

**Rates and Regulatory Affairs**  
**Facsimile: 503.721.2516**

 <b>NW Natural</b> <i>We grew up here.</i>	<b>150</b> YEARS 1859-2009	220 NW 2ND AVENUE PORTLAND, OR 97209
		TEL 503.226.4211 800.422.4012
		nwnatural.com

February 18, 2009

**VIA ELECTRONIC FILING**

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

Attn: Filing Center  
**Re: Docket UG 170(2)**

Enclosed please find the original and five copies of a Stipulation among Staff of the Public Utility Commission of Oregon and Northwest Natural Gas Company, and the original and five copies of Joint Testimony in Support of the Stipulation.

Sincerely,

/s/ Onita King

Onita R. King  
Rates & Regulatory Affairs

cc: Service list

1 **BEFORE THE PUBLIC UTILITY COMMISSION**  
2 **OF OREGON**

3 **UG 170(2)**

4 In the Matter of:

5 NORTHWEST NATURAL

6 Filing of tariffs establishing automatic  
7 adjustment clauses under the terms of  
8 SB 408

**STIPULATION**

9 This Stipulation resolves all issues among the parties to this Stipulation related to  
10 Northwest Natural's 2007 Tax Report, filed in UG 170 pursuant to Senate Bill 408 ("SB 408").  
11 SB 408 is codified in ORS 757.267, 757.268 and 757.210.

12 **PARTIES**

13 1. The parties to this Stipulation are Staff of the Public Utility Commission of Oregon  
14 ("Staff") and Northwest Natural (NWN or the "Company") (together, the "Parties"). Only Staff  
15 and the Company attended the settlement conference in this case, which was open to all  
16 parties. This Stipulation will be made available to other parties to this docket, who may  
17 participate by signing and filing a copy of the Stipulation.

18 **BACKGROUND**

19 2. SB 408 requires certain Oregon public utilities to file an annual Tax Report with  
20 the Public Utility Commission of Oregon ("Commission") that provides information on: (1) the  
21 amount of taxes paid by the utility to units of government or that was paid by an affiliated  
22 group and that is properly attributed to the utility's regulated operations; and (2) the amount of  
23 taxes authorized to be collected in rates. ORS 757.268(1). The law requires the Commission  
24 to review the Tax Report to determine whether the amount of taxes paid differs from the  
25 amount of taxes authorized to be collected in rates by more than \$100,000. ORS 757.268(4);  
26 ORS 757.268(13)(f); OAR 860-022-0041(2)(q) & (r). If so, the Commission must require the

1 public utility to establish an automatic adjustment clause to account for the difference. ORS  
2 757.268(4). The Commission must complete its review of the Tax Report and order an  
3 automatic adjustment clause (“AAC”) if necessary within 180 days after the Tax Report is filed.  
4 Any rate adjustment must be calculated to amortize the difference determined by the  
5 Commission over a period authorized by the Commission. ORS 757.268(4); OAR 860-022-  
6 0041(7) & (8).

7 3. As required by SB 408, on October 15, 2008, NWN filed its Tax Report for  
8 calendar year 2007 (“2007 Tax Report”). NWN’s 2007 Tax Report reflected a difference of  
9 approximately \$5.5 million of state and federal taxes paid above taxes authorized to be  
10 collected in rates. Additionally, NWN reported that it collected approximately \$11,100 more in  
11 local taxes in rates than it paid to units of government.

12 4. Under SB 408, this difference, plus interest, is to be collected as a surcharge  
13 through an AAC. ORS 757.268(6) and OAR 860-022-0041(8)(c). NWN proposed to recover  
14 the 2007 SB 408 state and federal tax surcharge of \$5.5 million, through Schedule 161 over  
15 one month beginning on June 1, 2009. The Commission has discretion to set the amortization  
16 period for a refund or surcharge under the AAC. OAR 860-022-0041(8)(e).

17 5. In *Re NWN’s Automatic Adjustment Clause under SB 408*, Order No. 08-202, UG  
18 170(1), the Commission approved a surcharge related to NWN’s 2006 Tax Report of  
19 approximately \$1.9<sup>1</sup> million, for a one-time surcharge collected in June of 2008.

20 6. The proposed surcharge was allocated by customer rate schedule on an equal  
21 percentage of margin basis, as required by OAR 860-022-0041(8)(d).

