

06-080753-SI

Rates and Regulatory Affairs
Facsimile: 503.721.2532

 NW Natural	220 NW 2ND AVENUE PORTLAND, OR 97209
	TEL 503.226.4211
	www.nwnatural.com

April 30, 2008

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

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 WASHINGTON UTILITIES & TRANSPORTATION COMMISSION
 2008 APR 30 AM 9:07

Re: **ANNUAL COMMISSION BASIS REPORT FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007 WITHOUT WORKPAPERS**

Dear Ms. Washburn:

Enclosed are an original and three copies of the Company's Annual Commission Basis Report without workpapers for the 12 months ended December 31, 2007. This Report is submitted under *WAC 480-90-257*. Workpapers will be provided under separate cover.

Please feel free to call me if you have any questions.

Sincerely,



Natasha Siores
Senior Rates Analyst

NCS/kcm
enclosures



NW Natural

REPORT:

ANNUAL COMMISSION BASIS REPORT
WITHOUT WORKPAPERS

(for the 12 months ended December 31, 2007)

PREPARED BY:

NATASHA SIORES

RATES & REGULATORY AFFAIRS

Line No.		Test Year Results (a)	Adjustments (b)	Test Year Adjusted (c)
	Operating Revenues			
1	Sale of Gas	\$92,609,378	(\$1,536,022)	\$91,073,356
2	Transportation	914,977	34,322	949,299
3	Miscellaneous Revenues	234,369	0	234,369
4	Total Operating Revenues	93,758,724	(1,501,700)	92,257,024
	Operating Revenue Deductions			
5	Gas Purchased	58,333,078	(555,116)	57,777,962
6	Uncollectible Accrual for Gas Sales	312,021	(4,016)	308,005
7	Other Operating & Maintenance Expenses	11,834,638	(671,039)	11,163,599
8	Total Operating & Maintenance Expense	70,479,737	(1,230,171)	69,249,566
9	Federal Income Tax	2,220,697	(126,978)	2,093,719
10	Property Taxes	929,943	0	929,943
11	Other Taxes	4,345,445	(60,849)	4,284,596
12	Depreciation & Amortization	7,246,205	0	7,246,205
13	Total Operating Revenue Deductions	85,222,028	(1,417,998)	83,804,029
14	Net Operating Revenues	\$8,536,696	(\$83,702)	\$8,452,994
15	Total Rate Base	\$122,482,238	\$4,693,390	\$127,175,628
16	Rate of Return	6.97%		6.65%
17	Return on Common Equity	7.29%		6.66%