



900 S.W. Fifth Avenue, Suite 2600
Portland, Oregon 97204
main 503.224.3380
fax 503.220.2480
www.stoel.com

MARCUS WOOD
Direct (503) 294-9434
mwood@stoel.com

February 15, 2008

ELECTRONIC FILING

PUC Filing Center
Oregon Public Utility Commission
PO Box 2148
Salem, OR 97308-2148

Re: Docket No. UG 170

I enclose the original and five copies of a Stipulation among Northwest Natural Gas Company, Staff of the Public Utility Commission of Oregon, Citizens' Utility Board of Oregon, and Northwest Industrial Gas Users, and the original and five copies of Joint Testimony in Support of the Stipulation.

Very truly yours,

Marcus Wood

M-W:jlf
Enclosures
cc: Service List

Oregon
Washington
California
Utah
Idaho
Colorado
Minnesota

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 170

In the Matter of

OREGON PUBLIC UTILITY
COMMISSION STAFF Directing

NORTHWEST NATURAL GAS
COMPANY

To file tariffs establishing automatic
adjustment clauses under the terms of
SB 408

STIPULATION

This Stipulation is among Northwest Natural Gas Company (“NW Natural”), the staff of the Public Utility Commission of Oregon (“Staff”), the Citizens’ Utility Board of Oregon, and Northwest Industrial Gas Users.

I. INTRODUCTION

Pursuant to ORS 757.268 and OAR 860-022-0041, on October 15, 2007, NW Natural filed its tax report for calendar-years 2004, 2005 and 2006, (the “Tax Report”). On November 7, 2007, Administrative Law Judge Michael Grant entered a procedural schedule for the docket. Pursuant to the procedural schedule, on December 20, 2007, Staff filed its initial findings with respect to the Tax Report (“Staff’s Initial Findings”). In connection with Staff’s Initial Findings, Staff requested that NW Natural amend its tax report for calendar-year 2006 to reflect Staff’s recommendations. On January 2, 2008, NW Natural filed and amended 2006 tax report for calendar-year 2006 addressing all of Staff’s recommendations (the “Amended 2006 Tax Report”). On January 9, 2008, a Settlement Conference was held, during which NW Natural advised the Parties of an error discovered when preparing its amended filing submitted on January 2, 2008, and that an amended filing showing the correction would be forthcoming. On January 14, 2008, NW Natural filed an amended 2006 filing detailing the error. A second Settlement Conference was held on February 11, 2008. Pursuant to that discussion, NW Natural agreed to submit a revised amended filing (“Revised Amended 2006 Tax Report”). All revisions

to NW Natural's filing are described in detail in the Joint Testimony Submitted with this Stipulation.

NW Natural also filed as Advice No. 08-1, on January 9, 2008, tariff revision sheets providing an automatic adjustment for utility income tax, incorporating all of the recommendations from Staff's Initial Findings, to become effective on a one-time basis, for certain billings rendered on and after June 1, 2008.

As a complete settlement of issues in this proceeding and relating to Advice No. 08-1, the Stipulating Parties have agreed to the terms of this Stipulation and to submit the Stipulation to the Commission. The Stipulating Parties request that the Commission issue an order approving the Stipulation and implementing its terms.

II. SPECIFIC TERMS

A. The Stipulating Parties agree and acknowledge that NW Natural's Revised Amended 2006 Tax Report is consistent with ORS 757.268 and OAR 860-022-0041.

B. The Stipulating Parties agree that the surcharge amount of \$1,964,101 (which includes interest during amortization of \$286,101) for federal, state, and local taxes reflected in the Revised Amended 2006 Tax Report for calendar-year 2006 complies with ORS 757.268 and OAR 860-022-0041.

C. The Stipulating Parties further agree that:

1. NW Natural should amortize the 2006 surcharge amount as a one-time adjustment applicable to customer bills issued on and after June 1, 2008 and continuing through each billing cycle during the effective month until all cycles have billed, in the manner set out in NW Natural Advice No. 08-1.

