

November 25, 2003

Ms. Carole J. Washburn, Secretary
Washington Utilities & Transportation
Commission
1300 S. Evergreen Park Dr., S.W.
P. O. Box 47250
Olympia, Washington 98504-7250

Re: **WUTC DOCKET NO. UG-031885; NWN ADVICE NO. WUTC 03-4:
GENERAL RATE APPLICATION: Revised Exhibit No. ____ (SCH-1)**

As required by *WAC 480-09-736(6)(b)* and *(10)*, enclosed are an original and 12 copies of the above-referenced revised prefiled direct testimony of Samuel C. Hadaway, and an electronic version of the above-referenced exhibit. Revisions to this exhibit are highlighted to clearly indicate the changes from the company's original submission, dated November 19, 2003, for comparative purposes and corrects the following pages of witness Hadaway's direct testimony.

Exhibit No. ____ (SCH-1) Hadaway Direct Return on Equity NW Natural 11-26-03:

1. Page 9, lines 8 – 16; removed italics.
2. Page 18, line 1; corrected and inserted new Single-A Utility Rate percentages.
3. Page 18, line 16; filled in Exhibit No. citation.
4. Page 21, lines 27 and 29; corrected utility interest rate percentages.
5. Page 22, line 2; corrected indicated ROE percentages.
6. Page 25, line 18; corrected resulting risk premium and single-A utility debt percentages.
7. Page 26, lines 13, 14, and 20; corrected single-A cost of equity percentages, and updated Footnote 3 citation.
8. Page 27, lines 7, 9 – 11, 16, 18, and 20; corrected Risk Premium Analysis percentages, as well as those shown under "Indicated Cost" column.
9. "REVISED 11-26-03" has been added to the footer of each revised exhibit page.

Please do not hesitate to contact me if you have any questions about these materials, or if further information about them is needed.

Sincerely,

C. Alex Miller, General Manager
Rates & Regulatory Affairs

enclosures