

UG-082050-51

Rates and Regulatory Affairs
Facsimile: 503.721.2532

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

November 12, 2008

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

RECEIVED
 2008 NOV 12 PM 2:08
 STATE OF WASH
 UTIL AND TRANSP
 COMMISSION

Dear Ms. Washburn,

Per WAC 480-90-275, attached are an original and two copies of the company's Results of Operations for the third quarter (July-September), 2008.

Included within each month's section is a summary of the rate of return on rate base, an income statement presentation of results, a report of operations and maintenance expense broken out by FERC account and a detailed report of operations and maintenance expense which shows the allocation methodology used. Each month's section also includes a report for the 12 months ending each month on the rate of return on rate base and the income statement presentation of results.

Also attached are a report of allocation factors and a report of gross plant and accumulated depreciation at December 31, 2006 and 2007. Finally, volumes, customers and use per customer are presented on monthly and 12-months ended bases for 2007 and 2008.

Reports are presented with system results, as well as with results for each state.

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

Sincerely,



Natasha C. Siores
Senior Rates Analyst
Rates & Regulatory Affairs
Extension 3588

attachments

**NW Natural
Washington Results of Operations
12 Month Ended Reports**

Summary

Total Operating Revenue

Total Rate Base

Rate Of Return on Rate Base

		September '2008					
System Direct	System Allocated	System		Washington		Oregon	
		Total	Direct	Allocated	Total	Direct	Allocated
		88,831,133			8,978,293		79,852,840
		1,050,687,731			130,607,199		920,080,532
		8.45%			6.87%		8.68%

**NW Natural
Washington Results of Operations
12 Month Ended Reports**

Acct	Description	Alloc. Ref.	System		Washington		Washingt		Oregon		Oregon Total
			Direct	Allocated	Direct	Total	Direct	Allocated	Direct	Allocated	
480.1	Sales of Gas										
481.1	Residential		562,564,551	-	57,694,475	-	57,694,475	504,870,075	-	504,870,075	
481.2	Commercial		295,066,225	-	25,772,375	-	25,772,375	269,293,850	-	269,293,850	
481.3	Industrial Firm		46,853,704	-	3,319,183	-	3,319,183	43,534,522	-	43,534,522	
481.5	Interruptible		68,944,454	-	5,436,797	-	5,436,797	63,507,657	-	63,507,657	
495.20	Unbilled Revenue		-	(3,607,571)	-	(466,530)	(466,530)	-	(3,141,040)	(3,141,040)	
	Total Sales of Gas	A	973,428,935	(3,607,571)	92,222,830	(466,530)	91,756,300	881,206,105	(3,141,040)	878,065,064	
489.12	Transportation Revenue										
489.13	Industrial Firm		6,261,399	-	158,258	-	158,258	6,103,141	-	6,103,141	
489.15	Interruptible		8,122,956	-	88,830	-	88,830	8,034,126	-	8,034,126	
489.3	Agency Fee/Balancing		12,614	-	-	-	-	12,614	-	12,614	
	Total Transportation Revenue		14,396,969	-	247,088	-	247,088	14,149,881	-	14,149,881	
495.6	Rate Adjustments - Amortizations		9,302,462	-	-	-	-	9,302,462	-	9,302,462	
487	Miscellaneous Revenues										
488.1	Late Payment Charge		3,204,235	-	162,586	-	162,586	3,041,650	-	3,041,650	
488.3	Returned Check Charge		170,707	-	19,665	-	19,665	151,042	-	151,042	
488.4	Recon Charge CR During Office Hours		276,190	-	27,550	-	27,550	248,640	-	248,640	
488.5	Field Collection Charge		305,195	-	40,050	-	40,050	265,145	-	265,145	
488.6	Recon Charge CR After Office Hours		361,475	-	51,625	-	51,625	309,850	-	309,850	
488.7	Recon Charge Seas During Office Hours		18,100	-	1,650	-	1,650	16,450	-	16,450	
488.8	Recon Charge Seas After Office Hours		4,825	-	350	-	350	4,475	-	4,475	
488.8	Automated Payment Charge		151,517	-	21,363	-	21,363	130,155	-	130,155	
493.2	Rent - Utility Property	B	-	214,487	-	9,384	9,384	171,009	205,103	376,112	
495.1	Meter Rentals		190,087	-	19,078	-	19,078	171,009	-	171,009	
495.2	Other Gas Revenue - Miscellaneous		270,342	-	(63,984)	-	(63,984)	334,326	-	334,326	
	Total Miscellaneous Revenues		4,952,674	214,487	279,932	9,384	289,316	4,672,742	205,103	4,877,844	
	Total Operating Revenue		1,002,081,039	(3,393,084)	92,749,850	(457,146)	92,292,704	909,331,189	(2,935,937)	906,395,252	
804.7	Cost of Gas										
805.7	WACOG Incurred		593,822,909	-	55,999,055	-	55,999,055	537,823,854	-	537,823,854	
804.6	WACOG Deferred		(6,510,564)	-	(1,299,555)	-	(1,299,555)	(5,211,009)	-	(5,211,009)	
805.8	Demand Incurred		86,831,242	-	7,840,497	-	7,840,497	78,990,746	-	78,990,746	
805.4	Demand Deferred		6,067,893	-	589,832	-	589,832	5,478,061	-	5,478,061	
	Amortization of Gas Costs		(39,585,340)	-	(7,241,173)	-	(7,241,173)	(32,344,167)	-	(32,344,167)	
	Total Cost of Gas		640,626,140	-	55,888,656	-	55,888,656	584,737,485	-	584,737,485	
Detail	Operations & Maintenance	O&M	7,088,595	108,970,164	666,120	11,091,095	11,757,215	6,422,475	97,879,069	104,301,544	
408.11	Other Taxes										
408.12	Property		18,677,607	-	1,213,338	-	1,213,338	17,464,269	-	17,464,269	
408.13	Franchise		24,772,944	-	3,617,298	-	3,617,298	21,155,646	-	21,155,646	
408.14	Payroll		-	4,338,679	-	430,338	430,338	3,908,341	-	3,908,341	
408.15	Other		243,398	-	-	-	-	243,398	-	243,398	
	Regulatory		2,492,996	-	187,467	-	187,467	2,305,529	-	2,305,529	
	Total Other Taxes		46,186,945	4,338,679	5,018,103	430,338	5,448,441	41,168,842	3,908,341	45,077,183	
403.1	Depreciation	D	-	69,842,028	-	7,407,972	7,407,972	-	62,434,056	62,434,056	
409.11	Income Taxes										
410.11	Federal Income Taxes		22,262,060	-	2,883,572	-	2,883,572	-	-	19,378,488	
411.42	Federal Income Tax Credit - Deferred		33,025,098	-	-	-	-	-	-	33,025,098	
409.12	Federal Income Tax Credit		(27,454,535)	-	(71,445)	-	(71,445)	-	-	(27,383,090)	
410.12	Oregon Income Taxes		4,002,840	-	-	-	-	-	-	4,002,840	
411.12	Oregon Income Taxes - Deferred		5,449,087	-	-	-	-	-	-	5,449,087	
	Total Income Taxes		(4,480,279)	-	-	-	-	-	-	(4,480,279)	
	Total Operating Revenue Deductions		693,901,680	183,150,872	61,572,879	18,929,405	83,314,411	632,328,801	164,221,467	826,542,412	
	Net Operating Income		88,831,133	-	8,978,293	-	8,978,293	-	-	79,852,840	

