ORDER NO. 12 408

ENTERED OCT 26 2012

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UG 221

In the Matter of NORTHWEST NATURAL GAS COMPANY, dba NW NATURAL, Request for a General Rate Revision.	PRELIMINARY ORDER

DISPOSITION: PARTIAL STIPULATIONS ADOPTED; APPLICATION FOR GENERAL RATE REVISION APPROVED AS REVISED; FURTHER PROCEEDINGS ORDERED

I. INTRODUCTION

This order addresses Northwest Natural Gas Company's, dba NW Natural request for a general rate revision and approval of a mechanism for recovery of certain environmental remediation costs. We adopt the two partial stipulations filed by the parties, set forth our decision on the remaining disputed issues, and approve a modified mechanism for recovery of certain environmental remediation costs.

This order permanently suspends the tariffs in Advice No. 11-19. NW Natural is directed to file new tariffs consistent with this order to be effective November 1, 2012.

Because of scheduling issues, the complex nature of a number of the disputed issues in this docket, and the need to give NW Natural sufficient time to make its compliance filing, we provide in this order only a brief discussion of the issues and our resolution. An order will be entered shortly describing more fully the parties' positions and the rationale for our decisions.

II. BACKGROUND AND PROCEDURAL HISTORY

NW Natural is a public utility providing natural gas service within the State of Oregon within the meaning of ORS 757.005, and is subject to the Commission's jurisdiction with respect to the prices and terms of service for its Oregon retail customers. NW Natural provides natural gas service to approximately 674,000 retail customers in Oregon.

On December 30, 2011, NW Natural filed Advice 11-19, an application for revised tariff schedules. In its application, the company requested a 6.2 percent increase to its existing revenue requirement.[1] NW Natural states that the primary drivers for its rate request are compliance with safety requirements, enhanced customer service, and company contributions to pension funds. In addition to requesting an increase in its revenue requirement, the company also seeks Commission approval of a mechanism for recovery of various environmental remediation costs.

On January 19, 2012, the Commission suspended NW Natural's proposed tariff revisions for a period of nine months, as authorized by ORS 757.215.[2] On January 23, 2012, a prehearing conference was held and a procedural schedule was established.

During the course of the proceedings, the following were granted leave to intervene as parties: The NW Energy Coalition (NWEC); the Community Action Partnership of Oregon; the Northwest Industrial Gas Users (NWIGU); Northwest Pipeline, GP; and Portland General Electric Company. The Citizens' Utility Board of Oregon (CUB) intervened as a matter of right under ORS 774.180.

The parties conducted discovery, filed several rounds of testimony, and engaged in settlement discussions.

On July 9, 2012, the parties filed an uncontested stipulation addressing a number of issues in this docket. On October 2, 2012, the parties filed a second uncontested stipulation addressing additional issues. A number of disputed issues remained unresolved.

Parties filed prehearing briefs on August 20, 2012. A hearing was held on August 23, 2012. At the time of the hearing, the following issues remained in dispute:

(1) The company's return on equity;
(2) The reasonableness of a hedging transaction related to the company's cost of debt;
(3) The prudence of certain portions of the Mid-Willamette Valley Feeder project;
(4) The appropriate regulatory treatment of certain company contributions to pension funds;
(5) The appropriate regulatory treatment of certain state income taxes; and
(6) The company's proposed mechanism for recovery of certain environmental remediation costs.

Post-hearing briefs were filed on September 12, 2012, and post-hearing reply briefs on September 19, 2012. Oral argument was held on October 11, 2012.

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[1] The company explained that this represents a 4 percent increase in rates when a decoupling deferral of $15.1 million already in customers' current rates is taken into account.
[2] *See* Order No. 12-011.

III. DISCUSSION

We first summarize the Commission's decisions on disputed issues affecting NW Natural's request for a general rate revision and mechanism for recovery of environmental remediation costs. We then provide a brief overview of the two uncontested stipulations filed in this docket, and adopt those stipulations.

A. Disputed Revenue Requirement Issues

1. Return on Equity

NW Natural requests a return on equity (ROE) of 10 percent. NW Natural's cost of capital witness, Dr. Samuel C. Hadaway, presented a range of ROEs from 9.4 to 10.1 percent based on his discounted cash flow analyses. Staff argues that the company's requested 10.0 percent ROE is too high. Staff's own analysis resulted in an ROE range from 8.8 to 9.5 percent. Staff and NWIGU recommend the Commission adopt an ROE of 9.4 percent.

Commission Resolution. Based on the evidence presented, we adopt an ROE of 9.5 percent. This result is within the range of reasonable results presented by both Staff and NW Natural. We find Staff's ROE analysis to be the more credible analysis. We are also persuaded by Staff's criticism of NW Natural's qualitative adjustments and its assessment of NW Natural's relative risk profile.

2. Cost of Debt (Financial Hedge)

In 2007, NW Natural entered into an interest rate swap intended to lock in a target interest rate for an upcoming debt issuance. The financial crisis in 2008 and resulting market effects in 2009 adversely affected the outcome of the swap transaction, ultimately leading the company to suffer a significant loss on the transaction. Staff recommends the company be required to absorb 50 percent of the loss from this hedge on the grounds that it failed to perform a proper risk analysis prior to entering into the transaction. Staff recommends that the Commission implement this recommendation by reducing the cost of a debt issuance and lowering the company's cost of long-term debt.

Commission Resolution. We decline to adopt Staff's recommendation on this issue. We find the company acted consistently with its internal derivatives policy and with a Commission order authorizing it to enter into interest rate swaps. We are not persuaded by Staff that the company acted imprudently or that a disallowance is warranted. NW Natural's cost of debt will be set at 6.056 percent, consistent with the parties' stipulation and unmodified by a hedging disallowance.

3. *Mid-Willamette Valley Feeder Project*

The Mid-Willamette Valley Feeder (MWVF) project consists of four phases of 12-inch diameter transmission lines intended to serve the Albany-Corvallis-Philomath areas. NW Natural seeks to add two phases of this project to the company's rate base in these proceedings: the Perrydale to Monmouth phase and the Monmouth Reinforcement phase. Staff and certain intervenors seek disallowance of the project costs on the grounds that the project was constructed prematurely, and thus imprudently.

Commission Resolution. As we will more fully explain, we conclude that NW Natural has failed to demonstrate that the costs of these projects are prudent.

4. *Pension Costs*

Since 1986, the Commission has allowed regulated utilities to recover in rates its pension expense based on an actuarial calculation of the utility's "Net Periodic Pension Cost," using the standards established by the Federal Accounting Standards Board in its Financial Account Statement (FAS) 87. NW Natural asks the Commission to change its policy to allow it to recover not only its FAS 87 pension expense, but also to determine that its pension contributions made in excess of FAS 87 expense should be included in rate base, and allow the company both recovery of and recovery on the rate-based asset.

Commission Resolution. NW Natural's proposal is denied. As will be discussed more fully, we are not yet convinced that a change to the Commission's existing policy is warranted or that the changed proposed by NW Natural would be the correct policy choice even if a change is warranted. We will open a docket to review the treatment of pension expense on a general, non-utility-specific, basis. NW Natural will continue to recover its existing FAS 87 expense, and as well as use of the balancing account established in docket UM 1475 as it currently exists.

The Commission may conclude during the generic docket that including such assets in rate base is an appropriate policy to apply to all utilities going forward. Should that occur, NW Natural would be able to seek inclusion of an appropriate prepaid pension asset in rate base in future rate proceedings.

5. *State Income Tax*

Oregon state tax rates changed effective with the 2009 tax year. To recognize the tax increase, NW Natural booked for accounting purposes a regulatory asset of $4.48 million —representing the $2.7 million change in its deferred tax balance, plus a gross-up for taxes. In its filing, NW Natural seeks to amortize this $4.48 million amount over a five-year period. Staff and NWIGU-CUB propose removing this amount on the basis that these deferred taxes were booked in prior periods, yet the company sought no deferral order, rendering its request impermissible retroactive ratemaking. They also argue that the request amounts to inappropriate single-issue ratemaking.

Commission Resolution. We deny NW Natural's request for amortization of these deferred tax amounts.[3] Granting such recovery would inappropriately allow special cost recovery of one element of the company's overall taxes.

B. Environmental Remediation Costs

Since 2003, NW Natural has been deferring costs associated with environmental clean-up efforts related to the historic operation of manufactured gas plants. As of September 30, 2011, NW Natural had deferred about $64.5 million in environmental costs, and conservatively estimates its future environmental remediation liability to be an additional $58 million. The company asserts that the deferred costs have been prudently incurred, and asks the Commission to approve a mechanism for these costs through rates, which it refers to as the Site Remediation Recovery Mechanism (SRRM).

Commission Resolution. We approve certain elements of NW Natural's requested SRRM and modify others. We agree with the company that deferral of environmental remediation expenses should continue as they are now, with appropriate offsets when insurance proceeds are recovered.

The majority of Commissioners believe that use of an earnings test (with deadbands) coupled with the Commission's ongoing prudence review will provide an effective incentive for the company to manage its costs. Further, the majority adopts an earnings test but no sharing mechanism. An earnings test may operate as a *de facto* sharing mechanism.[4]

The recovery mechanism will operate, as follows:

- The prudence review for the $64.5 million in environmental costs already deferred shall be conducted in the future. New proceedings will be opened to ensure this review begins promptly.
- Each year, one-fifth of the company's deferred expenses (offset by any proceeds received) will be put into an account for amortization during the November 1 through October 31 period, after the Commission has an opportunity to review those costs and ensure that they were prudently incurred.
- No sharing mechanism will be applied.

