

**Rates and Regulatory Affairs**  
Facsimile: 503.721.2532



July 16, 2007

***VIA ELECTRONIC FILING***

Public Utility Commission of Oregon  
550 Capitol Street, NE, Suite 215  
P.O. Box 2148  
Salem, Oregon 97308-2148

Attention: Filing Center

Re: Docket No. AR 517: Housekeeping and Clarification Changes to  
OAR 860-022-0041

Enclosed for filing are NW Natural's Opening Comments in the above-referenced docket.

Please contact me if you have any questions.

Sincerely,

/s/ Inara Scott

Inara K. Scott  
Manager, Regulatory Affairs

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**AR 517**

In the Matter of	)	
	)	
Housekeeping and Clarification	)	NORTHWEST NATURAL GAS
Changes to OAR 860-022-0041	)	COMPANY'S OPENING COMMENTS
	)	

Northwest Natural Gas Company (NW Natural) appreciates the efforts of the Public Utility Commission of Oregon Staff (Staff) to reach consensus on the proposed amendments to OAR 860-022-0041 included in the memorandum and notice of rule-making hearing filed June 19, 2007. The amendments proposed by Staff are generally intended to: 1) eliminate the iterative effect of adjustments under Senate Bill 408 (SB 408); 2) allow a change in methodology for calculating state taxes paid when there is a change in utility ownership; (3) change the calculation of the floor for taxes paid under the Apportionment Method; (4) address a potential normalization problem by modifying the "lesser of" methodology for determining taxes paid; and (5) conform the rules to House Bill 3201 (HB 3201), as it relates to Oregon business energy tax credits (BETCs).

NW Natural supports the amendments proposed by Staff related to items 1-2 and 4-5. NW Natural does not support Staff's proposed amendment related to item 3. To this end, NW Natural supports the comments filed in this docket on July 16, 2007 by PacifiCorp and Portland General Electric Company.

DATED: this 16th day of July, 2007

Respectfully submitted,

    /s/ Inara Scott      
Inara K. Scott  
Manager, Regulatory Affairs



CERTIFICATE OF SERVICE

I hereby certify that on the 16th day of July, 2007, I served the foregoing NW NATURAL'S OPENING COMMENTS IN OPUC DOCKET AR 517 upon each party listed below by electronic mail.

/s/ Kelley C. Miller  
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