	System Direct	System Allocated	System Total	Washington Direct	Washington Allocated	Washington Total	Oregon Direct	Oregon Allocated	Oregon Total
12 Month Ended Reports									
Rate Base									
101 Gross Plant			2,037,020,267			219,370,473			1,817,649,794
108.1X Accumulated Depreciation		(838,709,651)			(75,395,592)				(763,314,059)
117.X Storage Gas - Cushion		14,203,579			1,348,621				12,854,958
186.XX Leasehold Improvements		2,396,718			235,754				2,160,964
252.XX Customer Contributions		(2,432,759)			(181,339)				(2,251,420)
283.XX Deferred Taxes - Federal		(136,449,669)			(14,770,718)				(121,678,950)
283.XX Deferred Taxes - State		(25,340,755)			-				(25,340,755)
Total Rate Base			1,050,687,731			130,607,199			920,080,532
			8.45%			6.87%			8.68%
Rate Of Return on Rate Base									
Allocation References:									
A Unbilled Therms			100.00%			12.83%			87.07%
B Follows plant split			100.00%			4.38%			95.62%
O&M See O&M Detail									
C Payroll Factor			100.00%			9.92%			90.08%
D Depreciation Factor			100.00%			10.61%			89.39%

**NW Natural
Washington Results of Operations
Summary**

Total Operating Revenue

Total Rate Base

Rate Of Return on Rate Base

	System Direct	System Allocated	System Total	Washington Direct	Washington Allocated	Washington Total	Oregon Direct	Oregon Allocated	Oregon Total
Total Operating Revenue			(988,392)			(162,531)			(825,861)
Total Rate Base			1,057,743,006			129,276,046			928,466,960
Rate Of Return on Rate Base			-0.09%			-0.13%			-0.09%

