00055	0.00151	(0.00010)	0.00480	0.00302	0.00063	0.00081	0.00295	(0.00012)	0.00729	0.00249
20	31C Interr Sales	Block 1	0.00288	0.00060	0.00166	(0.00011)	0.00503	0.00302	0.00069	0.00089	0.00323	(0.00013)	0.00770	0.00267
21		Block 2	0.00284	0.00055	0.00151	(0.00010)	0.00480	0.00302	0.00063	0.00081	0.00295	(0.00012)	0.00729	0.00249
22	31I Firm Sales	Block 1	0.00041	0.00054	0.00148	(0.00009)	0.00234	0.00000	0.00056	0.00072	0.00263	(0.00011)	0.00380	0.00146
23		Block 2	0.00037	0.00049	0.00134	(0.00009)	0.00211	0.00000	0.00051	0.00065	0.00238	(0.00010)	0.00344	0.00133
24	31I Firm Sales	Block 1	0.00041	0.00054	0.00148	(0.00009)	0.00234	0.00000	0.00056	0.00072	0.00263	(0.00011)	0.00380	0.00146
25		Block 2	0.00037	0.00049	0.00134	(0.00009)	0.00211	0.00000	0.00051	0.00065	0.00238	(0.00010)	0.00344	0.00133
26	31I Interr Sales	Block 1	0.00041	0.00054	0.00148	(0.00009)	0.00234	0.00000	0.00056	0.00072	0.00263	(0.00011)	0.00380	0.00146
27		Block 2	0.00037	0.00049	0.00134	(0.00009)	0.00211	0.00000	0.00051	0.00065	0.00238	(0.00010)	0.00344	0.00133
28	32C Firm Sales	Block 1	0.00025	0.00032	0.00088	(0.00006)	0.00139	0.00000	0.00038	0.00049	0.00178	(0.00007)	0.00258	0.00119
29		Block 2	0.00021	0.00027	0.00075	(0.00005)	0.00118	0.00000	0.00032	0.00042	0.00151	(0.00006)	0.00219	0.00101
30	31C Firm Sales	Block 1	0.00015	0.00019	0.00053	(0.00003)	0.00084	0.00000	0.00023	0.00029	0.00107	(0.00004)	0.00155	0.00071
31		Block 2	0.00015	0.00019	0.00053	(0.00003)	0.00084	0.00000	0.00023	0.00029	0.00107	(0.00004)	0.00155	0.00071
32	31I Firm Sales	Block 1	0.00005	0.00006	0.00018	(0.00001)	0.00028	0.00000	0.00008	0.00010	0.00036	(0.00001)	0.00053	0.00025
33		Block 2	0.00002	0.00003	0.00009	(0.00001)	0.00013	0.00000	0.00004	0.00005	0.00018	(0.00001)	0.00026	0.00012
34	32I Firm Sales	Block 1	0.00025	0.00032	0.00088	(0.00006)	0.00139	0.00000	0.00038	0.00049	0.00178	(0.00007)	0.00258	0.00119
35		Block 2	0.00021	0.00027	0.00075	(0.00005)	0.00118	0.00000	0.00032	0.00042	0.00151	(0.00006)	0.00219	0.00101
36	31C Firm Sales	Block 1	0.00015	0.00019	0.00053	(0.00003)	0.00084	0.00000	0.00023	0.00029	0.00107	(0.00004)	0.00155	0.00071
37		Block 2	0.00015	0.00019	0.00053	(0.00003)	0.00084	0.00000	0.00023	0.00029	0.00107	(0.00004)	0.00155	0.00071
38	31I Firm Sales	Block 1	0.00005	0.00006	0.00018	(0.00001)	0.00028	0.00000	0.00008	0.00010	0.00036	(0.00001)	0.00053	0.00025
39		Block 2	0.00002	0.00003	0.00009	(0.00001)	0.00013	0.00000	0.00004	0.00005	0.00018	(0.00001)	0.00026	0.00012
40	32I Firm Sales	Block 1	0.00025	0.00032	0.00088	(0.00006)	0.00139	0.00000	0.00038	0.00049	0.00178	(0.00007)	0.00258	0.00119
41		Block 2	0.00021	0.00027	0.00075	(0.00005)	0.00118	0.00000	0.00032	0.00042	0.00151	(0.00006)	0.00219	0.00101
42	31C Firm Sales	Block 1	0.00015	0.00019	0.00053	(0.00003)	0.00084	0.00000	0.00023	0.00029	0.00107	(0.00004)	0.00155	0.00071