2. To minimize the impact to customers of the one-time annual bill adjustment for the 2006 surcharge, by separate filing NW Natural shall provide changes to Schedule 185 "Special Annual Core Pipeline Capacity Optimization Credit" and Schedule 186 "Special Annual Core Pipeline Capacity Optimization Credit" such that the applicable annual credits would also be applied to the same June 2008 bills.

D. This Stipulation resolves all issues related to NW Natural's Tax Report and Amended 2006 Tax Report.

III. GENERAL TERMS

A. The Stipulating Parties agree that the Stipulation represents a compromise of the positions of the parties for the purpose of this docket. As such, conduct, statements and documents disclosed in the negotiation of this Stipulation shall not be admissible as evidence in this or any other proceeding.

B. If this Stipulation is challenged by any other party to this proceeding, or any other party resolution of this docket departs from the terms of this Stipulation, the Stipulating Parties reserve the right to cross-examine witnesses and put in such evidence as they deem appropriate to respond fully to the issues presented. Notwithstanding this reservation of rights, the Stipulating Parties agree that they will continue to support the Commission's adoption of the terms of this Stipulation.

C. If the Commission rejects all or any material part of this Stipulation, or adds any material condition to any final order that is not consistent with this Stipulation, each Stipulating Party reserves the right to withdraw from this Stipulation upon written notice to the Commission and the other Stipulating Parties within five (5) business days of service of the final order that rejects this Stipulation or adds such material condition.

D. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-014-0085. The Stipulating Parties agree to support this Stipulation throughout this proceeding and in any appeal and recommend that the Commission issue an order implementing the terms of the Stipulation.

E. By entering into this Stipulation, no Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Party in arriving at the terms of this Stipulation. Except as provided in this Stipulation, no Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

F. This Stipulation may be signed in any number of counterparts, each of which will be deemed an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 15th day of February, 2008.

NORTHWEST NATURAL GAS COMPANY

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

By Marcel Wood
Its Attorney

By _____
Its _____

CITIZENS' UTILITY BOARD OF OREGON

NORTHWEST INDUSTRIAL GAS USERS

By _____
Its _____

By _____
Its _____


F. This Stipulation may be signed in any number of counterparts, each of which will be deemed an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 15th day of February, 2008.

NORTHWEST NATURAL GAS COMPANY

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

By _____
Its _____

By  _____
Its A. Horney

CITIZENS' UTILITY BOARD OF OREGON

NORTHWEST INDUSTRIAL GAS USERS

By _____
Its _____

By _____
Its _____

F. This Stipulation may be signed in any number of counterparts, each of which will be deemed an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 15th day of February, 2008.

NORTHWEST NATURAL GAS COMPANY

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

By _____
Its _____

By _____
Its _____

CITIZENS' UTILITY BOARD OF OREGON

NORTHWEST INDUSTRIAL GAS USERS

By Bob Aerts
Its Executive Director

By _____
Its _____

F. This Stipulation may be signed in any number of counterparts, each of which will be deemed an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 15th day of February, 2008.

NORTHWEST NATURAL GAS COMPANY

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

By _____
Its _____

By _____
Its _____

CITIZENS' UTILITY BOARD OF OREGON

NORTHWEST INDUSTRIAL GAS USERS

By _____
Its _____

By Edward A Finkler
Its Attorney

CERTIFICATE OF SERVICE

I hereby certify that on this day I served the foregoing STIPULATION and JOINT TESTIMONY IN SUPPORT OF STIPULATION on the following named person(s) on the date indicated below by electronic mail and first-class mail to each party that has not waived paper service addressed to said person(s) at his or her last-known address as indicated below.