**NW Natural
Washington Quarterly Results of Operations Report**

Acct	Description	Alloc. Ref.	System				September 2008													
			System Direct	System Allocated	System Total	Washington Direct	Washington Allocated	Washington Total	Oregon Direct	Oregon Allocated	Oregon Total									
480.1	Sales of Gas																			
481.1	Residential		15,431,087	1,117,931	15,431,087	1,636,201	57,472	1,636,201	13,794,885	1,060,459	13,794,885									
481.2	Commercial		10,562,586	1,117,931	10,562,586	928,161	57,472	928,161	9,634,426	1,060,459	9,634,426									
481.3	Industrial Firm		3,227,750		3,227,750	186,445		186,445	3,041,305		3,041,305									
481.5	Interruptible		4,938,549		4,938,549	435,113		435,113	4,503,435		4,503,435									
495.20	Interruptible Incentive																			
495.20	Unbilled Revenue																			
	Total Sales of Gas	A	34,159,971	1,117,931	35,277,903	3,185,920	57,472	3,243,392	30,974,051	1,060,459	32,034,510									
489.12	Transportation Revenue																			
489.13	Industrial Firm		504,351		504,351				504,351		504,351									
489.15	Interruptible		658,802		658,802				658,802		658,802									
489.3	Agency Fee/Balancing																			
	Total Transportation Revenue		1,163,153		1,163,153				1,163,153		1,163,153									
495.6	Rate Adjustments - Amortizations		268,479		268,479				268,479		268,479									
	Miscellaneous Revenues		147,876		147,876	7,193		7,193	140,684		140,684									
487	Late Payment Charge		11,670		11,670	1,365		1,365	10,305		10,305									
488.3	Returned Check Charge		20,025		20,025	2,125		2,125	17,900		17,900									
488.4	Field Collection Charge		22,740		22,740	2,805		2,805	19,935		19,935									
488.5	Recon Charge CR After Office Hours		20,325		20,325	3,450		3,450	16,875		16,875									
488.6	Recon Charge Seas During Office Hours		700		700	100		100	600		600									
488.7	Recon Charge Seas After Office Hours		225		225	50		50	175		175									
488.8	Automated Payment Charge		9,223		9,223	1,288		1,288	7,935		7,935									
493.2	Rent - Utility Property	B	20,288		20,288				20,288		20,288									
495.1	Meter Rentals		16,228		16,228	1,609		1,609	14,619		14,619									
495.2	Other Gas Revenue - Miscellaneous		71,173		71,173	(1,951)		(1,951)	73,124		73,124									
	Total Miscellaneous Revenues		320,184		340,472	18,032		18,032	302,152		322,440									
	Total Operating Revenue		35,911,787	1,138,219	37,050,007	3,203,953	57,472	3,261,425	32,707,835	1,080,747	33,788,582									
	Cost of Gas																			
804.7	WACOG Incurred		21,612,193		21,612,193	2,016,644		2,016,644	19,595,549		19,595,549									
805.7	WACOG Deferred		(1,642,155)		(1,642,155)	(149,827)		(149,827)	(1,492,328)		(1,492,328)									
804.6	Demand Incurred		7,182,554		7,182,554	645,620		645,620	6,536,934		6,536,934									
805.8	Demand Deferred		(3,958,838)		(3,958,838)	(377,825)		(377,825)	(3,581,013)		(3,581,013)									
805.4	Amortization of Gas Costs		(1,497,094)		(1,497,094)	(256,091)		(256,091)	(1,241,003)		(1,241,003)									
	Total Cost of Gas		21,696,660		21,696,660	1,878,521		1,878,521	19,818,139		19,818,139									
	Operations & Maintenance	O&M	490,069	9,007,687	9,497,756	5,393	905,446	910,839	484,675	8,102,241	8,586,916									
	Other Taxes																			
408.11	Property		1,593,621		1,593,621	100,108		100,108	1,493,513		1,493,513									
408.12	Franchise		966,884		966,884	134,611		134,611	832,273		832,273									
408.13	Payroll	C	134,856		134,856		13,337	13,337	(49,416)		(49,416)									
408.14	Other		(49,416)		(49,416)															
408.15	Regulatory																			
	Total Other Taxes		2,511,089	134,856	2,645,945	234,719	13,337	248,056	2,276,370	121,519	2,397,889									
403.1	Depreciation	D	5,831,351		5,831,351	626,812		626,812	5,204,539		5,204,539									
	Income Taxes																			
409.11	Federal Income Taxes		(1,091,259)		(1,091,259)				(233,885)		(233,885)									
410.11	Federal Income Taxes - Deferred		1,236,907		1,236,907															
411.42	Federal Income Tax Credit		(1,376,222)		(1,376,222)				(6,387)		(6,387)									
409.12	Oregon Income Taxes		(299,512)		(299,512)															
410.12	Oregon Income Taxes - Deferred		225,044		225,044															
411.12	Oregon Income Tax Credit		(328,271)		(328,271)															
	Total Income Taxes		(1,633,313)		(1,633,313)				(240,272)		(240,272)									
	Total Operating Revenue Deductions		24,697,818	14,973,894	38,038,399	2,118,633	1,545,595	3,423,956	22,579,185	13,428,299	34,614,443									
	Net Operating Income		(988,392)		(988,392)															