[3] Based on the evidence in the record, this adjustment appears to have the effect of reversing NW Natural's proposed $896,000 reduction to miscellaneous revenues.
[4] Commissioner Stephen M. Bloom would require the company to implement a sharing mechanism, and dissents on this point.

- An earnings test with deadbands will be applied. The parties will have the opportunity to address the appropriate deadbands and appropriate application of the earnings test in the new proceedings.
- The following rates of return will be applied to the deferred amounts: Deferred costs that have not been reviewed for prudence will accrue interest at the company's rate of return. Amounts that have been moved into an amortization account each year will accrue interest at the modified blended treasury rate. Amounts that have been reviewed for prudence, but have not yet been moved into an amortization account, will accrue interest at the five-year Treasury rate.

C. Stipulations

The parties to this docket convened settlement conferences on April 4 and 5, 2012.[5] A First Partial Stipulation was filed on July 9, 2012. After additional settlement discussions, a Second Partial Stipulation was filed on October 2, 2012. We describe the stipulations in turn.

1. First Partial Stipulation

The First Partial Stipulation addresses issues related to capital projects, various rate base items, expenses, and revenues.[6]

a. Capital Projects

In the First Partial Stipulation, the stipulating parties agree on a method for ensuring that several projects included in NW Natural's rate base were actually used and useful by the rate effective date; they also stipulate that others should be removed from rate base.[7]

Specifically, NW Natural agrees that the following projects had been cancelled or delayed past the rate effective date and should be removed from rate base: the Corvallis Reinforcement; Westside Transmission Re-rate; Portland System Optimization (Phase 2); Unified Communication Phase 2; Tualatin Bioswale; Sunset Sheds; Coos Bay Retrofit; and Astoria Retrofit.

The company agrees to file attestations confirming the following projects were used and useful by the rate effective date: Monmouth Reinforcement, Perrydale to Monmouth,

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[5] NW Natural, Staff, CUB, NWIGU, and NWEC participated in those settlement conferences.
[6] *See* Attachment A to the Partial Stipulation. The parties to the First Partial Stipulation are NW Natural, Staff, CUB, and NWIGU.
[7] The "used and useful" requirement in ORS 757.355(1) states that a public utility may not "directly or indirectly, by any device, charge, demand, collect or receive from any customer rates that include the costs of construction, building, installation or real or personal property not presently used for providing utility service to the customer."

Tualatin Replacement, Unified Communication Phase 1, Portland System Optimization Phase 1, and 2012 Generators projects. If any of these projects is not in service by the rate effective date, the company agrees to offset its revenue requirement by removing the costs of any such projects from rate base.

The parties also agree to certain treatment of the 2013 Generators and the Nertec Replacement projects. Broadly, the agreement allows NW Natural to recover in rates an amount that reflects the portion of these projects in operation by the rate effective date.

The stipulating parties also agree on a method for ensuring that only the known and measurable costs for the following projects would be included in the company's new rates: Corvallis Reinforcement, Parkrose Retrofit, Portland System Optimization (Phase 1 and Phase 2), Nertec Replacement, Unified Communication Phase 1, and Salem Retrofit.[8]

The stipulation also provides that if the Commission finds that the Monmouth Reinforcement and Perrydale to Monmouth Projects to be prudent, the amount added to rate base for these projects will be the lower of the forecast or actual costs of such projects, incurred as of the rate effective date.[9]

b. Other Adjustments to Revenue Requirement

In addition to agreements on capital costs described above, the stipulating parties agree to a number of additional adjustments to various categories of revenues, expenses, and rate base items. These are set forth in Attachment A to the First Partial Stipulation. The parties explain that all of these adjustments are within the range of outcomes set forth in the parties' testimony in this proceeding.

2. Second Partial Stipulation

The Second Partial Stipulation resolves additional issues, including the company's cost of debt, rate spread and rate design, payroll expenses, working gas inventory, interstate storage sharing, the company's System Integrity Program (SIP), the company's proposal for shorter service window appointments, and the company's proposed changes to service reconnection charges.[10]

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[8] The stipulating parties also agree that NW Natural may file a deferral application in the event the costs exceed the costs anticipated by the company for certain reasons. The parties do not agree to take any particular position on any such deferral application or application for amortization.

[9] As with the previous project, the company reserves the right to file a deferral application if it believes it will incur additional costs related to the projects after the rate effective date, or if the amounts that have been incurred or will be incurred by the rate effective date are greater than the amount included in the company's original filing for that project and are eligible for deferral. The parties do not agree to take any particular position on any such deferral application or application for amortization.

[10] The parties to the Second Partial Stipulation are NW Natural, Staff, CUB, NWIGU, and NWEC.

a. Cost of Long-Term Debt

The stipulating parties agree that the appropriate cost of long-term debt in this docket is 6.056 percent.[11]

b. Rate Spread and Rate Design

1) Residential Rate Design and Related Issues

NW Natural agrees to withdraw the rate design it proposed in this docket. The stipulating parties agree that the existing decoupling mechanism and Weather Adjusted Rate Mechanism (WARM), as currently implemented in accordance with NW Natural's tariffs, should continue. Changes to these mechanisms proposed in the NW Natural's Opening Testimony, and addressed in the Second Partial Stipulation, should be adopted, with the exception of the opt-out provisions in the WARM mechanism, which will remain in effect.

With respect to its residential rate design, NW Natural agrees to continue to employ public purpose charges to fund Energy Trust of Oregon programs. The stipulating parties agree that the monthly customer charge for Schedule 2-Residential Sales Service should be set at $8.00. The stipulating parties also agree that the revisions proposed by the company to Schedule X-Distribution Facilities Extensions for Applicant-Requested Services and Mains, should be adopted, but that the parties will engage in collaborative ongoing discussions regarding the charges for extensions of service to residential customers contained therein. The stipulation also sets forth a process by which Schedule 1-General Sales Service should be eliminated.

Staff agrees to withdraw its request that the company implement seasonal rates, and NW Natural agrees that it will not implement such rates as part of this docket. Finally, the NW Natural agrees to work with parties to make its decoupling-related tariff schedules understandable and clear.

2) Industrial Rate Design

In its original filing, NW Natural proposed changes to its non-residential sales and transportation service schedules, Schedules 31 and 32. The parties to the Second Partial Stipulation agree that the monthly customer charges for these schedules will remain the same as under NW Natural's tariffs that are in effect as of the date of the Second Partial Stipulation.

The stipulating parties agree to eliminate the interruptible service option from Schedule 31 and agree that customers eligible to take service under Schedule 31 will have

[11] As noted previously, this stipulated cost of debt was subject to adjustment if the Commission disallowed a portion of NW Natural's disputed interest rate swap.

a ninety-day period from the rate effective date to opt for interruptible service under that Schedule or the other remaining service option under Schedule 31. Other than certain specified housekeeping changes and the above described opt-in for Schedule 31 customers, all other terms and conditions for service under Schedule 32 will remain as they exist in NW Natural's current tariffs, including the current terms and conditions for interruptible service for Schedule 32.[12]

3) Long Run Incremental Cost Study and Rate Spread

With respect to rate spread, the stipulating parties agree to not litigate issues related to NW Natural's proposed Long Run Incremental Cost Study (LRIC) in this docket, except that the parties agree that any rate schedule receiving a zero percent base margin increase under NW Natural's proposed rate spread will instead receive a five percent base margin decrease.[13] Additionally, all parties retain the ability to argue appropriate rate spread allocations based upon LRIC issues for the rate design for any environmental remediation surcharge, if any, that may result from this docket. NW Natural agrees to hold separate workshops on two issues raised by staff in this docket and complete any agreed-upon studies arising out of those workshops before its next general rate case.

c. Payroll Expenses

The Second Partial Stipulation resolves three issues relating to payroll expenses: the level of full-time equivalent employees (FTEs), medical benefits, and payroll operations and maintenance (O&M) allocation.

With respect to the level of costs included in the test year related to FTEs, the stipulating parties agree that the regulated company's FTE level should be set at 1,057. This adjustment, on an Oregon allocated basis, reduces the company's proposed payroll level by $3.9 million ($2.7 million in O&M; $1.2 million in capital). To reflect this agreement, the parties agree to apply an adjustment factor to medical benefits for active employees and to workers' compensation costs. This results in an overall adjustment of $752,000. The stipulating parties agree to a test period expense level for medical benefits and workers' compensation of $15.52 million.

Finally, the Second Partial Stipulation resolves disagreements over payroll O&M. The stipulating parties agree that the company's proposed payroll O&M allocation of 69.3 percent should be used to calculate payroll expense.

[12] The housekeeping changes that the parties have agreed upon are set forth in Sheets 32-1, 32-3, 32-4, and 32-7.32.

[13] The final overall revenue requirement increase, net of offsetting revenues associated with the five percent decreases, will be achieved by uniform percentage increases to the base margin for Schedules 2R Residential Sales, 3C [Commercial] Firm Sales, 31 [Industrial] Firm Sales, and 31C [Commercial] Firm Sales.

d. *Working Gas Inventory*

Staff and CUB proposed removing the company's working gas inventory from rate base. The parties to the Second Partial Stipulation agree that cushion gas will continue to be included in rate base, but that working gas inventory will be excluded from rate base. The stipulation outlines a method by which the company will request recovery of the carrying costs on working gas inventory and potential recovery of those costs. Under that process, NW Natural may file an application for deferred accounting to allow for the adjustment of future rates to account for the appropriate recovery of working gas inventory and associated carrying costs for the period November 1, 2012 through October 31, 2013, as determined by the Commission.