Linda K. Williams
Kafoury & McDougal
10266 SW Lancaster Road
Portland, OR 97219-6305
Email: linda@lindawilliams.net

Jason W. Jones
David Hatton
Assistant Attorney General
Oregon Department of Justice
Regulated Utility & Business Section
1162 Court Street NE
Salem, OR 97301-4096
Email: jason.w.jones@state.or.us
Email: david.hatton@state.or.us

Edward A. Finklea (waived)
Cable Huston Benedict
Haagensen & Lloyd LLP
Email: efinklea@cablehuston.com

Chad M. Stokes (waived)
Cable Huston Benedict
Haagensen & Lloyd LLP
Email: cstokes@cablehuston.com

Daniel W. Meek
Attorney at Law
10949 SW Fourth Avenue, Suite 1000
Portland, OR 97219
Email: dan@meek.net

Lowrey R. Brown (waived)
Utility Analyst
Citizens' Utility Board of Oregon
Email: lowrey@oregoncub.org

Jason Eisdorfer (waived)
Energy Program Director
Citizens' Utility Board of Oregon
Email: jason@oregoncub.org


Bob Jenks (waived)
Citizens' Utility Board of Oregon
Email: bob@oregoncub.org

Paula E. Pyron (waived)
Executive Director
Northwest Industrial Gas Users
Email: ppyron@nwigu.org

Inara K. Scott
Regulatory Affairs Manager
NW Natural
220 NW Second Avenue
Email: iks@nwnatural.com

Rates & Regulatory Affairs
NW Natural
220 NW Second Avenue
Portland, OR 97209-3991
Email: efilings@nwnatural.com

DATED: February 15, 2008.

By 
Marcus Wood, OSB No. 74347
Of Attorneys for Northwest Natural Gas Company

Docket No. UG 170
Staff-NW Natural Joint / 200
Owings-Ball-Deckard

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

STAFF - NW NATURAL

JOINT TESTIMONY IN SUPPORT OF STIPULATION

February 15, 2008

1 **Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.**

2 A. My name is Carla Owings. I am a Senior Revenue Requirement Analyst in the Rates and
3 Tariffs section of the Electric and Natural Gas Division of the Public Utility Commission of
4 Oregon ("Commission"). My business address is 550 Capitol Street NE Suite 215, Salem,
5 Oregon 97301-2551. My qualifications appear in the attached Joint Party Exhibit 210.

6 My name is Dustin Ball. I am a Senior Financial Analyst employed by the Commission.
7 My business address is 550 Capitol Street NE Suite 215, Salem, Oregon 97301-2551. My
8 qualifications appear in the attached Joint Party Exhibit 211.

9 My name is Linda Deckard. I am the Tax Manager for Northwest Natural ("NWN" or the
10 "Company"). My business address is 220 NW Second Avenue, Portland, OR 97709. My
11 qualifications appear in the attached Joint Party Exhibit 212.

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

13 A. Staff and NWN, hereinafter referred to as the Parties, come together to provide this
14 testimony in support of the Joint Stipulation filed in Docket No. UG 170, regarding NWN's
15 tax filing as it relates to Senate Bill 408 ("SB 408"), codified in ORS 757.267, 757.268 and
16 OAR 860-022-0041. Pursuant to ORS 757.268 and OAR 860-022-0041, on October 15,
17 2007, NWN filed its tax report for calendar-years 2004, 2005 and 2006, (the "Tax Report").
18 On November 7, 2007, Chief ALJ Grant entered a procedural schedule for the docket. On
19 December 19, 2007, Staff filed issues lists and initial findings. In connection with its initial
20 findings ("Staff's Initial Findings"), Staff requested that NWN amend its tax report for
21 calendar-year 2006 to reflect Staff's recommendations. On January 2, 2008, NW Natural
22 filed an amended 2006 tax report addressing all of Staff's recommendations (the "Amended
23 2006 Tax Report"). On January 9, 2008, a settlement conference was held for all Parties.

1 NW Natural advised the Parties of an error discovered when preparing its amended filing
2 submitted on January 2, 2008 and that an amended filing showing the correction would be
3 forthcoming.