	System		Washington		Washington		Oregon	
	Direct	Allocated	Direct	Allocated	Direct	Allocated	Direct	Allocated
Rate Base								
101 Gross Plant		2,074,921,071			219,955,803			1,854,965,268
108.1X Accumulated Depreciation		(866,342,955)			(76,832,506)			(789,410,449)
117.X Storage Gas - Cushion		14,174,171			1,349,381			12,824,790
186.XX Leasehold Improvements		2,273,598			223,691			2,049,906
252.XX Customer Contributions		(2,636,673)			(195,095)			(2,441,578)
283.XX Deferred Taxes - Federal		(138,892,154)			(15,125,229)			(123,766,925)
283.XX Deferred Taxes - State		(25,754,052)			-			(25,754,052)
Total Rate Base		1,057,743,006			129,276,046			928,466,960
Rate Of Return on Rate Base		-0.09%			-0.13%			-0.09%
Allocation References:								
A Unbilled Therms		100.00%			4.96%			95.04%
B Follows plant split		100.00%			0.10			90.15%
OO: See OO&M Detail								
C Payroll Factor		100.00%			9.89%			90.11%
D Depreciation Factor		100.00%			10.75%			89.25%

NW Natural
Washington Quarterly Results of Operations Report
Operations and Maintenance Expense: Allocation of System Amounts
For the Month Ended September 30, 2008

Month

	System	Washington	Oregon
Natural Gas Storage			
Underground Storage Expense			
Operation			
816 Wells Expense	\$22,368	\$2,129	\$20,239
818 Compressor Station Expense	24,285	2,312	21,973
819 Compressor Station Fuel	0	-	0
820 Measuring and Regulator Station Expense	146,775	13,973	132,802
821 Purification Expense	3,001	286	2,715
Maintenance			
832 Wells Expense	14,722	1,402	13,321
Total Underground Storage Expense	211,152	20,102	191,050
Other Storage Expense			
Operation			
840 Supervision and Engineering	7,193	685	6,508
Total Other Storage Expense	7,193	685	6,508
Liquified Natural Gas Expense			
Operation			
844 Supervision and Engineering	179,158	16,301	162,856
845 LNG Fuel	(17,282)	(1,645)	(15,637)
Maintenance			
847 Supervision and Engineering	90,130	8,580	81,549
Total Liquified Natural Gas Expense	252,005	23,236	228,769
Total Natural Gas Storage	470,350	44,023	426,327
Transmission Expense			
Operation			
856 Mains Expense	60,436	5,953	54,483
Maintenance			
863 Maintenance of Mains	4,803	473	4,330
Total Transmission Expense	65,239	6,426	58,813
Distribution Expense			
Operation			
870 Supervision and Engineering	146,880	11,553	135,327
874 Mains and Services Expense	625,228	76,399	548,829
875 Measuring and Regulator Station Expense - General	21,898	1,711	20,187
877 Measuring and Regulator Station Expense - City Gate	200,445	14,295	186,150
878 Meter and House Regulator Expense	453,669	44,384	409,285
879 Customer Installation Expense	446,569	44,882	401,687
880 Other Expense	82,270	2,467	79,802
881 Rents	13,374	1,317	12,056

	System	Washington	Oregon
Maintenance			
885 Supervision and Engineering	271,537	25,533	246,004
887 Mains	175,558	13,883	161,675
889 Measuring and Regulator Station Expense - General	54,623	3,593	51,030
891 Measuring and Regulator Station Expense - City Gate	3,780	274	3,506
892 Services	116,273	6,086	110,186
893 Meters and House Regulators	155,753	13,174	142,579
894 Other Equipment	575	1	573
Total Distribution Expense	2,768,431	259,554	2,508,877
Customer Accounts Expense			
Operation			
901 Supervision	94,798	9,338	85,461
902 Meter Reading Expenses	301,578	39,159	262,419
903 Customer Records and Collection Expense	1,310,496	129,392	1,181,105
904 Uncollectible Accounts	(19,653)	(2,898)	(16,755)
Total Customer Accounts Expense	1,687,220	174,990	1,512,229
Customer Service and Informational			
Operation			
907 Supervision	26,320	2,700	23,620
908 Customer Assistance Expense	388,344	26,862	361,482
909 Customer Information Expense	134,358	13,785	120,572
910 Miscellaneous Customer Service Expense	12,846	1,318	11,528
Total Customer Service and Informational	561,868	44,665	517,203
Sales Expense			
Operation			
911 Supervision	25,320	2,577	22,743
912 Demonstration and Selling Expense	199,722	19,868	179,854
913 Advertising	41,624	3,563	38,061
916 Miscellaneous Sales Expense	167	17	150
Total Sales Expense	266,832	26,024	240,808
Administrative and General Expense			
Operation			
921 Office Supplies and Expense	3,089,460	316,698	2,772,762
922 Administrative Expenses Transferred - Credit	(1,268,729)	(142,128)	(1,126,601)
924 Property Insurance Premium	119,302	11,751	107,551
925 Injuries and Damages	309,719	30,507	279,212
926 Employee Pensions and Benefits	575,975	58,775	517,200
930 Miscellaneous General Expense	177,862	17,519	160,343
931 Rents	352,705	34,741	317,963
Maintenance			
935 Maintenance of General Plant	321,521	27,292	294,229
Total Administrative and General Expense	3,677,816	355,156	3,322,660
Total Operations and Maintenance Expense	\$9,497,755	\$910,839	\$8,586,917