The parties agree to additional procedural process for this agreement. On May 1, 2013, NW Natural will file testimony supporting its proposed level of working gas to be included in rate base, and its proposed rate of return for working gas. Staff, CUB, and NWIGU, after conducting any necessary discovery, may file testimony supporting alternative levels of working gas to be included in rate base and also alternative rates of return for working gas. Thereafter, the appropriate rate of return ordered by the Commission, with interest, will be implemented through rate adjustment effective November 1, 2013. The prudence of NW Natural's management of storage inventory will continue to be reviewed in NW Natural's annual PGA filing. This process will continue in subsequent PGA years until NW Natural's next general rate case.

e. *Interstate Storage Sharing*

Staff and CUB proposed altering the existing sharing mechanism for Schedule 185-Special Annual Interstate Storage and Transportation Credit and Schedule 186-Special Annual Core Pipeline Capacity Optimization Credit. The stipulating parties agree that the sharing mechanisms set forth currently in these schedules will remain in place for the time being, but agree to jointly request that a new docket be opened to evaluate these sharing mechanisms, and to request that a decision in the new docket be issued by December 31, 2013.

f. *System Integrity Program*

NW Natural originally proposed the continuation of its SIP, which provides for certain safety-related capital costs to be tracked into rates annually. It also asked for an increase on the $12 million annual soft cap on the costs that can be tracked into rates through this mechanism. Staff recommended that the Commission discontinue the tracker mechanism associated with the SIP.

Under the Second Partial Stipulation, the company's existing SIP tracker mechanism will remain in effect for two years after the rate effective date. After that, the mechanism will sunset. Prior to this sunset date, NW Natural will make an annual filing specifying projects and expenses to be tracked into rates through the SIP for that year. Parties will have the opportunity to conduct discovery and file responsive testimony. The current soft cap of $12 million will remain in effect, and NW Natural will not recover through the tracking mechanism the first $3.25 million of combined bare steel and leakage capital costs, or any O&M funding embedded in base rates. The parties agree that the Second Partial Stipulation does not affect the "Bare Steel Stipulation" adopted by the Commission in Order No. 01-843, or NW Natural's right to ask the Commission to continue the SIP program past the sunset date.

g. Service Window Appointments

The stipulating parties agree that NW Natural's proposed service window appointment program should be approved, subject to a service window guarantee. The parties agree to review the service window guarantee five years after its implementation date.

h. Service Reconnection Charges

In its original filing, NW Natural proposed increasing its service reconnection charges and changing the framework for its charges from a two-tier structure to a three-tier structure. The stipulating parties agree to a modified three-tier structure.

3. Commission Resolution

The Commission will approve a stipulation if it is an appropriate resolution of the issues and results in just and reasonable rates.[14] When evaluating such rates, the Commission examines "the reasonableness of the overall rates, not the theories or methodologies used or individual decisions made."[15]

Both partial stipulations are adopted. We find the agreements therein constitute reasonable resolutions of the issues addressed, and that they, in combination with our remaining decisions in this order, will result in just and reasonable rates.

IV. ORDER

IT IS ORDERED that:

1. The First Partial Stipulation and Second Partial Stipulation, attached as Appendices A and B, are adopted.

[14] *See, In re PacifiCorp 2010 Transition Adjustment Mechanism*, Docket No. UE 207, Order No. 09-432 at 6 (Oct 30, 2009); *In re PacifiCorp Request for a Gen. Rate Revision*, Docket No. UE 210, Order No. 10-022 at 6 (Jan 26, 2010).

[15] *In re Application of Portland Gen. Elec. Co. for an Investigation into Least Cost Plant Retirement,* Docket No. DR 10, *et al.*, Order No. 08-487 at 7-8 (Sept 30, 2008).

2. Advice No. 11-19 is permanently suspended.

3. Northwest Natural Gas Company, dba NW Natural, will file new tariffs consistent with this order to be effective November 1, 2012.

4. Consistent with this order, additional proceedings will be opened to address issues related to environmental remediation costs and pension costs.

Made, entered, and effective OCT 26 2012.

Susan K. Ackerman /MD

Susan K. Ackerman
Chair

John Savage /MD

John Savage
Commissioner

<u>Commissioner Bloom concurring in part and dissenting in part:</u>

With the exception of the majority's decision on the sharing mechanism for environmental remediation costs, I concur.

Stephen M. Bloom
Commissioner

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UG 221

In the Matter of NORTHWEST NATURAL GAS COMPANY Application for a General Rate Revision.	**PARTIAL STIPULATION**

This Partial Stipulation is entered into for the purpose of resolving specific issues among all parties to UG 221, Northwest Natural Gas Company's ("NW Natural" or "the Company") 2011 general rate case.

PARTIES

1. The parties to this Partial Stipulation are NW Natural, Commission Staff ("Staff"), the Citizens' Utility Board of Oregon (CUB), and the Northwest Industrial Gas Users (NWIGU) (collectively, "Parties"). Northwest Energy Coalition (NWEC) participated in settlement discussions, is not a party to this stipulation, but does not oppose the stipulation. Community Action Partnership of Oregon, Northwest Pipeline GP, and Portland General Electric Company are parties to this case but did not participate in settlement discussions.

BACKGROUND

2. On December 30, 2011, NW Natural filed revised tariff sheets to be effective February 1, 2012, seeking a general rate increase of approximately $43.7 million, or 6.2 percent. In its filing, NW Natural used an historic base period of the 12 months ended December 31, 2011, with adjustments to calculate a future test period of the 12 months ending October 31, 2013 ("Test Year").

3. In Order No. 12-011, issued on January 19, 2012, the Public Utility Commission of Oregon ("Commission") suspended the Company's application for a general rate revision

for a period of nine months. Based on the suspension, the effective date of the revised tariff sheets will be November 1, 2012.

4. Pursuant to Administrative Law Judge Hardie's Prehearing Conference Memorandum of January 23, 2012, the parties to this docket convened settlement conferences on April 4 and 5, 2012. NW Natural, Staff, CUB, NWIGU, and NWEC participated in those settlement conferences.

5. On May 3, 2012, Staff, CUB, NWIGU, and NWEC filed Opening Testimony responding to the Company's Initial Filing.

6. The Parties again convened settlement conferences on May 22 and 23, 2012.

7. As a result of those settlement conferences, the Parties have reached a settlement resolving some of the issues in this case. This Partial Stipulation reduces NW Natural's proposed rate increase and resolves certain issues raised by Staff, CUB, and NWIGU. The final amount of NW Natural's rate increase, if any, will be determined following Commission resolution of the issues unresolved by this Partial Stipulation.

AGREEMENT

The Parties agree to settle the issues in this Partial Stipulation consistent with the numbers provided in Attachment A. Specifically, the issues settled in this Partial Stipulation are:

Capital Projects

8. In their testimony, Staff, CUB, and NWIGU raised concerns as to whether certain construction projects included in Test Year rate base, but not completed as of the date the rate case was filed, would be used and useful by the rate effective date or in the Test Year. Specifically, in Opening Testimony, these parties questioned whether the following capital projects would be used and useful: Corvallis Reinforcement; Nertec meters; Perrydale to Monmouth; Tualatin Replacement training facility and land; Unified Communication (Phase 1 and Phase 2); Westside Transmission Re-rate; Portland System Optimization (Phase 1 and

Phase 2); Tualatin Bioswale; Sunset Sheds; Generators 2012 and 2013; Coos Bay Retrofit; and Astoria Retrofit.

9. In addition, Staff, CUB, and NWIGU raised concerns regarding the prudence of the Monmouth Reinforcement ($8,087,000) and Perrydale to Monmouth ($18,131,000) projects. Finally, CUB and NWIGU questioned whether the costs associated with the Corvallis Reinforcement, Parkrose Retrofit, Portland System Optimization (Phase 1 and Phase 2), Nertec Replacement, Unified Communication Phase 1 and Salem Retrofit were known and measurable.

10. The Company has confirmed that the following projects have been cancelled or delayed past the rate effective date: Corvallis Reinforcement; Westside Transmission Re-rate; Portland System Optimization (Phase 2); Unified Communication Phase 2; Tualatin Bioswale; Sunset Sheds; Coos Bay Retrofit; and Astoria Retrofit. NW Natural agrees to remove the amounts that were included in rate base for these projects in the Test Year, consistent with Attachment A.

11. Further, the Company clarified that the Monmouth Reinforcement, Perrydale to Monmouth, Tualatin Replacement, Unified Communication Phase 1, Portland System Optimization Phase 1, and 2012 Generators projects will all be used and useful by the rate effective date. To remove any continuing concerns, however, the Company agrees that by October 1, 2012 it will file an attestation from senior management confirming that these projects either are or will be used and useful by the rate effective date. The attestation filing will also confirm the amount that the Company has invested in each of those projects as of the date of the filing, and, if the project is not yet complete, the Company's reasonable expectation of costs that will be incurred up to the rate effective date.

12. Except as discussed in paragraph 13 below, if the attestation described in paragraph 11 demonstrates that a project is, or will be, used and useful by the rate effective date, the Parties agree that the lower of the forecast or the actual amount expended on that

project as of the rate effective date may be added to rate base and recovered through the revenue requirement. Nothing in this paragraph precludes the Company from filing a deferral application in the event that the Company believes it will incur additional costs related to the project after the rate effective date, or if the amounts that have been incurred or will be incurred by the rate effective date are greater than the amount included in the Company's original filing for that project and are eligible for deferral. And, nothing precludes other Parties from taking any position (supporting or opposing) on the deferral application and application for amortization.