22 7. The Commission held a prehearing conference on November 3, 2008, at which  
23 Administrative Law Judge Grant adopted a full procedural schedule for this docket, including  
24 testimony, a hearing, and briefing.

25

26 <sup>1</sup> The \$1.9 million total consists of \$1.6 million surcharge and interest.

1 8. Staff served discovery and convened a workshop to which all Parties were  
2 invited on November 19, 2008 to review issues raised by the 2007 Tax Report.

3 9. The Parties commenced a settlement conference on December 10, 2008.  
4 Although the settlement conference was noticed and all parties were invited to participate,  
5 only Staff and NWN participated in these discussions in which the Company addressed  
6 additional substantive issues on which Staff had outstanding questions. As a result of the  
7 settlement conference, the Parties have reached a comprehensive settlement in this case.

8 **AGREEMENT**

9 10. NWN has filed a revised 2007 Tax Report (Revised Tax Report) to eliminate the  
10 adjustment on Page 5, Line 12 that reduces that tax benefit of certain tax credits; correct the  
11 apportionment factors for "total gross plant" at Page 2 to reflect a December 31, 2007 figure  
12 rather than a 2-year average; and calculate interest expense for NWN's taxes paid under the  
13 stand-alone method using a 13-month average capital structure and debt cost, instead of a  
14 point estimate of capital structure and debt cost. These changes decrease NWN's state and  
15 federal taxes paid, and the total state and federal SB 408 surcharge, by approximately  
16 \$47,000. The Parties agree that the Revised 2007 Tax Report complies with SB 408 and  
17 OAR 860-022-0041.

18  
19 11. The Parties agree that the 2007 SB 408 tax surcharge amount for state and  
20 federal taxes should be \$5.5 million, plus interest, and for local taxes should be a refund of  
21 \$11,600, plus interest. The Parties agree that the \$5.5 million should be amortized over one  
22 month, and the \$11,600 refund should be applied to customer bills under the terms and  
23 conditions stated in NWN's Schedule A. The Parties agree that any future rate adjustments  
24 will be determined on an annual basis and authorized by the Commission pursuant to OAR  
25 860-022-0041(8)(c).

26 .

1           12. The 2007 SB 408 surcharges for state and federal taxes will be collected through  
2 Schedule 161 NWN's Income Tax Adjustment tariff, a copy of which is attached as Exhibit A  
3 to this Stipulation. Upon approval of this Stipulation, NWN will file Schedule 161 as set forth in  
4 Exhibit A with effective dates of June 1, 2009.

5           13. The Parties agree to submit this Stipulation to the Commission and request that  
6 the Commission approve the Stipulation as presented. The Parties agree that the  
7 adjustments and the rates resulting from the Stipulation are fair, just, and reasonable.

8           14. This Stipulation will be offered into the record of this proceeding as evidence  
9 pursuant to OAR 860-014-0085. The Parties agree to support this Stipulation throughout this  
10 proceeding and any appeal, (if necessary) provide witnesses to sponsor this Stipulation at the  
11 hearing, and recommend that the Commission issue an order adopting the settlements  
12 contained herein.

13           15. If this Stipulation is challenged by any other party to this proceeding, the Parties  
14 agree that they will continue to support the Commission's adoption of the terms of this  
15 Stipulation. The Parties agree to cooperate in cross-examination and put on such a case as  
16 they deem appropriate to respond fully to the issues presented, which may include raising  
17 issues that are incorporated in the settlements embodied in this Stipulation.

18           16. The Parties have negotiated this Stipulation as an integrated document. If the  
19 Commission rejects all or any material portion of this Stipulation or imposes additional material  
20 conditions in approving this Stipulation, any Party disadvantaged by such action shall have the  
21 rights provided in OAR 860-014-0085 and shall be entitled to seek reconsideration or appeal  
22 of the Commission's Order.

23           17. By entering into this Stipulation, no Party shall be deemed to have approved,  
24 admitted, or consented to the facts, principles, methods, or theories employed by any other  
25 Party in arriving at the terms of this Stipulation, other than those specifically identified in the  
26 body of this Stipulation. No Party shall be deemed to have agreed that any provision of this

1 Stipulation is appropriate for resolving issues in any other proceeding, except as specifically  
2 identified in this Stipulation.