NW Natural
Rates & Regulatory Affairs
Operations and Maintenance Expense
State Allocation of System Amounts
For the Month Ended September 30, 2008

FERC Descr	System			Washington			Oregon			Allocation Method
	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total	
816 Wells Expense Total	0.00	22,368.26	22,368.26	0.00	2,129.46	2,129.46	0.00	20,238.80	20,238.80	Firm Volumes Total
818 Compressor Station Expense Total	0.00	24,284.77	24,284.77	0.00	2,311.92	2,311.92	0.00	21,972.85	21,972.85	Firm Volumes Total
819 Compressor Station Fuel Total	0.00	0.04	0.04	0.00	0.00	0.00	0.00	0.04	0.04	Firm Volumes Total
820 Measuring and Regulator Station Expense Total	0.00	146,775.38	146,775.38	0.00	13,973.01	13,973.01	0.00	132,802.37	132,802.37	Firm Volumes Total
821 Purification Expense Total	0.00	3,000.81	3,000.81	0.00	285.68	285.68	0.00	2,715.13	2,715.13	Firm Volumes Total
832 Wells Expense Total	0.00	14,722.27	14,722.27	0.00	1,401.56	1,401.56	0.00	13,320.71	13,320.71	Firm Volumes Total
840 Supervision and Engineering Total	0.00	7,193.01	7,193.01	0.00	684.78	684.78	0.00	6,508.23	6,508.23	Firm Volumes Total
844 Supervision and Engineering Total	0.00	171,232.61	171,232.61	0.00	16,301.35	16,301.35	0.00	154,931.26	154,931.26	Direct-OR Total
845 LNG Fuel Total	0.00	(17,282.23)	(17,282.23)	0.00	(1,645.27)	(1,645.27)	0.00	(15,636.96)	(15,636.96)	Firm Volumes Total
847 Supervision and Engineering Total	0.00	90,129.86	90,129.86	0.00	8,580.37	8,580.37	0.00	81,549.49	81,549.49	Firm Volumes Total
855 Mains Expense Total	0.00	60,436.15	60,436.15	0.00	5,952.96	5,952.96	0.00	54,483.19	54,483.19	3-factor Total
863 Maintenance of Mains Total	0.00	4,802.60	4,802.60	0.00	473.06	473.06	0.00	4,329.54	4,329.54	3-factor Total
870 Supervision and Engineering Total	0.00	53,233.70	53,233.70	0.00	5,243.52	5,243.52	0.00	47,990.18	47,990.18	3-factor Total
874 Mains and Services Expense Total	2,151.86	11,702.18	13,854.04	0.00	844.90	844.90	0.00	10,857.28	10,857.28	Direct-OR Total
875 Measuring and Regulator Station Expense - General Total	2,151.86	8,043.75	10,195.61	0.00	866.31	866.31	0.00	7,177.44	7,177.44	Direct-OR Total
877 Measuring and Regulator Station Expense - City Gate	2,455.84	19,745.93	22,201.77	0.00	1,711.21	1,711.21	0.00	18,034.72	18,034.72	Telemetering Total
878 Meter and House Regulator Expense Total	0.00	430,063.95	430,063.95	0.00	43,307.44	43,307.44	0.00	386,756.51	386,756.51	Direct-OR Total
879 Customer Installation Expense Total	0.00	13,188.84	13,188.84	0.00	1,299.11	1,299.11	0.00	11,889.73	11,889.73	Direct-OR Total
880 Other Expense Total	494.92	81,774.70	82,269.62	(5,505.84)	7,973.28	2,467.44	6,000.76	73,801.42	79,802.18	Customers-All Total
881 Rents Total	0.00	13,373.73	13,373.73	0.00	1,317.31	1,317.31	0.00	12,056.42	12,056.42	Customers-Ind Total
885 Supervision and Engineering Total	52,090.41	219,446.65	271,537.06	4,080.98	21,451.97	25,532.95	48,009.43	197,994.88	246,004.31	Customers-Res Total