13. If the Company's attestation demonstrates that the Monmouth Reinforcement and the Perrydale to Monmouth projects will be used and useful by the rate effective date, there remains an issue of whether or not these two projects were prudent. The Parties may argue that these projects either were or were not prudent in this proceeding. To the extent the Commission finds that such projects were prudent, the lower of the forecast or actual costs of such projects, incurred as of the rate effective date, will be added to rate base for purposes of the Company's revenue requirement. Nothing in this paragraph precludes the Company from filing a deferral application in the event that the Company believes it will incur additional costs related to a project after the rate effective date, or if the amounts that have been incurred or will be incurred by the rate effective date are greater than the amount included in the Company's original filing for that project and are eligible for deferral. And, nothing precludes other Parties from taking any position (supporting or opposing) on the deferral application and application for amortization.

14. In the case of the Nertec project, the Parties understand that it is possible that not all of the Nertec meters will be installed by the rate effective date. For the purposes of this settlement, the Parties agree that, provided that the Company attests that all of the Nertec meters will be received by the rate effective date and installed by the end of the Test Period, 50% (fifty percent) of the Test Year costs of the meters will be added to rate base.

15. In regards to the Salem Retrofit, to remove any continuing concerns, the Company agrees that by October 1, 2012 it will file an attestation confirming that the project either is or will be used and useful by the rate effective date. The filing will also confirm the amount that the Company has invested in the project as of the date of the filing, and, if the project is not yet complete, the Company's reasonable expectation of costs that will be incurred up to the rate effective date.

16. The Parties agree that the lower of the forecast or actual costs of the project, incurred as of the rate effective date, will be added to rate base for purposes of the Company's revenue requirement. Nothing in this paragraph precludes the Company from filing a deferral application in the event that the Company believes it will incur additional costs related to the project after the rate effective date, or if the amount that has been incurred or will be incurred by the rate effective date is greater than the amount included in the Company's original filing for that project and are eligible for deferral. And, nothing precludes other Parties from taking any position (supporting or opposing) on the deferral application and application for amortization.

17. The Company also agrees to remove the following projects, which are scheduled to be completed during the Test Year but after the rate effective date: Portland System Optimization Phase 2; and Unified Communications Phase 2. The Parties agree that the 2013 Generators will be averaged into rate base such that 50% of the associated costs are reflected in rate base in the Test Year.

18. In the event that the Company's attestation demonstrates that one or more projects described above will not be used and useful by the rate effective date, the revenue requirement in the case will be offset by the effect of removing the costs of such project or projects from rate base.

19. Regarding those projects that will not be used and useful in time to be included in rates by the rate effective date, the Parties are aware that the Company may ask the

Commission to consider including those costs in rates through a tracker or at the time of a Purchased Gas Adjustment, but the impartation of this knowledge is not intended in any way to limit the Parties participation in future dockets or to prejudge the Parties' positions on such requests.

Revenue Adjustment related to the Company's Proposed Rate Design

20. In its Opening Testimony, Staff argued that the Company had understated its projected revenues for the Test Year by overstating the amount it would lose through customer attrition in the event that its rate design proposal is adopted (the "Company's Proposed Revenue Adjustment"). As a result, in its Opening Testimony, Staff recommended that the Company's Proposed Revenue Adjustment should be removed, and estimated a downward adjustment of $5.356 million. After discussion, Staff agreed that the Company's Proposed Revenue Adjustment should be $2.3 million, and the Parties agree that an adjustment of $2.3 million of revenues should be made in the event that the Commission adopts the Company's proposed rate design (as proposed in the Company's Initial Filing). The parties agree that if the Commission does not adopt the Company's proposed rate design, then the Company should increase expected revenues by $2.3 million.

Parkrose Retrofit

21. In its Opening Testimony, Staff recommended that the Company's proposed recovery for the Parkrose Retrofit be reduced by $0.621 million. The Parties agree that Staff will withdraw this recommendation, and that the Company should recover its costs related to the Parkrose Retrofit as proposed.

Rate Case Amortization

22. In its Opening Testimony, CUB/NWIGU recommended that the Company's Rate Case Expense be amortized over five instead of the three years assumed in the Company's proposal, resulting in a downward adjustment to Operating and Maintenance Expense (O&M)

of $0.093 million. The Parties agree that CUB/NWIGU will withdraw this recommendation and that the Company should recover its Rate Case Expense as proposed.

Uncollectibles Adjustment

23. In its Opening Testimony, CUB/NWIGU recommended that the Company's proposal for recovery of uncollectible expense be reduced by $0.448 million. The Parties agree that CUB/NWIGU will withdraw this recommendation, and that the Company should recover its uncollectibles as proposed.

Injuries and Damages Expense

24. In its Opening Testimony, CUB/NWIGU recommended that the Company's proposed recovery for Injuries and Damages Expense be reduced by $0.126 million. The Parties agree that CUB/NWIGU will withdraw that recommendation and that the Company should recover its Injuries and Damages Expense as proposed.

Directors and Officers Insurance

25. In Opening Testimony, Staff recommended that NW Natural be allowed to recover only 50% of the costs of Directors and Officers Insurance above the first layer of coverage. CUB/NWIGU made a different but similar recommendation. The Parties agree that the Company's O&M expense should be adjusted by a reduction of $0.272 million to remove that portion of the costs of D&O insurance consistent with Staff's recommendation.

Incentive Pay

26. In its Opening Testimony, Staff and CUB/NWIGU both recommended that the Commission make a downward adjustment to the Company's proposal for recovery of incentive pay. The Parties agree the Company's proposed recovery for incentive pay should be adjusted by an amount that represents a 25% reduction to Staff's original recommendation. This amount will vary from the adjustment proposed in Staff's testimony to the extent required to match the Commission's ultimate determination on full-time employees (FTEs), such that the adjustment will represent the application of the Commission precedent described in Staff's

testimony to the number of FTEs determined by the Commission to be includable in revenue requirement, and then reduced by 25%.

Administrative and General

27. In its Opening Testimony, Staff recommended that the Company's proposed Administrative and General (A&G) expense should be reduced by $1.982 million, and CUB/NWIGU has specifically proposed that the Company's proposed recovery for American Gas Association dues (which is included in A&G expense) should be reduced by $148,114. After discussions the Parties agreed that the Company's A&G expense should be adjusted by ($1.212 million).

Miscellaneous Revenue

28. In its Opening Testimony, and later corrected through an errata filing, Staff recommended that the Company's Miscellaneous Revenue proposal be adjusted by $0.658 million. After discussion, the Parties agreed that the Commission should adopt an adjustment of $0.494 million, which represents a reduction of 25% of Staff's adjustment proposed in its corrected Opening Testimony.

Advertising

29. In its Opening Testimony, Staff recommended that the Company's advertising expense for Category A advertising expenditures be reduced by $0.930 million to match the level presumed prudent under OAR 860-026-0022(3)(a). The Parties agree that the Company should be allowed to recover Category A expense commensurate with the per-customer level of $2.19 allowed in the Company's last rate case and applied to Test Year customer levels. Additionally, the Parties agree that NW Natural should recover $510,000 of costs for Category B expenses.

Research and Development

30. In its Opening Testimony, Staff recommended that the Company's proposal for Research and Development expense be reduced by $0.006 million. The Parties agree that

the Commission should accept this adjustment, and that the Company should be allowed to collect $0.743 million of expenses related to Research and Development.

Materials and Supplies

31. In its Opening Testimony, CUB/NWIGU recommended that the Company's proposal for Materials and Supplies included in rate base should be reduced by $0.633 million. The Parties agree that this recommendation should be accepted.

Contributions in Aid of Construction (CIAC)

32. In its Opening Testimony, CUB/NWIGU recommended that the Company's rate base be reduced by $0.069 million to account for its adjustment related to CIAC. The Parties agree that the Company's rate base should be adjusted by this recommendation.

Customer Deposits

33. In its Opening Testimony, CUB/NWIGU recommended that the Company's rate base be reduced by $5.1 million to account for the Company's possession of customer deposits. All Parties, including the Company agree to accept this recommendation. In addition, as an offset to this reduction, the Company's O&M expense should be increased by $.005 for interest expense on the customer deposits.

Injuries and Damages Reserves

34. The Parties agree that the Company's proposed rate base should be reduced by $0.211 million in recognition of the CUB/NWIGU recommendation on this issue.

35. This Partial Stipulation will be offered into the record as evidence pursuant to OAR 860-001-0350(7). The Parties agree to support this Partial Stipulation throughout this proceeding and any appeal, provide witnesses to sponsor this Partial Stipulation at hearing, if needed, and recommend that the Commission issue an order adopting the Partial Stipulation.

36. If this Partial Stipulation is challenged by any other party to this proceeding, the Parties agree that they will continue to support the Commission's adoption of the terms of this Partial Stipulation. The Parties reserve the right to cross-examine witnesses and put in such

evidence as they deem appropriate to respond fully to such issues presented including the right to raise issues that are incorporated in the settlements embodied in this Partial Stipulation.

37. The Parties have negotiated this Partial Stipulation as an integrated document. If the Commission rejects all or any material portion of this Partial Stipulation or imposes additional material conditions in approving this Partial Stipulation, any Party shall have the right to withdraw from the Partial Stipulation, along with any other rights provided in OAR 860-001-0350(9), including the right to present evidence and argument on the record in support of the Partial Stipulation, and shall be entitled to seek reconsideration pursuant to OAR 860-001-0720.

38. By entering into this Partial 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 Partial Stipulation, other than as specifically identified in the body of this Stipulation. No Party shall be deemed to have agreed that any provision of this Partial Stipulation is appropriate for resolving issues in any other proceeding, except as specifically identified in this Partial Stipulation.