4 On January 14, 2008, NW Natural submitted an amended filing. On January 24, 2008, Staff
5 reviewed the amended filing submitted by NW Natural and determined that the error
6 addressed by the Company involved a mismatch due to certain temporary rate adjustments
7 not being included in the revenue amount used to derive the net to gross revenue ratio, while
8 they were included in the revenue amount used to determine taxes collected. Staff
9 determined that this correction was beyond a clerical error in nature and would require
10 discovery and investigation by Staff to verify the amendment. Following Staff's discovery
11 and investigation, a second settlement conference was held on February 11, 2008, for the
12 purpose of addressing NW Natural's correction. Pursuant to these additional discussions,
13 the Parties agreed that the treatment of the temporary rate adjustments with respect to 2006
14 "revenues" should be the same for both the net-to-gross ratio and the taxes collected in rates.
15 NW Natural agreed to submit a revised amended filing ("Revised Amended 2006 Tax
16 Report") for calendar-year 2006 to reflect the correction of the error in the manner proposed
17 by Staff.

18 The Stipulating Parties have agreed to the terms of this Stipulation and submit the
19 Stipulation, along with this Joint Testimony in support of the Stipulation, to the
20 Commission. The Stipulating Parties request that the Commission issue an order approving
21 the Stipulation and implementing its terms.

22 **Q. COULD YOU PLEASE SUMMARIZE STAFF'S INITIAL FINDINGS IN ITS**
23 **REVIEW DATED DECEMBER 19, 2007?**

1 A. Yes. During the review period, Staff requested further information in order to verify:

- 2 • the calculation of the current tax benefit of depreciation on all public utility
- 3 property;
- 4 • the ratio used for total gross plant and total wages & salaries;
- 5 • the interest calculation used as a deduction;
- 6 • the imputed negative tax losses represented in the consolidated group;
- 7 • the amounts representing state income taxes paid by the consolidated group;
- 8 • the application of deferred taxes, tax credits and the tax benefit of depreciation;
- 9 • the calculation of local income taxes;
- 10 • the application of Schedule M items; and
- 11 • the application of tax credits to the Stand-alone calculation.

12 **Q. CAN YOU PLEASE DESCRIBE ANY CHANGES STAFF REQUESTED AS A**
13 **RESULT OF ITS REVIEW?**

14 A. Yes. In its recommendations, Staff requested that the Company amend its filing to reflect
15 the proper application of tax credits in its calculation of Stand-alone and to recalculate
16 Local Taxes paid. As the final step in calculating tax liability, any appropriate tax credits
17 that the Company may qualify for should be applied to either the state or federal tax
18 liability, depending on the origin of the credit. For instance, the Business Energy Tax
19 Credits, or BETCs, are appropriate applied to the Company's state tax liability. This step
20 must take place prior to the liability being entered onto Page 5 of the Staff Template.
21 In order to make certain that ratepayers do not receive the benefit of tax credits that
22 appropriately belong to the Utility pursuant to OAR 860-022-0041(4)(d)(A) and (4)(d)(C),
23 tax benefits are added back to the tax liability on Page 5 of the Staff Template. If the

1 Company were to omit applying the tax credit to the calculation of its tax liability, the
2 impact of the tax credit is doubled, rather than simply isolated, as is the intent of the add-
3 backs on Page 5 of the Staff Template. For NWN, the Company omitted applying the tax
4 credit to the calculation of Stand-alone tax liability and then added the benefit of the tax
5 credit on Page 5 of the Staff Template. Upon request, the Company amended its filing to
6 reflect the proper amount.

7 Staff also requested that NWN recalculate its Stand-alone local tax liability. In doing so,
8 the Company trued-up a carry-forward for the collection of local taxes. The result of both
9 the application of the BETC and the revision to the local tax liability was a change in the
10 surcharge (before addition of interest thereon) owed NWN of approximately \$1.729 million
11 to \$1.560 million.

12 As described above, at the Settlement Conference on January 9, 2008, NWN made the
13 parties aware that it had discovered an error in its original tax filing made October 15,
14 2007. When calculating the Company's ratio of net revenues to gross revenues (Page 1 of
15 the Staff Template, Line 4) the Company did not include revenues from the temporary
16 adjustment amounts attributable to its Annual Purchased Gas Cost Adjustment ("PGA").