For the Month Ended September 30, 2008

FERC Desc	System			Washington			Oregon			Allocation Method
	Direct	Total	Allocated	Direct	Total	Allocated	Direct	Total	Allocated	
	Sep	Sep	Sep	Sep	Sep	Sep	Sep	Sep	Sep	
887 Mains Total	0.00	92,704.86	0.00	0.00	9,131.44	0.00	0.00	83,573.42	3-factor Total	
	0.00	6,659.18	0.00	0.00	736.77	0.00	0.00	5,922.41	Customers-Port/Van 80% Total	
	0.00	1,084.83	0.00	0.00	279.78	0.00	0.00	805.05	Customers-The Dalles Total	
	0.00	71,374.28	0.00	0.00	3,734.59	0.00	0.00	71,374.28	Direct-OR Total	
	0.00	3,734.59	0.00	3,734.59	13,882.58	0.00	0.00	0.00	Direct-WA Total	
889 Measuring and Regulator Station Expense - General TC	75,108.87	100,448.87	175,557.74	10,147.99	13,882.58	237.41	237.41	90,300.88	3-factor Total	
	0.00	2,410.28	0.00	0.00	0.00	0.00	0.00	2,172.87	Direct-OR Total	
	0.00	12,734.55	0.00	0.00	1,822.37	0.00	0.00	12,734.55	Customers-Comm Total	
	0.00	25,240.47	0.00	0.00	1,533.40	0.00	0.00	23,418.10	Customers-Res Total	
	0.00	14,237.71	0.00	0.00	3,593.18	0.00	0.00	12,704.31	Telemetering Total	
889 Measuring and Regulator Station Expense - General TC	41,886.46	54,623.01	46.55	0.00	4.59	0.00	0.00	38,295.28	3-factor Total	
	0.00	3,733.78	3,733.78	0.00	269.58	0.00	0.00	3,464.20	Direct-OR Total	
891 Measuring and Regulator Station Expense - City Gate	0.00	3,780.33	2,659.55	0.00	261.97	0.00	0.00	3,518.58	3-factor Total	
	0.00	104,519.88	0.00	0.00	5,570.00	0.00	0.00	104,519.88	Direct-OR Total	
	0.00	5,570.00	0.00	5,570.00	254.37	0.00	0.00	3,268.83	Direct-WA Total	
892 Services Total	110,089.88	6,182.75	116,272.63	5,570.00	6,066.34	141.42	141.42	110,186.29	3-factor Total	
	0.00	1,435.76	81,018.36	0.00	8,158.55	0.00	0.00	72,859.81	Customers-All Total	
	0.00	16,458.08	1,370.96	0.00	1,370.96	0.00	0.00	15,087.12	Customers-Comm Total	
	0.00	2,095.16	1,685.47	0.00	1,685.47	0.00	0.00	1,969.45	Customers-Ind Total	
	0.00	16,427.57	0.00	0.00	0.00	0.00	0.00	14,742.10	Customers-Res Total	
	0.00	14,883.34	0.00	0.00	1,691.97	0.00	0.00	14,883.34	Direct-OR Total	
893 Meters and House Regulators Total	14,883.34	140,869.57	155,752.91	0.00	13,174.08	0.00	0.00	142,578.83	Direct-OR Total	
	0.00	10.55	0.00	0.00	1.06	0.00	0.00	9.49	Customers-All Total	
	563.99	563.99	0.00	0.00	0.00	0.00	0.00	563.99	Customers-OR Total	
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Direct-WA Total	
894 Other Equipment Total	563.99	10.55	574.54	0.00	1.06	0.00	0.00	573.48	3-factor Total	
	0.00	94,764.87	94,764.87	0.00	9,334.34	0.00	0.00	85,430.53	Customers-All Total	
	0.00	33.43	33.43	0.00	3.37	0.00	0.00	30.06	Customers-Res Total	
901 Supervision Total	0.00	94,798.30	94,798.30	0.00	9,337.71	0.00	0.00	85,460.59	3-factor Total	
	0.00	395.20	395.20	0.00	38.93	0.00	0.00	356.27	Customers-Port/Van Total	