3 18. This Stipulation may be executed in counterparts and each signed counterpart  
4 shall constitute an original document.

5 This Stipulation is entered into by each party on the date entered below such Party's  
6 signature.

7 ***Signature page follows.***

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STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

NORTHWEST NATURAL GAS COMPANY

By: \_\_\_\_\_

By:  \_\_\_\_\_

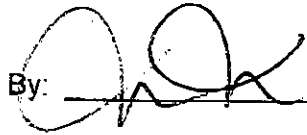
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STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

NORTHWEST NATURAL GAS COMPANY

By:  \_\_\_\_\_

By: \_\_\_\_\_

Date: 2/17/9 \_\_\_\_\_

Date: \_\_\_\_\_



BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

STAFF – NW NATURAL JOINT STIPULATION

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EXHIBIT A

February 18, 2009

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Second Revision of Sheet 161-1  
Cancels First Revision of Sheet 161-1

## SCHEDULE 161 AUTOMATIC ADJUSTMENT FOR UTILITY INCOME TAX

### **PURPOSE**

This schedule implements an automatic adjustment clause required by ORS 767.268 and implemented by the Commission in OAR 860-022-0041, to recognize rate differences between the amount of income taxes paid to units of government that is properly attributed to the regulated operations of the Company and the amount of income taxes collected through the Company's approved Base Rates.

### **BALANCING ACCOUNT**

A balancing account will be maintained to accrue any differences between the amount of income taxes included in current Base Rates and the amount of taxes actually paid to units of government. The balancing account will accrue interest at the rate approved by the Commission.

### **APPLICABLE:**

The adjustment shall apply to customers taking service under the following Rate Schedules of this Tariff:

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

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

A one time bill adjustment will apply to customer bills issued on and after June 1 of each calendar year, or such other date as the Commission may approve, and will continue through each billing cycle during the effective month until all cycles have billed.

The one time bill adjustment to be applied to all active customer account bills during the stated Effective Month will be calculated by multiplying the following rate per therm by each customer's actual gas usage billed during the applicable tax year.

**Effective Month: June 1, 2009    Applicable Tax Year: 2007**

Schedule	Block	Per Therm Adjustment
1R		
1C		
2		
3 (CSF)		
3 (ISF)		
19		
31C	Block 1	
	Block 2	
31I	Block 1	
	Block 2	
32 (all)	Block 1	
	Block 2	
	Block 3	
	Block 4	
	Block 5	
	Block 6	
33 (all)		
54		

Issued \_\_\_\_\_  
NWN Advice No. OPUC 09-\_\_\_\_

Effective with service on  
and after June 1, 2009

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

First Revision of Sheet 161-2  
Cancels Original Sheet 161-2

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## SCHEDULE 161 AUTOMATIC ADJUSTMENT FOR UTILITY INCOME TAX (continued)

### **PRIOR YEAR BALANCES:**

The Company will include any remaining balance from the prior year's adjustment in the calculation of the current year's adjustment.

### **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 \_\_\_\_\_  
NWN Advice No. OPUC 09-\_\_\_\_

Effective with service on  
and after June 1, 2009

Docket UG 170  
Staff-NW Natural Joint /100  
Owings – Ball – Garcia – Deckard

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

STAFF – NW NATURAL JOINT STIPULATION

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JOINT TESTIMONY IN SUPPORT OF STIPULATION

February 18, 2009

1 **Q. Please state your name, occupation, and business address.**

2 A. My name is Carla Owings. I am Senior Revenue Requirement Analyst in the  
3 Rates and Tariffs section of the Electric and Natural Gas Division of the Public  
4 Utility Commission of Oregon (“OPUC”) Staff. My business address is 550  
5 Capital Street N.E., Suite 215, Salem Oregon 97301-2552. My qualifications  
6 appear in Joint Party Exhibit 101.

7 My name is Dustin Ball. I am a Senior Financial Analyst employed by the OPUC.  
8 My business address is 550 Capital Street N.E., Suite 215, Salem Oregon  
9 97301-2552. My qualifications appear in Joint Party Exhibit 102.

10 My name is Deborah Garcia. I am a Senior Revenue Requirement Analyst in the  
11 Rates and Tariffs section of the Electric and Natural Gas Division of the Public  
12 Utility Commission of Oregon (“OPUC”) Staff. My business address is 550  
13 Capital Street N.E., Suite 215, Salem Oregon 97301-2552. My qualifications  
14 appear in Joint Party Exhibit 103.