17 NWN asserted that because these amounts are included in the "Revenue collected" amount
18 reported on Page 1, Line 7 of Staff's Template, that they should also be included when
19 calculating the Company's ratio of net revenue to gross revenue, pursuant to OAR 860-
20 022-0041(2)(n), § (2)(s)(A)(ii).

21 Staff requested, at the Settlement Conference on February 11, 2008, that the Company
22 reduce "Revenue collected" as reported on Page 1, Line 7 of Staff's Template to remove
23 the revenue from these temporary adjustment items rather than including revenues from

1 those temporary adjustment items when calculating the Company's ratio of net revenues to
2 gross revenues. This treatment is consistent with the definition of "revenues" in OAR 860-
3 022-0041(2)(n). NWN agreed and submitted an amended filing on February 11, 2008,
4 reflecting this revision. The result of this Stipulated agreement increased the surcharge
5 amount to \$1.678 million.

6 **Q. IN CONSIDERATION OF ALL REVISIONS SUBMITTED BY NWN, WHAT IS**
7 **THE FINAL OUTCOME OF ITS 2006 SB 408 FILING?**

8 A. NW Natural reports the following for its Oregon Regulated Operations during the 2006 Tax
9 period:

Taxes Paid and Properly Attributed to Regulated Operations	Taxes Authorized to be Collected in Rates	Difference between Taxes Paid and Collected Surcharge or (Refund)
\$31.915 million	\$30.237 million	\$1.678 million

10 Of the \$1.678 million difference (before interest), \$1.658 million is related to federal and
11 state income taxes, and \$0.020 million is related to local income taxes.

12 **Q. HOW DO THE PARTIES PROPOSE THAT THE DIFFERENCE BETWEEN**
13 **TAXES PAID AND TAXES AUTHORIZED TO BE COLLECTED IN RATES BE**
14 **REFLECTED IN NW NATURAL'S RATES?**

15 A. The rate adjustment by NW Natural for the effect of its 2006 SB 408 filing will be a rate
16 surcharge. The Parties agree that given the relatively small size of the surcharge, the
17 amounts due should be recovered as a one-time adjustment to customers bills issued on and
18 after June 1, 2008 and continuing through each billing cycle during the effective month

1 until all cycles for that month have billed, in the manner specified in NW Natural Advice
2 No. 08-1.

3 In accordance with OAR 860-022-0041(8)(e), interest is to be accrued on the SB 408
4 amounts at the Commission-authorized rate for NW Natural's deferred accounts. The total
5 interest amount on the federal and state income tax portion of the surcharge
6 (\$1.658 million) will be \$0.283 million. The total interest amount on the local income tax
7 portion of the surcharge (\$0.020 million) will be \$0.003 million. The local tax surcharge
8 adjustment and interest thereon will be included in the existing balancing account for local
9 income taxes. The resulting surcharge amount, covering all federal, state, and local tax
10 differences for the year 2006 will be \$1,964,101.

11 To minimize the impact to customers of this one-time annual bill adjustment for the 2006
12 SB 408 surcharge, by separate filing NW Natural should provide changes to Schedule 185
13 "Special Annual core Pipeline Capacity Optimization Credit" and Schedule 186 "Special
14 Annual Core Pipeline Capacity Optimization Credit" such that the applicable annual credits
15 would be applied to the same June 2008 bills. Because the non-SB 408 one-time
16 adjustments will reduce NW Natural's rates, the effect of the multiple one-time rate filings
17 here proposed will be a small net reduction to customer bills during the one-time surcharge
18 period.

19 **Q. WILL ANY ADDITIONAL FILING BE REQUIRED FROM NW NATURAL TO**
20 **IMPLEMENT THE PROPOSED SETTLEMENT?**

21 A. Yes. On January 9, 2008, NW Natural filed NW Natural Advice No. 08-1, to provide for a
22 one-time rate adjustment to reflect the SB 408 surcharge as reflected in its Amended 2006
23 Tax Report. As a result of the second settlement conference held on February 11, 2008, as

1 discussed above, NW Natural has filed a Revised Amended 2006 Tax Report that slightly
2 reduces the amount of the surcharge. NW Natural should be ordered to submit as a
3 compliance filing a revised NW Natural Advice filing, to conform with the tax surcharge as
4 reflected in the Revised 2006 Tax Report and the Joint Stipulation. The compliance filing
5 also should include the one-time changes to Schedule 185 and 186, as addressed in this
6 testimony and in the Joint Stipulation.