43		Block 2	0.00015	0.00019	0.00053	(0.00003)	0.00084	0.00000	0.00023	0.00029	0.00107	(0.00004)	0.00155	0.00071
44	31I Firm Sales	Block 1	0.00005	0.00006	0.00018	(0.00001)	0.00028	0.00000	0.00008	0.00010	0.00036	(0.00001)	0.00053	0.00025
45		Block 2	0.00002	0.00003	0.00009	(0.00001)	0.00013	0.00000	0.00004	0.00005	0.00018	(0.00001)	0.00026	0.00012
46	32I Firm Sales	Block 1	0.00025	0.00032	0.00088	(0.00006)	0.00139	0.00000	0.00038	0.00049	0.00178	(0.00007)	0.00258	0.00119
47		Block 2	0.00021	0.00027	0.00075	(0.00005)	0.00118	0.00000	0.00032	0.00042	0.00151	(0.00006)	0.00219	0.00101
48	31C Firm Sales	Block 1	0.00015	0.00019	0.00053	(0.00003)	0.00084	0.00000	0.00023	0.00029	0.00107	(0.00004)	0.00155	0.00071
49		Block 2	0.00015	0.00019	0.00053	(0.00003)	0.00084	0.00000	0.00023	0.00029	0.00107	(0.00004)	0.00155	0.00071
50	31I Firm Sales	Block 1	0.00005	0.00006	0.00018	(0.00001)	0.00028	0.00000	0.00008	0.00010	0.00036	(0.00001)	0.00053	0.00025
51		Block 2	0.00002	0.00003	0.00009	(0.00001)	0.00013	0.00000	0.00004	0.00005	0.00018	(0.00001)	0.00026	0.00012
52	32I Firm Sales	Block 1	0.00025	0.00032	0.00088	(0.00006)	0.00139	0.00000	0.00038	0.00049	0.00178	(0.00007)	0.00258	0.00119
53		Block 2	0.00021	0.00027	0.00075	(0.00005)	0.00118	0.00000	0.00032	0.00042	0.00151	(0.00006)	0.00219	0.00101
54	31C Firm Sales	Block 1	0.00015	0.00019	0.00053	(0.00003)	0.00084	0.00000	0.00023	0.00029	0.00107	(0.00004)	0.00155	0.00071
55		Block 2	0.00015	0.00019	0.00053	(0.00003)	0.00084	0.00000	0.00023	0.00029	0.00107	(0.00004)	0.00155	0.00071
56	31I Firm Sales	Block 1	0.00005	0.00006	0.00018	(0.00001)	0.00028	0.00000	0.00008	0.00010	0.00036	(0.00001)	0.00053	0.00025
57		Block 2	0.00002	0.00003	0.00009	(0.00001)	0.00013	0.00000	0.00004	0.00005	0.00018	(0.00001)	0.00026	0.00012
58	32I Firm Sales	Block 1	0.00025	0.00032	0.00088	(0.00006)	0.00139	0.00000	0.00038	0.00049	0.00178	(0.00007)	0.00258	0.00119
59		Block 2	0.00021	0.00027	0.00075	(0.00005)	0.00118	0.00000	0.00032	0.00042	0.00151	(0.00006)	0.00219	0.00101
60	31C Firm Sales	Block 1	0.00015	0.00019	0.00053	(0.00003)	0.00084	0.00000	0.00023	0.00029	0.00107	(0.00004)	0.00155	0.00071
61		Block 2	0.00015	0.00019	0.00053	(0.00003)	0.00084	0.00000	0.00023	0.00029	0.00107	(0.00004)	0.00155	0.00071
62	31I Firm Sales	Block 1	0.00005	0.00006	0.00018	(0.00001)	0.00028	0.00000	0.00008	0.00010	0.00036	(0.00001)	0.00053	0.00025
63		Block 2	0.00002	0.00003	0.00009	(0.00001)	0.00013	0.00000	0.00004	0.00005	0.00018	(0.00001)	0.00026	0.00012
64	32I Firm Sales	Block 1	0.00025	0.00032	0.00088	(0.00006)	0.00139	0.00000	0.00038	0.00049	0.00178	(0.00007)	0.00258	0.00119
65		Block 2	0.00021	0.00027	0.00075	(0.00005)	0.00118	0.00000	0.00032	0.00042	0.00151	(0.00006)	0.00219	0.00101