15 My name is Linda Deckard. I am the Tax Manager for Northwest Natural (“NWN”  
16 or the “Company”). My business address is 220 NW Second Avenue, Portland,  
17 OR 97209. My qualifications appear in the attached Joint Party Exhibit 104.

18 **Q. What is the purpose of your testimony?**

19 A. Staff and NWN, hereinafter referred to as the Parties, come together to provide  
20 this testimony in support of the Joint Stipulation filed in Docket UG 170, regarding  
21 NWN’s tax filing as it relates to Senate Bill 408 (“SB 408”), codified in ORS  
22 757.267, 757.268 and OAR 860-022-0041. Pursuant to ORS 757.268 and OAR  
23 860-022-0041, on October 15, 2008, NWN filed its tax report for calendar years

1 2005, 2006, and 2007 (the “Tax Report”). On November 3, 2008, Chief ALJ  
2 Grant entered a procedural schedule for the docket. On November 19, 2008  
3 Staff served discovery and convened a workshop to which all Parties were  
4 invited. On December 10, 2008, Staff and NWN participated in settlement  
5 discussions in which NWN addressed additional issues to which Staff had  
6 outstanding questions. On December 11, 2008 NWN filed an amended 2007 tax  
7 report addressing all of Staff’s recommendations (the “Amended 2007 Tax  
8 Report”).

9 The Stipulating Parties have agreed to the terms of this Stipulation and submit  
10 the Stipulation, along with this Joint Testimony in support of the Stipulation, to the  
11 Commission. The Stipulating Parties request that the Commission issue an  
12 order approving the Stipulation and implementing its terms.

13 **Q. Please summarize the issues Staff raised related to the review of NWN’s**  
14 **Tax Report.**

15 A. Staff performed a thorough review of the Company's filing, serving many data  
16 requests and hosting workshops, as described above, to discuss the details of  
17 the Company's responses to the data requests. The issues Staff raised related  
18 to the review of Northwest Natural’s Tax Report are as follows:

- 19 ○ Calculation of its effective tax rate;
- 20 ○ Provision of tax form schedules and related information sufficient to document  
21 details associated with federal tax credits and other tax report calculations;
- 22 ○ Schedule M adjustments related to tax depreciation.
- 23 ○ Calculation of State and Federal taxable income (related to local taxes);

- 1       ○ Applicability of BETC tax credit related to the stand alone calculation;
- 2       ○ Provision of documentation sufficient to clearly identify Schedule M
- 3       adjustments
- 4       ○ Source document used in the calculation of percentage factors related to
- 5       payroll;
- 6       ○ Calculation of local taxes paid; and
- 7       ○ Adjustment to revenue related to Oregon deferred gas costs.

8   **Q.   Please summarize Staff’s findings related to its review of the above issues.**

9   A.   As NWN submitted a Revised Tax Report on December 11, 2008, that  
10       addressed all of Staff’s recommendations, Staff does not recommend any further  
11       changes to the Company’s Tax Report.

12 **Q.   Are there other issues Staff raised that are reflected in NWN’s Revised Tax**  
13 **Report?**

14 A.   Yes, Staff identified four issues. The issues and outcome for each are  
15       summarized below:

- 16       1. Adjust the calculation of deferred tax related to Oregon tax credits. Staff and  
17       the Company agree that the underlying expense that qualified NWN for these  
18       credits was regulated Utility O&M expense and the benefit of the credits  
19       should remain with ratepayers. This revision results in a reduction of \$8,577  
20       to the 2007 surcharge.
- 21       2. Calculation of gross plant used in the apportionment methodology. Staff and  
22       the Company agree that the calculation should be based on the December  
23       31, 2007 amount rather than a 2-year average. The revision does not affect

1 the surcharge as the 2007 surcharge relies on the stand-alone rather than the  
2 apportionment methodology.

3 3. Calculation of the capital structure and cost of debt used in the Tax Report.

4 Staff and the Company agree that a 13-month average is consistent with how  
5 rate base is reported in the Company's Results of Operations report. This  
6 change results in a reduction to the surcharge for State and Federal taxes of  
7 \$38,417.