	0.00	236,551.56	236,551.56	0.00	32,715.08	0.00	0.00	203,836.48	Customers-All Total	
	0.00	42,666.64	42,666.64	0.00	4,296.53	0.00	0.00	38,370.11	Customers-Ind Total	
	0.00	1,089.60	1,089.60	0.00	65.38	0.00	0.00	1,024.22	Customers-Res Total	
	0.00	19,915.79	19,915.79	0.00	2,043.36	0.00	0.00	17,872.43	Direct-OR Total	
902 Meter Reading Expenses Total	959.24	300,618.79	301,578.03	0.00	39,159.28	0.00	0.00	262,418.75	3-factor Total	
	0.00	785,900.48	785,900.48	0.00	77,411.20	0.00	0.00	708,489.28	Customers-All Total	
	0.00	127,765.98	127,765.98	0.00	12,866.03	0.00	0.00	114,899.95	Customers-Comm Total	
	0.00	34,141.36	34,141.36	0.00	0.00	0.00	0.00	32,092.88	Customers-Ind Total	
	0.00	361,266.44	361,266.44	0.00	37,065.95	0.00	0.00	324,200.49	Customers-Res Total	
	1,422.27	0.00	1,422.27	0.00	0.00	0.00	0.00	1,422.27	Direct-OR Total	
903 Customer Records and Collection Expense Total	1,422.27	1,309,073.89	1,310,496.16	0.00	129,391.63	0.00	0.00	1,179,682.26	Customers-All Total	
	0.00	(42,487.20)	(42,487.20)	0.00	(4,278.46)	0.00	0.00	(38,208.74)	Customers-Comm Total	
	0.00	10,853.01	10,853.01	0.00	904.06	0.00	0.00	9,948.95	Customers-Ind Total	
	0.00	7,935.30	7,935.30	0.00	476.12	0.00	0.00	7,459.18	Customers-Res Total	
904 Uncollectible Accounts Total	4,046.00	(23,698.89)	(19,652.89)	0.00	(2,898.28)	0.00	0.00	(16,754.61)	Customers-All Total	
	0.00	(3.75)	(3.75)	0.00	(0.38)	0.00	0.00	(3.37)	Customers-Res Total	
	0.00	26,324.10	26,324.10	0.00	2,700.85	0.00	0.00	23,623.25	3-factor Total	
	0.00	26,320.35	26,320.35	0.00	2,700.47	0.00	0.00	23,619.88	Customers-Comm Total	
907 Supervision Total	0.00	23,602.61	23,602.61	0.00	2,324.86	0.00	0.00	21,277.75	3-factor Total	
	0.00	232,447.41	232,447.41	0.00	23,407.46	0.00	0.00	209,039.95	Customers-All Total	
	0.00	13,579.80	13,579.80	0.00	1,131.19	0.00	0.00	12,448.61	Customers-Comm Total	
	0.00	68,774.47	68,774.47	0.00	4,126.47	0.00	0.00	64,648.00	Customers-Ind Total	
	0.00	16,796.06	16,796.06	0.00	1,723.28	0.00	0.00	15,072.78	Customers-Res Total	
	0.00	320.94	320.94	0.00	82.77	0.00	0.00	238.17	Direct-OR Total	
	38,738.96	0.00	38,738.96	0.00	0.00	0.00	0.00	38,738.96	Direct-WA Total	
	(5,936.38)	0.00	(5,936.38)	0.00	0.00	0.00	0.00	0.00	Employee Cost Total	
908 Customer Assistance Expense Total	32,802.58	355,541.29	388,343.87	0.00	32,796.08	0.00	0.00	322,743.21	Customers-Res Total	
	0.00	134,357.53	134,357.53	0.00	13,785.08	0.00	0.00	120,572.45	Customers-Res Total	
909 Customer Information Expense Total	0.00	134,357.53	134,357.53	0.00	13,785.08	0.00	0.00	120,572.45	Customers-Res Total	
910 Miscellaneous Customer Service Expense Total	0.00	12,846.06	12,846.06	0.00	1,318.01	0.00	0.00	11,528.05	Customers-Res Total	