Sources:

Direct Inputs	07-08 PGA	07-08 PGA	07-08 PGA	07-08 PGA
Equal & per item	Column AE	Column R	Column U	Column X
Equal % of margin	Column AE	Column R	Column U	Column X

NWN Natural  
Rates & Regulatory Affairs  
2008-2009 PGA Filing - Oregon: October reffiling REVISED  
Summary of TEMPORARY Increments

Schedule	Block	REMOVE		ADD		ADD		ADD		ADD		ADD		ADD		ADD		ADD		ADD		ADD		Net Effect of Temps	N = sum B thru M	O = N - A	
		Current	WACOG	Demand	Demand	Residential	Commercial	DSM &	Weatherization	Interior	Funding -	Storage	Inventory	Intervenor	Funding -	IMP Refund	Oregon Tax	Gain on Sale	Total Current	Temp	Temp	Temp					
1	IR	(0.04820)	0.01065	(0.02329)	0.00000	0.00214	0.00000	0.00002	0.00014	(0.00091)	0.00000	0.00000	0.00000	0.00014	0.00000	0.00023	0.00075	(0.01163)	0.03157								
2	1C	(0.06131)	0.01065	(0.02329)	0.00000	0.00000	(0.01546)	0.00002	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00016	(0.00054)	0.03203								
3	2R	(0.04954)	0.01065	(0.02329)	0.00000	0.00214	0.00000	0.00002	0.00014	(0.00091)	0.00000	0.00000	0.00000	0.00014	0.00000	0.00015	(0.00049)	(0.01150)	0.03304								
4	3C Sales Firm	(0.06003)	0.01065	(0.02329)	0.00000	0.00000	(0.01546)	0.00002	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00010	(0.00034)	(0.02917)	0.03086								
5	3I Sales Firm	(0.05112)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00002	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00005	(0.00029)	(0.01359)	0.03753								
6	Intentionally blank																										
7	19		0.20	(0.44)	0.00	0.00	0.00	0.00	0.00	(0.02)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.26)	0.65								
8	19		0.20	(0.44)	0.00	0.00	0.00	0.00	0.00	(0.02)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.26)	0.65								
9	31C Sales Firm	(0.05844)	0.01065	(0.02329)	0.00000	0.00000	(0.01546)	0.00002	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00007	(0.00024)	(0.02912)	0.02933								
10	31C Trans Firm	(0.05828)	0.01065	(0.02329)	0.00000	0.00000	(0.01546)	0.00002	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00007	(0.00022)	(0.02910)	0.02918								
11	Block 1	(0.01020)	0.00000	0.00000	0.00000	0.00000	(0.01546)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00006	(0.00019)	(0.01556)	(0.00519)								
12	Block 2	(0.05639)	0.01065	0.00000	0.00000	0.00000	(0.01546)	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00003	(0.00017)	(0.00854)	(0.00536)								
13	Block 1	(0.05622)	0.01065	(0.02329)	0.00000	0.00000	(0.01546)	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00003	(0.00015)	(0.00852)	(0.00470)								
14	Block 2	(0.04966)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00002	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00006	(0.00020)	(0.01354)	0.03612								
15	31I Sales Firm	(0.00158)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00006	(0.00019)	0.00000	0.00158								
16	Block 1	(0.00142)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00018)	0.00000	0.00142								
17	Block 2	(0.04744)	0.01065	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142							
18	31I Sales Interr	(0.04805)	0.01065	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142							
19	Block 1	(0.04805)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00002	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
20	Block 2	(0.04866)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
21	Block 3	(0.04841)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
22	Block 4	(0.04821)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
23	Block 5	(0.04821)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
24	Block 6	(0.04817)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
25	32I Sales Firm	(0.04899)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
26	Block 1	(0.04886)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
27	Block 2	(0.04744)	0.01065	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
28	32C Sales Firm	(0.04805)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
29	Block 1	(0.04821)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
30	Block 2	(0.04866)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
31	Block 3	(0.04841)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
32	Block 4	(0.04821)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
33	Block 5	(0.04821)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
34	Block 6	(0.04817)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
35	32I Sales Interr	(0.04899)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
36	Block 1	(0.04886)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
37	Block 2	(0.04866)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
38	Block 3	(0.04841)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
39	Block 4	(0.04821)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
40	Block 5	(0.04821)	0.01065	(0.02329)	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00091)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	(0.00008)	0.00000	0.00142						
41																											