7 **Q. DO YOU HAVE ANYTHING FURTHER ON THESE ISSUES OR ANY OTHER**
8 **ISSUES?**

9 A. No.

10 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

11 A. Yes.

Docket No. UG 170
Staff-NW Natural Joint / 210
Owings-Ball-Deckard

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

STAFF – NW NATURAL

EXHIBIT TO
JOINT TESTIMONY IN SUPPORT OF STIPULATION

February 15, 2008

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.

In 2005, I attended the National Association of Regulatory Utility Commissioners Advanced Course at Michigan State University. I worked for seven years for the Oregon State Department of Revenue as a Senior Utility and Industrial Appraiser.

Docket No. UG 170
Staff-NW Natural Joint / 211
Owings-Ball-Deckard

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

STAFF - NW NATURAL

EXHIBIT TO
JOINT TESTIMONY IN SUPPORT OF STIPULATION

February 15, 2008

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.

Docket No. UG 170
Staff-NW Natural Joint / 212
Owings-Ball-Deckard

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

STAFF - NW NATURAL

EXHIBIT TO
JOINT TESTIMONY IN SUPPORT OF STIPULATION

February 15, 2008

WITNESS QUALIFICATION STATEMENT

NAME: Linda Deckard

EMPLOYER: Northwest Natural Gas Company ("NW Natural")

TITLE: Tax Manager

ADDRESS: 220 NW Second Avenue, Portland, OR 97709

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.

I have not testified in a regulatory proceeding before.

CERTIFICATE OF SERVICE

I hereby certify that on this day I served the foregoing STIPULATION and JOINT TESTIMONY IN SUPPORT OF STIPULATION on the following named person(s) on the date indicated below by electronic mail and first-class mail to each party that has not waived paper service addressed to said person(s) at his or her last-known address as indicated below.

Linda K. Williams
Kafoury & McDougal
10266 SW Lancaster Road
Portland, OR 97219-6305
Email: linda@lindawilliams.net

Jason W. Jones
David Hatton
Assistant Attorney General
Oregon Department of Justice
Regulated Utility & Business Section
1162 Court Street NE
Salem, OR 97301-4096
Email: jason.w.jones@state.or.us
Email: david.hatton@state.or.us

Edward A. Finklea (waived)
Cable Huston Benedict
Haagensen & Lloyd LLP
Email: efinklea@cablehuston.com

Chad M. Stokes (waived)
Cable Huston Benedict
Haagensen & Lloyd LLP
Email: cstokes@cablehuston.com

Daniel W. Meek
Attorney at Law
10949 SW Fourth Avenue, Suite 1000
Portland, OR 97219
Email: dan@meek.net

Lowrey R. Brown (waived)
Utility Analyst
Citizens' Utility Board of Oregon
Email: lowrey@oregoncub.org

Jason Eisdorfer (waived)
Energy Program Director
Citizens' Utility Board of Oregon
Email: jason@oregoncub.org


Bob Jenks (waived)
Citizens' Utility Board of Oregon
Email: bob@oregoncub.org

Paula E. Pyron (waived)
Executive Director
Northwest Industrial Gas Users
Email: ppyron@nwigu.org

Inara K. Scott
Regulatory Affairs Manager
NW Natural
220 NW Second Avenue
Email: iks@nwnatural.com

Rates & Regulatory Affairs
NW Natural
220 NW Second Avenue
Portland, OR 97209-3991
Email: efilings@nwnatural.com

DATED: February 15, 2008.

By 

Marcus Wood, OSB No. 74347
Of Attorneys for Northwest Natural Gas Company