39. This Partial Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

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

SIGNATURE PAGE TO FOLLOW

NW NATURAL

By: Lisa Rackner

Printed Name: Lisa Rackner

Date: 7-9-12

STAFF

By: ______________________

Printed Name: ______________________

Date: ______________________

CUB

By: ______________________

Printed Name: ______________________

Date: ______________________

NWIGU

By: ______________________

Printed Name: ______________________

Date: ______________________

NW NATURAL

By: ______________________

Printed Name: ______________________

Date: ______________________

STAFF

By: ______________________

Printed Name: Jason Jones

Date: 7/6/12

CUB

By: ______________________

Printed Name: ______________________

Date: ______________________

NWIGU

By: ______________________

Printed Name: ______________________

Date: ______________________

NW NATURAL

By: ______________________

Printed Name: ______________________

Date: ______________________

STAFF

By: ______________________

Printed Name: ______________________

Date: ______________________

CUB

By: ______________________

Printed Name: G. Catriona McCracken

Date: 7-6-2012

NWIGU

By: ______________________

Printed Name: ______________________

Date: ______________________

NW NATURAL

By: ______________________

Printed Name: ______________________

Date: ______________________

STAFF

By: ______________________

Printed Name: ______________________

Date: ______________________

CUB

By: ______________________

Printed Name: ______________________

Date: ______________________

NWIGU

By: Paula E. Pyron

Printed Name: Paula E. Pyron

Date: 7/6/12

UG 221 Northwest Natural
First Stipulation
Dollars (000s)

ATTACHMENT A

		Staff & Intervenors Adjustments Oregon Allocation
S-2	Corvallis Reinforcement	(8,370)
S-4	Nertec Replacement	(844)
S-5	Parkrose Retrofit	0
S-7	Tualatin replacement, training facility & land	0
S-8	Unified Communication Phase 1 (PBX Switch)	0
S-9	Westside Transmission Rerate	(1,800)
S-10	Directors and Officers Insurance	(272)
S-11	Incentive Compensation	(2,573)
S-13	Various Customer Service, G&A Expenses	(1,212)
S-15	Research & Development	(6)
S-19	Advertising	(382)
S-21	Miscellaneous Revenue	494
C-1	Portland Optimization Phase II	(563)
C-2	United Communication Phase II	(450)
C-3	Tualatin Bio Swale	(540)
C-4	Sunset Sheds	(603)
C-5	Coos Bay Retrofit	(625)
C-6	Astoria Retrofit	(400)
C-7	Materials and Supplies (M&S)	(633)
C-8	Contributions in Aid of Construction (CIAC)	(69)
C-9	Customer Deposits	(5,101)
C-9	Customer Deposits - Interest Expense	5
C-10	Injuries & Damages Reserves	(211)
C-11	Portland System Optimization Phase I	0
C-12	2012 Generator	0
C-13	Salem Retrofit	0
C-14	2013 Generators	0

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UG 221

In the Matter of NORTHWEST NATURAL GAS COMPANY Application for a General Rate Revision.	**SECOND PARTIAL STIPULATION**

This Second Partial Stipulation is entered into for the purpose of resolving specific issues among certain parties to UG 221, Northwest Natural Gas Company's ("NW Natural" or "the Company") 2011 general rate case ("Second Partial Stipulation").

PARTIES

1. The parties to this Second Partial Stipulation are NW Natural, Commission Staff ("Staff"), the Citizens' Utility Board of Oregon (CUB), the Northwest Industrial Gas Users (NWIGU), and Northwest Energy Coalition (NWEC) (collectively, "Parties"). Community Action Partnership of Oregon, Northwest Pipeline GP, and Portland General Electric Company are parties to this case but did not participate in settlement discussions.

BACKGROUND

2. On December 30, 2011, NW Natural filed revised tariff sheets to be effective February 1, 2012, seeking a general rate increase of approximately $43.7 million, or 6.2 percent. In its filing, NW Natural used an historic base period of the 12 months ended December 31, 2011, with adjustments to calculate a future test period of the 12 months ending October 31, 2013 ("Test Year").

3. In Order No. 12-011, issued on January 19, 2012, the Public Utility Commission of Oregon ("Commission") suspended the Company's application for a general rate revision for a period of nine months. Based on the suspension, the effective date of the revised tariff sheets will be November 1, 2012.

4. Pursuant to Administrative Law Judge (ALJ) Hardie's Prehearing Conference Memorandum of January 23, 2012, the parties to this docket convened settlement conferences on April 4 and 5, 2012. The Parties participated in those settlement conferences.

5. On May 3, 2012, Staff, CUB, NWIGU, and NWEC filed Opening Testimony responding to the Company's Initial Filing.

6. The Parties again convened settlement conferences on May 22 and 23, 2012.

7. On June 15, 2012, NW Natural filed Reply Testimony.

8. As a result of the May 2012 settlement conferences, NW Natural, Staff, CUB, and NWIGU reached a settlement resolving some of the issues in this case and filed a Partial Stipulation on July 9, 2012.

9. On July 20, 2012, Staff, CUB, NWIGU, and NWEC filed Rebuttal Testimony.

10. The Parties continued settlement discussions in the first half of August.

11. The ongoing August 2012 settlement discussions among the Parties resulted in the resolution of additional issues.

12. On August 9, 2012, NW Natural filed Surrebuttal Testimony.

13. On August 14, 2012, Staff filed a letter with ALJ Hardie indicating that the Parties had reached a settlement in principle on certain additional issues in this proceeding. This Second Partial Stipulation memorializes the Parties' agreement on these additional issues.

AGREEMENT

Cost of Long-Term Debt

14. The Parties have resolved all issues related to the cost of long-term debt, with the exception of Staff's proposed adjustment relating to the Company's interest rate hedge loss. The Parties agree that the appropriate cost of long-term debt is 6.056 percent; however, should the Commission adopt an adjustment related to the interest rate hedge loss, the 6.056 percent will be reduced consistent with the Commission's decision.

Residential Rate Design and Related Issues

15. NW Natural agrees to withdraw its proposed rate design that was set forth in the testimony of Russell Feingold. The Parties agree that the existing decoupling mechanism and Weather Adjusted Rate Mechanism (WARM), as currently implemented in accordance with NW Natural's tariffs, should continue and that the changes to these mechanisms proposed in the Company's Opening Testimony should be adopted, with the exception of the opt-out provisions in the WARM mechanism, which provisions will remain in effect. Changes related to the mechanisms will specifically include:

a. Both the WARM and decoupling mechanism will incorporate certain updates developed in preparing this case. In particular, the mechanisms will incorporate updated values of normalized use per customer, updated normal heating degree days (HDDs) by zone and the results of using updated statistical coefficients relating HDDs to therm usage.

b. Customer counts and updated normalized use-per-customer values in the decoupling mechanism will reflect the withdrawal of NW Natural's proposed rate design.

c. The elasticity component of the decoupling mechanism will be removed.

d. The decoupling deferral period will be changed to November - October to coincide with the PGA tracker year.

e. In the decoupling mechanism, usage for the month of May will be normalized in the same manner as November usage, where usage is normalized by the actual WARM effect attributable to the month that is included in customer bills.

16. NW Natural will continue to employ public purpose charges to fund Energy Trust of Oregon programs.

17. The Parties agree that the customer charge for Schedule 2–Residential Sales Service should be set at $8.00.

18. The Parties agree that Schedule 1–General Sales Service should be eliminated. Schedule 1R customers will be migrated into Schedule 2R and Schedule 1C customers will be migrated into Schedule 3C. Because customers currently subject to Schedule 1 are not part of the WARM program, NW Natural will not automatically include such customers in WARM when transferring them to Schedule 2, and will instead allow such customers to opt to participate in the WARM program at their election.

19. The Parties agree that the revisions to Schedule X– Distribution Facilities Extensions for Applicant-Requested Services and Mains proposed by the Company should be adopted. The Parties agree to engage in collaborative discussions regarding the appropriate design of charges for extensions of service to residential customers.

20. Staff agrees to withdraw its request that the Company implement seasonal rates, and the Company agrees that it will not implement such rates as part of this case.

21. The Company agrees to work with parties to make its decoupling-related tariff schedules understandable and clear.

Industrial Rate Design

22. The Company proposed changes to its non-residential sales and transportation service schedules, Schedule 31 and Schedule 32. The Parties agree that the customer charges for these schedules will remain the same as under NW Natural's tariffs that are in effect as of the date of the execution of this Second Partial Stipulation.

23. The Parties agree to eliminate the interruptible service option from Schedule 31 and agree that customers eligible to take service under Schedule 31 will have a ninety-day period from the rate effective date to opt for interruptible service under Schedule 32 or the other remaining service options under Schedule 31. Certain housekeeping changes were proposed by the Company to Schedule 32 and have been agreed to by the Parties as shown on Sheets 32-1, 32-3, 32-4 and 32-7 in the attached Exhibit A to this Second Partial Stipulation. Other than allowing for elections of service by customers eligible for Schedule 31, and the

housekeeping changes described in this paragraph 23, the terms of service and interruptible service options for Schedule 32 customers will remain unchanged from the tariffs in effect as of the date of execution of this Second Partial Stipulation.

Level of Full-Time Equivalent Employees

24. In Rebuttal Testimony, Staff proposed that the Company's revenue requirement be calculated based on 1,020 regulated Company full-time equivalent employees (FTEs) and NWIGU-CUB proposed 1,072 total Company FTEs. The Company proposed 1,095 regulated Company FTEs in Surrebuttal Testimony. The Parties agree that the regulated Company FTE level should be set at 1,057. This adjustment, on an Oregon allocated basis, reduces the Company's proposed payroll level included in its original application in this proceeding by $3.9 million, of which $2.7 million is operations and maintenance (O&M) and $1.2 million is capital.