NW Natural  
 Bare Steel, Geohazard and Integrity Management Programs  
 Cost of Service Summary - PGA 2008-09  
 Thousands of Dollars

	<u>Investment</u>	<u>Tracker Year Cost of Service</u>
<b>Bare Steel Program</b>		
1 Activity Ended September 30, 2002	\$2,665	\$330
2 Activity Ended September 30, 2003	3,510	428
3 Activity Ended September 30, 2004	3,094	389
4 Activity Ended September 30, 2005	6,000	779
5 Activity Ended September 30, 2006	(695)	(92)
6 Activity Ended September 30, 2007	430	59
7 Activity Ended September 30, 2008	<u>3,850</u>	<u>592</u>
8 Total Bare Steel Program	<u><u>\$18,854</u></u>	<u><u>\$2,484</u></u>
<b>Geohazard Program</b>		
9 Activity Ended September 30, 2002	\$1,714	\$212
10 Activity Ended September 30, 2003	555	68
11 Activity Ended September 30, 2004	139	17
12 Activity Ended September 30, 2005	206	27
13 Activity Ended September 30, 2006	2,863	380
14 Activity Ended September 30, 2007	254	35
15 Activity Ended September 30, 2008	<u>1,441</u>	<u>222</u>
16 Total Geohazard Program	<u><u>\$7,171</u></u>	<u><u>\$961</u></u>
<b>Integrity Management Program</b>		
17 Activity Ended September 30, 2005	\$3,476	\$451
18 Activity Ended September 30, 2006	8,978	1,192
19 Activity Ended September 30, 2007	2,604	358
20 Activity Ended September 30, 2008	<u>9,680</u>	<u>1,489</u>
21 Total Integrity Management Program	<u><u>\$24,738</u></u>	<u><u>\$3,491</u></u>
<b>GRAND TOTAL ALL PROGRAMS</b>	<u><u><b>\$50,764</b></u></u>	<u><u><b>\$6,936</b></u></u>

Reflects Actuals through June 30, 2008

**NW Natural**  
**Rates and Regulatory Affairs**  
**2008-2009 PGA Filing - Oregon: Refiling REVISED**  
**Estimated Revenue Effects for the 12 Months Beginning November 1, 2008**

<b>Line No.</b>	<b>Item</b>	<b>Total Increment Amounts</b>	<b>Limit For Increment Amounts</b>
1	Commodity and Demand Deferrals	(\$7,250,656)	
2	Temporary Increments	<u>(760,708)</u>	
3	Total	<u><u>(\$8,011,364)</u></u>	
4	2007 Utility Revenues		\$1,015,970,324
5	@ 3% threshold		3.0%
6	Threshold for Annual Effect of Proposed Change in Amortization		<u><u>\$30,479,110</u></u>

**ORS 757.259 (6)**