

Rates and Regulatory Affairs
Facsimile: 503.721.2532



October 16, 2007

NWN Advice No. OPUC 07-7B

VIA ELECTRONIC FILING

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

Attention: Filing Center

Re: **UG 177; NWN Advice No. OPUC 07-7B: Sheet 195-3**

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the “Company”), files herewith a revision to its Tariff, P.U.C. Or. 24. The tariff sheet is stated to become effective with service on and after November 1, 2007.

Fifth Revision of Sheet 195-3,
Schedule 195,
“Weather Adjusted Rate Mechanism (WARM Program)(continued).”

The purpose of this filing is to add the above-referenced sheet to the company’s filing in UG 177, NWN Advice No. OPUC 07-7A, dated October 12, 2007. This filing does not modify any of the documents submitted under NWN Advice No. OPUC 07-7A, dated October 12, 2007. An LSN is already on file with the Commission in this matter.

NW Natural respectfully requests that the tariff sheet filed herewith be permitted to become effective with service on and after November 1, 2007, to ensure that the correct margins for use in the calculation of the WARM Adjustment Factor are correctly reflected in the company’s Tariff P.U.C. Or. 24. This sheet was inadvertently omitted from the company’s previous filings in this docket.

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.

Please address correspondence on this matter to me at ork@nwnatural.com, with copies to the following:

Kelley Miller, Staff Assistant
Rates & Regulatory Affairs
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Please do not hesitate to call if you have questions or desire further information.

Sincerely,

NW NATURAL

/s/ Onita R. King

Onita R. King, Manager
Tariffs & Regulatory Compliance

ORK/cmt
attachment: Fifth Revision of Sheet 195-3

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: $WARM\ Adjustment = \sum_1^T (HDD_{n,t} - HDD_{a,t}) * B * Mrgn$

Where:

T = the days covered by the meter read dates for an individual customer's bill
HDD_n = 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).
HDD_a = 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
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- c. The applicable margins to be used in the calculation of the WARM Adjustment Factor effective with the WARM Period commencing December 1, 2007 are:

Schedule 2: \$0.43964	Schedule 3: \$0.35213
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(T)

(R)

(continue to Sheet 195-4)

Issued October 16, 2007
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Effective with service on
and after November 1, 2007