8 4. Calculation of the difference between taxes paid and taxes collected for local

9 taxes. The Company revised the final calculation to reflect the *current* tax  
10 difference between taxes paid and taxes collected for local taxes rather than  
11 to add the impact of the over collection that appears in the Company's  
12 balancing account. However, Staff agreed with the Company that the  
13 amount reflected in the Company's balancing account that reflects an over  
14 collection in 2007 will reduce the Multnomah County tax collected during  
15 2008. Staff believes this problem may be rectified by adding an additional  
16 adjustment line to page 1 of the Tax Report so that in future years it is clear  
17 that any over/under collection of taxes from previous years held in the  
18 balancing account creates a net basis identifiable in the Tax Report. Staff  
19 agrees to consult with all affected utilities to resolve this issue for future year  
20 reports.

21 **Q. In consideration of all revisions submitted by NWN in its Revised Tax**  
22 **Report, what is the final outcome of its 2007 SB 408 filing?**



1 A. NWN reports a \$5.5 million difference (before interest) between state and federal  
2 taxes paid and taxes authorized to be collected in rates, and an approximate  
3 \$11,600 difference between local taxes collected in rates and local taxes paid to  
4 units of government. Put another way, NWN paid \$5.5 million *more* in state and  
5 federal taxes than it collected in rates, under the calculation set forth in its Tax  
6 Report. NWN paid approximately \$11,600 *less* in local taxes than it collected in  
7 rates.

8 **Q. How do the Parties propose that the difference between taxes paid and**  
9 **taxes authorized to be collected in rates be reflected in NW Natural's rates?**

10 A. The rate adjustment for the effect of NWN's 2007 SB 408 filing will be a rate  
11 surcharge. The Parties agree that the surcharge for state and federal taxes  
12 should be amortized during a one-month period through Schedule 161, NWN's  
13 Income Tax Adjustment Tariff effective with customer bills issued during June,  
14 2009. The Parties agree that the surcharge related to local tax should be applied  
15 to customer bills under the terms and conditions stated in NWN's Schedule A.

16 **Q. Do you have anything further on these issues or any other issues?**

17 A. No.

18 **Q. Does this conclude your Testimony?**

19 A. Yes.

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

STAFF -- NW NATURAL

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EXHIBIT TO JOINT TESTIMONY IN SUPPORT  
OF STIPULATION

February 18, 2009

List of Exhibits

- 101           Qualifications of Carla Owings
- 102           Qualifications of Dustin Ball
- 103           Qualifications of Deborah Garcia
- 104           Qualifications of Linda Deckard

## WITNESS QUALIFICATION STATEMENT

**NAME:** Carla M. Owings

**EMPLOYER:** Public Utility Commission of Oregon

**TITLE:** Senior Utility Analyst/Revenue Requirement/Rates and Regulation

**ADDRESS:** 550 Capitol Street NE Suite 215  
Salem, Oregon 97301-2115.

**EDUCATION:** Professional Accounting Degree  
Trend College of Business 1983

**EXPERIENCE:** I have been employed by the Public Utility Commission of Oregon since April of 2001. I am the Senior Utility Analyst for revenue requirement for the Rates and Regulation Division of the Utility Program. Current responsibilities include leading research and providing technical support on a wide range of policy issues for electric, telecommunications, and gas utilities.

From September 1994 to April 2001, I worked for the Oregon Department of Revenue as a Senior Industrial/Utility Appraiser. I was responsible for the valuation of large industrial properties as well as utility companies throughout the State of Oregon.

I have testified on behalf of the Public Utility Commission in Docket Nos. UE 180, UM 1234, UE 167, UE 180, UE 188, UM 1234, UM 1261, UM 1271 and UG 171.

**OTHER EXPERIENCE:** I received my certification from the National Association of State Boards of Accountancy in the Principles of Public Utilities Operations and Management in March of 1997. I have attended the Institute of Public Utilities sponsored by the National Association of Regulatory Utility Commissioners at Michigan State University in August of 2002 and the College of Business Administration and Economics at New Mexico State University's Center for Public Utilities in May of 2004.