Medical Benefits

25. The Parties agree that the test period expense amount of $16.27 million proposed to be included in rates by NW Natural, which is the total company expense amount allocated to Oregon and reduced by 1.78 percent for unregulated FTE not included in the revenue requirement, should be reduced to reflect the agreed-upon FTE level. The Parties agree that this test period expense level should be adjusted downward by the ratio of the number of stipulated FTEs to the number of FTEs used by the Company to calculate its requested rate increase. The appropriate FTE ratio is 1,057 FTEs to 1,111 FTEs, which results in an adjustment factor of 95.14 percent. It is not appropriate to apply this adjustment factor to medical benefits for retirees. Applying this adjustment factor to medical benefits for active employees and to workers compensation results in an overall adjustment of $752 thousand. Parties agree to a test period expense level for medical benefits and workers' compensation of $15.52 million. This is comprised of $13.51 million for medical benefits for active employees, $808 thousand for medical benefits for retirees, and $1.2 million for workers' compensation.

The split between O&M and capital related to this adjustment will be 70% to O&M and 30% to capital, with the related change in depreciation expense constituting 2.7% of the capital change.

Payroll O&M Allocation

26. NWIGU-CUB proposed reducing the Company's proposed payroll O&M allocation from 69.3 percent to 63.7 percent. The Parties agree that NWIGU-CUB will withdraw this recommendation and that the Company's payroll O&M allocation of 69.3 percent should be used to calculate payroll expense.

Working Gas Inventory

27. Staff and CUB proposed removing working gas inventory from rate base. The Parties agree that cushion gas will continue to be included in rate base, but that working gas inventory will be excluded from rate base and that the Company' will request recovery of the carrying costs on working gas inventory through the following process:

a. On or before November 1, 2012, NW Natural will file a deferred accounting application to allow for the adjustment of future rates to account for the appropriate recovery of working gas inventory and associated carrying costs for the period November 1, 2012 through October 31, 2013, as will be determined by the Commission through the process outlined below. The Parties agree to support the Company's application for deferred accounting.

b. On May 1, 2013, NW Natural will file testimony with the Commission supporting: (a) its proposed level of working gas to be included in rate base for the period November 1, 2012 through October 31, 2013, and (b) its proposed rate of return for working gas. Staff, CUB, and NWIGU, after conducting any necessary discovery, may file reply testimony supporting alternative levels of working gas to be included in rate base and alternative rates of return for working gas.

c. The ratemaking treatment for working gas inventory approved by the Commission for the period November 1, 2012 through October 31, 2013, including the appropriate rate of return ordered by the Commission, with interest, will be implemented through rate adjustment effective November 1, 2013.

d. The prudence of NW Natural's management of storage inventory will continue to be reviewed in NW Natural's annual PGA filing.

28. The process for evaluating working gas inventory described above will continue in subsequent PGA years until NW Natural's next general rate case

Interstate Storage Sharing

29. Staff and CUB proposed altering the existing sharing mechanism for Schedule 185–Special Annual Interstate Storage and Transportation Credit and Schedule 186–Special Annual Core Pipeline Capacity Optimization Credit. The Parties agree that the sharing mechanisms set forth currently in these schedules will remain in place for the time being. However, the Parties will jointly request that a new contested case docket be opened to evaluate these sharing mechanisms. The Parties agree that they will request that the Commission decision in this new docket be issued on or before December 31, 2013. All Parties reserve the right to take any position in the new proceeding.

System Integrity Program

30. In its Direct Testimony, NW Natural proposed the continuation of its System Integrity Program (SIP), which provides for certain capital costs to be tracked into rates annually. The Company also recommended that the soft cap placed on the costs that can be tracked into rates through this mechanism be increased from $12 million annually to $26.3 million for 2013 to account for a bare steel replacement project planned for that year. In its Opening and Rebuttal Testimony, Staff recommended that the Commission discontinue the tracker mechanism associated with NW Natural's SIP.

31. The Parties agree that the Company's existing tracker mechanism associated with SIP will remain in effect for two years after the rate effective date in this case, after which date it will sunset. NW Natural agrees that prior to this sunset date, NW Natural will make a

filing each year specifying projects and expenses that are proposed to be tracked into rates through the SIP for that year. Parties will have the opportunity to conduct discovery and file responsive testimony. NW Natural agrees that the soft cap of $12 million described in the stipulation adopted in Order No. 09-067 will remain in effect, and that it will not recover through the tracking mechanism the first $3.25 million of combined bare steel and leakage capital costs, or any of its O&M funding embedded in base rates. Nothing in this agreement should be construed as affecting the Bare Steel Stipulation adopted in Order No. 01-843, which remains in effect until 2021 or until completion of the bare steel removal. Nothing in this agreement affects NW Natural's right to request that the Commission continue the SIP program past the date of the sunset.

Long Run Incremental Cost Study and Rate Spread

32. The parties agree to not litigate issues related to NW Natural's proposed Long Run Incremental Cost Study (LRIC) in this docket, except that the parties agree that any rate schedule receiving a zero percent base margin increase under the proposed rate spread in NW Natural's Direct Testimony will instead receive a five percent base margin decrease. A spreadsheet showing this agreement is attached as Exhibit B. The final overall revenue requirement increase, net of offsetting revenues associated with the aforementioned five percent decreases, will be achieved by uniform percentage increases to the base margin for Schedules 2R Residential Sales, 3C [Commercial] Firm Sales, 3I [Industrial] Firm Sales, and 31C [Commercial] Firm Sales.[1] Additionally, all Parties retain the ability to argue appropriate rate spread allocations based upon relative LRIC issues for the rate design appropriate for any environmental remediation surcharge, if any, that may result from this case. The Company agrees to hold workshops on each of (1) revenue requirement functionalization and (2) the

[1] The intent of the parties is that any decreases to base margin in one schedule will be made up for with offsetting increases to the base margin for other schedules, such that there is no impact to revenue requirement from the rate design agreed to.

attributable lengths of distribution mains and related cost impacts by customer class of mains in the near future to determine the nature and scope of any appropriate studies to be completed. The Company agrees to complete any agreed-upon studies prior to filing its next Oregon general rate case.

Service Window Appointments

33. The Parties agree that the Company's proposed service window appointment program should be approved, subject to the service window guarantee described in this paragraph. Beginning on May 1, 2013, a service window guarantee of $50 will be charged to the Company for each missed service window appointment if the Company meets fewer than 90 percent of scheduled service window appointments. These $50 charges will be tracked through the PGA year and returned to customers as a whole as a credit coincident with the annual PGA.

34. The Parties agree to clarify the tracking and accounting for missed appointments for purposes of determining customer credits related to the service window guarantee.

35. The Parties agree to review the service window guarantee after five years from the implementation date of the service window guarantee to determine if it continues to be necessary.

Service Reconnection Charges

36. The Company proposed increasing its service reconnection charges and changing the framework from a two-tier structure to a three-tier structure, resulting in the following proposal: Tier 1—During business hours, $40; Tier 2—After-hours scheduled for the next business day, $80; Tier 3—Same-day or reconnections on Saturdays, Sundays, or holidays, $185. Staff and CUB objected to the Company's proposed changes. The Parties agree that for purposes of settlement in this case the following three-tier structure should be adopted:

a. Tier 1—During business hours, $30;

b. Tier 2—After-hours scheduled for the next business day, $80;

c. Tier 3—Same-day or reconnections on Saturdays, Sundays, or holidays, $100.

Customer Deposits

37. In the Partial Stipulation (filed on July 9, 2012), Paragraph 33 related to customer deposits stated that "the Company's O&M expense should be increased by $.005 for interest expense on the customer deposits." The Parties agree that the amount in this sentence should be corrected to be read "$.005 million" rather than "$.005."

Filing of Stipulation

38. This Second Partial Stipulation will be offered into the record as evidence pursuant to OAR 860-001-0350(7). The Parties agree to support this Second Partial Stipulation throughout this proceeding and any appeal, provide witnesses to sponsor this Second Partial Stipulation at hearing, if needed, and recommend that the Commission issue an order adopting the Second Partial Stipulation.

39. If this Second Partial Stipulation is challenged by any other party to this proceeding, the Parties agree that they will continue to support the Commission's adoption of the terms of this Second Partial Stipulation. The Parties reserve the right to cross-examine witnesses and put in such evidence as they deem appropriate to respond fully to such issues presented including the right to raise issues that are incorporated in the settlements embodied in this Second Partial Stipulation.

40. The Parties have negotiated this Second Partial Stipulation as an integrated document. If the Commission rejects all or any material portion of this Second Partial Stipulation or imposes additional material conditions in approving this Second Partial Stipulation, any Party shall have the right to withdraw from the Second Partial Stipulation, along with any other rights provided in OAR 860-001-0350(9), including the right to present evidence and argument on the record in support of the Second Partial Stipulation, and shall be entitled to seek reconsideration pursuant to OAR 860-001-0720.

41. By entering into this Second Partial 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 Second Partial Stipulation, other than as specifically identified in the body of this Second Partial Stipulation. No Party shall be deemed to have agreed that any provision of this Second Partial Stipulation is appropriate for resolving issues in any other proceeding, except as specifically identified in this Second Partial Stipulation.

42. This Second Partial Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

This Second Partial Stipulation is entered into by each Party on the date entered below such Party's signature.

SIGNATURE PAGE TO FOLLOW

NW NATURAL

By: C. Alex Miller

Printed Name: C. Alex Miller

Date: 9/28/12

STAFF

By: ______________________

Printed Name: ______________________

Date: ______________________

CUB

By: ______________________

Printed Name: ______________________

Date: ______________________

NWIGU

By: ______________________

Printed Name: ______________________

Date: ______________________

NWEC

By: ______________________

Printed Name: ______________________

Date: ______________________

NW NATURAL

By:

Printed Name: ____________________

Date: ____________________

STAFF

By: ____________________

Printed Name: Jason Jones

Date: 9/20/12

CUB

By: ____________________

Printed Name: ____________________

Date: ____________________

NWIGU

By: ____________________

Printed Name: ____________________

Date: ____________________

NWEC

By: ____________________

Printed Name: ____________________

Date: ____________________

NW NATURAL

By: ______________________

Printed Name: ______________________

Date: ______________________

STAFF

By: ______________________

Printed Name: ______________________

Date: ______________________

CUB

By: ______________________

Printed Name: G. Catriona McCracken

Date: 9-28-12

NWIGU

By: ______________________

Printed Name: ______________________

Date: ______________________

NWEC

By: ______________________

Printed Name: ______________________

Date: ______________________

NW NATURAL

By: ______________________________

Printed Name: ____________________

Date: ____________________________

STAFF

By: ______________________________

Printed Name: ____________________

Date: ____________________________

CUB

By: ______________________________

Printed Name: ____________________

Date: ____________________________

NWIGU

By: [signature]

Printed Name: Chad Stokes

Date: 9-28-12

NWEC

By: ______________________________

Printed Name: ____________________

Date: ____________________________

NW NATURAL

By: ______________________

Printed Name: ______________________

Date: ______________________

STAFF

By: ______________________

Printed Name: ______________________

Date: ______________________

CUB

By: ______________________

Printed Name: ______________________

Date: ______________________

NWIGU

By: ______________________

Printed Name: ______________________

Date: ______________________

NWEC

By: [signature]

Printed Name: Wendy Gerlitz

Date: October 1, 2012

UG 221

Second Partial Stipulation

Exhibit A

Schedule 32 Changes

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25 Original Sheet 32-1

RATE SCHEDULE 32
LARGE VOLUME NON-RESIDENTIAL SALES AND TRANSPORTATION SERVICE

SERVICE AVAILABILITY:

Service under this Rate Schedule is available on the Company's Distribution System to Non-Residential Customers in all territory served by the Company under the Tariff of which this Rate Schedule is a part provided that the Company determines, in its sole judgment, that adequate supply and capacity exists to accommodate a Customer's service requirements. Firm Service under this Rate Schedule is available provided that the Company determines, in its sole judgment, that adequate supply and capacity exists to accommodate a Customer's service requirements. The Company, in its sole discretion, will determine the availability of Interruptible Service under this Rate Schedule in cases where supply and capacity are adequate to provide Firm Service. A Customer request for an Interruptible Service Type will be considered on a case-by-case basis. Service under this Rate Schedule cannot be combined with service under any other Rate Schedule.

SPECIAL CONDITIONS FOR INTERRUPTIBLE SERVICE:

Any Customer served under an Interruptible Service Type as of November 1, 2012 will be allowed to continue service on such Interruptible Service Type after November 1, 2012 for a period of five (5) consecutive PGA Years. Thereafter, the eligibility for Interruptible Service shall be determined in accordance with the "SERVICE AVAILABILITY" and "DESCRIPTION OF SERVICE TYPES AND REQUIREMENTS FOR SERVICE" provisions of this Rate Schedule. If a Customer to which this special condition applies transfers to a Firm Service Type in accordance with the "OUT-OF-CYCLE TRANSFERS" or "ANNUAL SERVICE ELECTION DATE" provisions of this Rate Schedule before the end of five (5) PGA Years, then any subsequent request for Interruptible Service will be subject to the conditions for approval as set forth above under "SERVICE AVAILABILITY".

Comment [NU1]: These changes bring this section back to the current tariff language.

This special condition will carry to any subsequent Customer at the same service address following a change in business name or a change of ownership. In all other situations, a subsequent Customer must submit a Service Election Form to request Interruptible Service, subject to approval as set forth above under "SERVICE AVAILABILITY".

APPLICATION FOR SERVICE AND SELECTION OF RATE SCHEDULE AND SERVICE TYPES:

An application for service must be made in accordance with the provisions of **Rule 2** of this Tariff, including the requirements to establish or re-establish credit.

It is the responsibility of the Customer to select the Rate Schedule and Service Type that best meets the Customer's individual service requirements. A Customer's Service Type must be stated on the Service Election Form, and is subject to the Company's approval as described in "SERVICE SELECTIONS – PROCESS AND PROCEDURE" of this Rate Schedule and in the Company's applicable policies and procedures.

PRE-REQUISITES TO SERVICE:

1. A Customer may be required to pay the Company, in advance, for costs related to the Company's installation of any new or additional Distribution Facilities necessary to provide service to Customer under this Rate Schedule. See **Schedule X**.
2. When the installation of new or additional Distribution Facilities is necessary to provide service to Customer, the Company may require Customer enter into a written service agreement.

(continue to Sheet 32-2)

Issued December 30, 2011 Effective with service on
NWN Advice No. OPUC 11-19 and after February 1, 2012

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

DESCRIPTION OF SERVICE TYPES AND REQUIREMENTS FOR SERVICE:

Service under this Rate Schedule requires one Service Type Selection per billing meter set assembly. All Service Types are subject to approval by the Company. The following Service Types are available under this Rate Schedule:

1. Firm Sales Service
2. Interruptible Sales Service
3. Firm Transportation Service
4. Interruptible Transportation Service
5. Combination Sales Service
6. Combination Transportation Service
7. Combination Sales and Transportation Service

The respective requirements of each Service Type are described below and elsewhere in this Rate Schedule, including, without limitation," PRE-REQUISITES TO SERVICE":

Sales Service Types:

Firm Sales Service. This is Firm Service on the Company's Distribution System. The availability of this service is dependent upon the Company's determination that adequate supply and capacity exists to provide Firm Service to the Customer. The Commodity Component applicable to gas usage is as set forth in the "ANNUAL SERVICE ELECTION DATE" provision of this Rate Schedule. Customer must select one of two Pipeline Capacity Charge options:

(a) **Volumetric.** For the volumetric choice, the rate stated for the Firm Pipeline Capacity Charge – Volumetric option in the Monthly Rates provision of this Rate Schedule is multiplied by all therms used by Customer each Billing Month.
(b) **Maximum Daily Delivery Volume (MDDV)**. For the MDDV choice, each therm of Customer's MDDV is multiplied by the Firm Pipeline Capacity Charge- Peak Demand option each Billing Month. The provisions for determination of a Customer's MDDV are described under "DETERMINATION OF MDDV" in this Rate Schedule.

Interruptible Sales Service. This is Interruptible Service on the Company's Distribution System and is subject to Curtailment of Service, as set forth in **Rule 13** and **Rule 14** of this Tariff. The Commodity Component applicable to gas usage is as set forth in the "ANNUAL SERVICE ELECTION" provision of this Rate Schedule. ~~The initial term for an Interruptible Sales Service option is five (5) consecutive PGA Years. Thereafter, Interruptible Sales Service may continue on a year-to-year basis, subject to approval by the Company under the "SERVICE AVAILABILITY" provisions of this Rate Schedule. The determination for continued service shall be made coincident with the "ANNUAL SERVICE ELECTION DATE" to be effective November 1. Should a Customer transfer to a Firm Service Type before the end of the initial term and subsequently request Interruptible Sales Service, then the request will be subject to approval by the Company and if approved, a new initial term will begin.~~

(continue to Sheet 32-4)

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

DESCRIPTION OF SERVICE TYPES AND REQUIREMENTS FOR SERVICE (continued):

Transportation Service Types:

Firm Transportation Service. This is Firm Service on the Company's Distribution System. The availability of this service is dependent upon the Company's determination that adequate capacity exists to provide Firm Service to the Customer.

Interruptible Transportation Service. This is Interruptible Service on the Company's Distribution System and is subject to Curtailment of Service, as set forth in **Rule 13** and **Rule 14** of this Tariff. ~~The initial term for an Interruptible Transportation Service option is five (5) PGA Years. Thereafter, Interruptible Transportation Service may continue on a year-to-year basis, subject to approval by the Company under the "SERVICE AVAILABILITY" provisions of this Rate Schedule. The determination for continued service shall be made coincident with the "ANNUAL SERVICE ELECTION DATE" to be effective November 1. Should a Customer transfer to a Firm Service Type before the end of the initial term and subsequently request Interruptible Sales Service, then the request will be subject to approval by the Company and if approved, a new initial term will begin.~~

Customer must secure the purchase and delivery of gas supplies to be transported on the Company's Distribution System from an Authorized Supplier/Agent of Customer's choosing. Customer must complete the Company's Transportation Service: Supplier/Agent Authorization Form and name such Authorized Supplier/Agent not less than five (5) Business Days prior to the effective date of service. The Transportation of Customer-owned gas supplies is governed by the Terms and Conditions set forth in **Schedule T** of this Tariff, and the Company's Gas Transportation Operating Policies and Procedures.

Combination Service Types:
For all Combination Service Types, Customer must specify the exact daily delivery volume to be billed for the Service Type that is billed first through the meter. Customer may choose to specify an hourly delivery volume on the Service Election Form. An hourly delivery volume that exceeds 1/24 of the MDDV does not supersede the specified MDDV.

~~The initial term for a Combination Service Type that included Interruptible Sales or Interruptible Transportation Service is five (5) PGA Years. Thereafter, the Interruptible Service portion of the Combination Service Type may continue on a year-to-year basis, subject to approval by the Company under the "SERVICE AVAILABILITY" provisions of this Rate Schedule. The determination for continued service shall be made coincident with the "ANNUAL SERVICE ELECTION DATE" to be effective November 1. Should a Customer transfer to a Firm Service Type before the end of the initial term and subsequently request Interruptible Sales Service, then the request will be subject to approval by the Company and if approved, a new initial term will begin.~~

(continue to Sheet 32-5)

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

SERVICE TYPE SELECTION – PROCESS AND PROCEDURE (continued):
When considering each Service Type request under this Rate Schedule, approval will be based upon the Company's determination, in its sole judgment, that: (a) adequate supply and capacity is available to accommodate any request for Firm Service, ~~(b) there is a system benefit or other reasonable basis upon which to approve a request for Interruptible Service, if applicable, and~~ (b~~c~~) Customer has satisfactorily established or has satisfactorily re-established credit under the terms and conditions of Rule **2** of this Tariff.