## WITNESS QUALIFICATION STATEMENT

**NAME:** Dustin Ball

**EMPLOYER:** Public Utility Commission Of Oregon

**TITLE:** Senior Financial Analyst, Economic Research & Financial Analysis Division

**ADDRESS:** 550 Capitol Street NE suite 215  
Salem, Oregon 97301-2115.

**EDUCATION:** Bachelor of Science, Business focusing in Accounting,  
Western Oregon University (2003)

**EXPERIENCE:** Employed with the Oregon Public Utility Commission since August 2007. I am a Senior Financial Analyst for the Economic Research & Financial Analysis Division.

Employed by the Oregon Real Estate Agency as a Financial Investigator in the Regulations Division from January 2006 to August 2007.

Employed by the Oregon Department of Revenue as an Income Tax Auditor, in the Personal Tax and Compliance Section from January 2004 to January 2007.

Licensed Tax Consultant in the State of Oregon.

## WITNESS QUALIFICATIONS STATEMENT

**NAME:** Deborah A. Garcia  
**EMPLOYER:** Public Utility Commission Of Oregon  
**TITLE:** Senior Revenue Requirement Analyst  
**ADDRESS:** 550 Capitol St Ne Suite 215, Salem, Oregon 97301-2551

### **EDUCATION:**

- o Western Utility Rate School, San Diego, California. (2002)
- o The Center For Public Utilities at New Mexico University and the National Association of Regulatory Commissioners' Annual Regulatory Studies Program. (2000)
- o National Association of Regulatory Utility Commissioners' Annual Regulatory Studies Program at Michigan State University. (2000)
- o Certificate in Mediation Training (1994)
- o College-level coursework in financial accounting, business law, business management, and economics.

### **WORK EXPERIENCE:**

- o Sr Revenue Requirement Analyst --Public Utility Commission of Oregon  
Lead accounting witness for revenue requirement in various proceedings.  
(2007 - present)
- o Utility Analyst -- Public Utility Commission of Oregon Focus on utility policies, natural gas purchased gas adjustment issues, utility territory allocation issues, consumer issues, tariff review, promotional concessions, rate case review & witness, and rulemakings. (2002 - 2007)
- o Research Analyst -- Public Utility Commission of Oregon Focus on SB 1149 implementation, rulemaking, various utility and electric service supplier policies, including certification of electric service suppliers, tariff review, rate case review & witness. (2000 -2002)
- o Compliance Specialist -- Public Utility Commission of Oregon--Handled consumer complaints, liaison between the public, regulated utilities and various Commission staff, reviewed proposed tariffs, administrative rules, and policies with an emphasis on potential impact to consumers. Identified trends, services, and policies where no statute, rule or precedent applied and recommended appropriate action. (1992 - 2000)

## WITNESS QUALIFICATION STATEMENT

**NAME:** Linda Deckard

**EMPLOYER:** Northwest Natural Gas Company (“NW Natural”)

**TITLE:** Tax Manager

**ADDRESS:** 220 NW Second Avenue, Portland OR 97209

**EDUCATION:** B.S., California State University at Fullerton; Major: Psychology  
Certificate in Accounting from Portland State University

**EXPERIENCE:** I first joined NW Natural in 1999 as an SEC/Tax Analyst. In this position, I was responsible for preparation of the Company’s quarterly 10-Q and annual 10-K filings with the Securities and Exchange Commission, in addition to handling all income tax matters relevant to the Company. In 2005, I transitioned my SEC responsibilities to another employee of NW Natural in order to function full time as the Company’s Tax Manager.

Prior to joining NW Natural, I was employed by Perkins & Company, PC for a period of ten years. During my term with Perkins & Company, I received my CPA designation in 1991, functioned in both audit and tax and advanced to a Tax Manager position.

I received my BS degree in Psychology from California State University at Fullerton and later a Certificate in Accounting from Portland State University.



CERTIFICATE OF SERVICE

I hereby certify that on the 18th day of February, 2009, I served the foregoing NORTHWEST NATURAL'S STIPULATION AND JOINT TESTIMONY IN SUPPORT OF THE STIPULATION in Docket No. UG 170(2) upon each party listed below, by e-mail and, where paper service is not waived, by first-class U.S. Mail, postage prepaid.

/s/ Kelley C. Miller  
Kelley C. Miller, Staff Assistant  
Rates & Regulatory Affairs  
NW NATURAL  
220 NW Second Avenue  
Portland, Oregon 97209-3991  
1.503.226.4211, extension 3589

**OPUC DOCKET NO. UG 170**

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