A Customer that is approved for an Interruptible Service Type **must** complete the Company's Customer Emergency Contact List Form stating the names and telephone numbers for all authorized emergency contacts. At least one authorized emergency contact must be accessible for notification 24-hours per day, 7-days per week. Following each Annual Service Election Date, the Company will provide the Customer Emergency Contact List Form to Customers that elected an Interruptible Service Type. It is the Customer's responsibility to notify the Company within five (5) Business Days of any change to Customer's authorized emergency contact information. The Company will provide the required Customer Emergency Contact List Form to Customer upon request.

ANNUAL SERVICE ELECTION DATE– July 31 Election for November 1 Service:
The Annual Service Election Date is the date by which a Customer may request to change all or a portion of their current Service Type to be effective the following November 1 through October 31 period (PGA Year). Except for a change in Rate Schedule, or an election of Winter Sales WACOG, any out-of-cycle transfer approved to be effective after the Annual Service Election Date but prior to the start of the new PGA Year will automatically terminate on October 31.

To request a change in Service Type under this provision, Customer must complete and submit the Service Election Form in accordance with the terms and conditions of the 'SERVICE TYPE SELECTION – PROCESS AND PROCEDURE" provision of this Rate Schedule. A Customer need not submit a Service Election Form for the next PGA Year if the Customer desires to retain the Service Type Selection that is in effect on July 31.

The following changes may be requested under this provision:

Change in Sales Service Type
(1) Change in Transportation Service Type
(3) Transfer to a Sales Service Type
(4) Transfer to a Transportation Service Type
(5) Selection of a Combination Service Type
(6) Selection of Winter Sales WACOG (Sales Service Types only);
(7) Change in Pipeline Capacity Charge billing option (Firm Sales Service Type only)
(8) Change to Firm Sales Service Maximum Daily Delivery Volume (MDDV) (Combination Service Type only)
(9) Change in Rate Schedule

Requests to transfer to a Sales Service Type or to change a Sales Service Type are subject to the Company's determination that such service is available at the requested location based on the conditions set forth in the "SERVICE AVAILABILITY" provision of this Rate Schedule.

Transfers between Sales Service and Transportation Service are further subject to the "APPLICATION OF TEMPORARY ADJUSTMENTS TO RATES (ACCOUNT 191 ADJUSTMENTS)" provision of this Rate Schedule.

(continue to Sheet 32-8)

UG 221

Second Partial Stipulation

Exhibit B

Stipulated Rate Spread

ORDER NO. 12 408

Stipulated Proposal At Various Increase Amounts

Rate Schedule/Class	Test Year Margin ($000)	Gas Cost	NWN Proposed Increase ($000)	Percent Margin Increase	Percent Overall Increase	Stipulated 5% Margin Decrease to Certain Classes	Assign Decrease to Other Classes Using Margin	Incremental Margin Increase	Incremental Overall Increase	$10 Million Increase NWN	$10 Million Increase NWIGU	$12.5 Million Increase NWN	$12.5 Million Increase NWIGU	$15.0 Million Increase NWN	$15.0 Million Increase NWIGU
2R	$189,469	$212,774	$33,532	17.7%	8.3%	$0	$843	0.4%	0.2%	$7,179	$8,023	$8,974	$9,817	$10,769	$11,612
3C Firm Sales	$57,759	$91,402	$8,779	15.2%	5.9%	$0	$257	0.4%	0.2%	$2,189	$2,446	$2,736	$2,993	$3,283	$3,540
31 Firm Sales	$1,362	$2,539	$207	15.2%	5.3%	$0	$6	0.4%	0.2%	$52	$58	$65	$71	$77	$83
31C Firm Sales	$15,322	$36,662	$1,164	7.6%	2.2%	$0	$68	0.4%	0.1%	$581	$649	$726	$794	$871	$939
31C Firm Trans	$81	$0	$0	0.0%	0.0%	-$4	$0	-5.0%	-5.0%	$0	-$4	$0	-$4	$0	-$4
31C Interr Sales	$285	$675	$0	0.0%	0.0%	-$14	$0	-5.0%	-1.5%	$0	-$14	$0	-$14	$0	-$14
31I Firm Sales	$3,562	$10,185	$0	0.0%	0.0%	-$178	$0	-5.0%	-1.3%	$0	-$178	$0	-$178	$0	-$178
31I Firm Trans	$183	$0	$0	0.0%	0.0%	-$9	$0	-5.0%	-5.0%	$0	-$9	$0	-$9	$0	-$9
31I Interr Sales	$76	$152	$0	0.0%	0.0%	-$4	$0	-5.0%	-1.7%	$0	-$4	$0	-$4	$0	-$4
32C Firm Sales	$2,061	$6,849	$0	0.0%	0.0%	-$103	$0	-5.0%	-1.2%	$0	-$103	$0	-$103	$0	-$103
32I Firm Sales	$2,056	$6,989	$0	0.0%	0.0%	-$103	$0	-5.0%	-1.1%	$0	-$103	$0	-$103	$0	-$103
32 Firm Trans	$3,946	$0	$0	0.0%	0.0%	-$197	$0	-5.0%	-5.0%	$0	-$197	$0	-$197	$0	-$197
32C Interr Sales	$1,749	$10,336	$0	0.0%	0.0%	-$87	$0	-5.0%	-0.7%	$0	-$87	$0	-$87	$0	-$87
32I Interr Sales	$2,647	$16,476	$0	0.0%	0.0%	-$132	$0	-5.0%	-0.7%	$0	-$132	$0	-$132	$0	-$132
32 Interr Trans	$6,847		$0	0.0%	0.0%	-$342	$0	-5.0%	-5.0%	$0	-$342	$0	-$342	$0	-$342
Total:	$287,405	$395,039	$43,682	15.2%	6.4%	-$1,175	$1,175			$10,000	$10,000	$12,500	$12,500	$15,000	$15,000
										10000		12500		15000	

NOTE: By stipulation, Schedules 1R and 1C have been eliminated, with the former's customers moved into Schedule 2R and the latter's moved into Schedule 3C.

31/32 Subclasse -5%

Rate Spread Comparison - NWN v NWIGU at Various Increase Amounts

Customer Class	Overall Percentage Change NWN $10M	NWN $12.5M	NWN $15.0M	NWIGU $10M	NWIGU $12.5M	NWIGU $15.0M	Margin Percentage Change NWN $10M	NWN $12.5M	NWN $15.0M	NWIGU $10M	NWIGU $12.5M	NWIGU $15.0M
2R	1.8%	2.2%	2.7%	2.0%	2.4%	2.9%	3.8%	4.7%	5.7%	4.2%	5.2%	6.1%
3C Firm Sales	1.5%	1.8%	2.2%	1.6%	2.0%	2.4%	3.8%	4.7%	5.7%	4.2%	5.2%	6.1%
31 Firm Sales	1.3%	1.7%	2.0%	1.5%	1.8%	2.1%	3.8%	4.7%	5.7%	4.2%	5.2%	6.1%
31C Firm Sales	1.1%	1.4%	1.7%	1.2%	1.5%	1.8%	3.8%	4.7%	5.7%	4.2%	5.2%	6.1%
31C Firm Trans	0.0%	0.0%	0.0%	-5.0%	-5.0%	-5.0%	0.0%	0.0%	0.0%	-5.0%	-5.0%	-5.0%
31C Interr Sales	0.0%	0.0%	0.0%	-1.5%	-1.5%	-1.5%	0.0%	0.0%	0.0%	-5.0%	-5.0%	-5.0%
31I Firm Sales	0.0%	0.0%	0.0%	-1.3%	-1.3%	-1.3%	0.0%	0.0%	0.0%	-5.0%	-5.0%	-5.0%
31I Firm Trans	0.0%	0.0%	0.0%	-5.0%	-5.0%	-5.0%	0.0%	0.0%	0.0%	-5.0%	-5.0%	-5.0%
31I Interr Sales	0.0%	0.0%	0.0%	-1.7%	-1.7%	-1.7%	0.0%	0.0%	0.0%	-5.0%	-5.0%	-5.0%
32C Firm Sales	0.0%	0.0%	0.0%	-1.2%	-1.2%	-1.2%	0.0%	0.0%	0.0%	-5.0%	-5.0%	-5.0%
32I Firm Sales	0.0%	0.0%	0.0%	-1.1%	-1.1%	-1.1%	0.0%	0.0%	0.0%	-5.0%	-5.0%	-5.0%
32 Firm Trans	0.0%	0.0%	0.0%	-5.0%	-5.0%	-5.0%	0.0%	0.0%	0.0%	-5.0%	-5.0%	-5.0%
32C Interr Sales	0.0%	0.0%	0.0%	-0.7%	-0.7%	-0.7%	0.0%	0.0%	0.0%	-5.0%	-5.0%	-5.0%
32I Interr Sales	0.0%	0.0%	0.0%	-0.7%	-0.7%	-0.7%	0.0%	0.0%	0.0%	-5.0%	-5.0%	-5.0%
32 Interr Trans	0.0%	0.0%	0.0%	-5.0%	-5.0%	-5.0%	0.0%	0.0%	0.0%	-5.0%	-5.0%	-5.0%
Total:	1.5%	1.8%	2.2%	1.5%	1.8%	2.2%	3.5%	4.3%	5.2%	3.5%	4.3%	5.2%