For the Month Ended September 30, 2008

FERC Descr	System				Washington				Oregon				Allocation Method
	Direct	Total		Direct	Total		Direct	Total		Direct	Total		
		Allocated	Allocated		Allocated	Allocated		Allocated	Allocated		Allocated	Allocated	
	0.00	11,144.97	11,144.97	0.00	1,122.30	1,122.30	0.00	10,022.67	10,022.67	0.00	12,720.23	12,720.23	Customers-All Total
	0.00	14,174.54	14,174.54	0.00	1,454.31	1,454.31	0.00	12,720.23	12,720.23	0.00	22,742.90	22,742.90	Customers-Res Total
911 Supervision Total	0.00	25,319.51	25,319.51	0.00	2,576.61	2,576.61	0.00	22,742.90	22,742.90	0.00	5,403.37	5,403.37	3-factor Total
	0.00	5,993.76	5,993.76	0.00	590.39	590.39	0.00	164,538.09	164,538.09	0.00	9,070.89	9,070.89	Customers-All Total
	0.00	182,962.39	182,962.39	0.00	18,424.30	18,424.30	0.00	164,538.09	164,538.09	0.00	253.48	253.48	Customers-Comm Total
	0.00	9,895.16	9,895.16	0.00	824.27	824.27	0.00	588.00	588.00	0.00	179,853.83	179,853.83	Customers-Res Total
	0.00	282.46	282.46	0.00	28.98	28.98	0.00	588.00	588.00	0.00	0.00	0.00	Direct-OR Total
912 Demonstration and Selling Expense Total	588.00	199,133.77	199,721.77	0.00	19,867.94	19,867.94	588.00	179,265.83	179,265.83	588.00	0.00	0.00	3-factor Total
	0.00	36,682.62	36,682.62	0.00	3,055.66	3,055.66	0.00	33,626.96	33,626.96	0.00	4,434.18	4,434.18	Customers-Comm Total
	0.00	4,941.14	4,941.14	0.00	506.96	506.96	0.00	38,061.14	38,061.14	0.00	150.14	150.14	Customers-Res Total
913 Advertising Total	0.00	41,623.76	41,623.76	0.00	3,562.62	3,562.62	0.00	150.14	150.14	0.00	0.00	0.00	Customers-Res Total
	0.00	167.30	167.30	0.00	17.16	17.16	0.00	150.14	150.14	0.00	0.00	0.00	3-factor Total
916 Miscellaneous Sales Expense Total	0.00	167.30	167.30	0.00	17.16	17.16	0.00	150.14	150.14	0.00	0.00	0.00	Customers-All Total
	0.00	2,324,038.55	2,324,038.55	0.00	228,917.81	228,917.81	0.00	2,095,120.74	2,095,120.74	0.00	174,783.46	174,783.46	Customers-Res Total
	0.00	194,355.00	194,355.00	0.00	19,571.54	19,571.54	0.00	174,783.46	174,783.46	0.00	0.00	0.00	Direct-OR Total
	55,751.95	0.00	0.00	0.00	0.00	0.00	55,751.95	0.00	0.00	0.00	0.00	0.00	Direct-WA Total
	1,053.26	0.00	0.00	1,053.26	0.00	0.00	0.00	395,443.79	395,443.79	0.00	262.75	262.75	Firm Volumes Total
	0.00	440,655.00	440,655.00	0.00	45,211.21	45,211.21	0.00	51,080.62	51,080.62	0.00	318.97	318.97	Regulatory Total
	0.00	290.40	290.40	0.00	27.65	27.65	0.00	2,772,762.28	2,772,762.28	0.00	733,187.76	733,187.76	Admin Tran Total
	0.00	72,972.31	72,972.31	0.00	21,891.69	21,891.69	0.00	318.97	318.97	0.00	393,412.82	393,412.82	Employee Cost Total
	0.00	343.79	343.79	0.00	24.82	24.82	0.00	107,551.18	107,551.18	0.00	1,126,600.58	1,126,600.58	Sendout Volumes Total
921 Office Supplies and Expense Total	56,805.21	3,032,655.05	3,089,460.26	1,053.26	315,644.72	316,697.98	55,751.95	2,717,010.93	2,772,762.28	0.00	733,187.76	733,187.76	Admin Tran Total
	0.00	(830,337.22)	(830,337.22)	0.00	(97,149.46)	(97,149.46)	0.00	(93,412.82)	(93,412.82)	0.00	(1,126,600.58)	(1,126,600.58)	Employee Cost Total
	0.00	(438,391.82)	(438,391.82)	0.00	(44,979.00)	(44,979.00)	0.00	(1,126,600.58)	(1,126,600.58)	0.00	107,551.18	107,551.18	3-factor Total
922 Administrative Expenses Transferred - Credit Total	0.00	(1,268,729.04)	(1,268,729.04)	0.00	(142,128.46)	(142,128.46)	0.00	107,551.18	107,551.18	0.00	107,551.18	107,551.18	3-factor Total
924 Property Insurance Premium Total	0.00	119,302.47	119,302.47	0.00	11,751.29	11,751.29	0.00	107,551.18	107,551.18	0.00	279,211.70	279,211.70	3-factor Total
	0.00	309,719.04	309,719.04	0.00	30,507.34	30,507.34	0.00	279,211.70	279,211.70	0.00	58,627.80	58,627.80	3-factor Total
	0.00	309,719.04	309,719.04	0.00	30,507.34	30,507.34	0.00	279,211.70	279,211.70	0.00	445,671.11	445,671.11	Employee Cost Total
	0.00	65,033.61	65,033.61	0.00	6,405.81	6,405.81	0.00	12,901.05	12,901.05	0.00	160,342.77	160,342.77	Payroll Total
	0.00	496,624.81	496,624.81	0.00	50,953.70	50,953.70	0.00	160,342.77	160,342.77	0.00	317,963.16	317,963.16	3-factor Total
	0.00	14,317.00	14,317.00	0.00	1,415.95	1,415.95	0.00	0.00	0.00	0.00	0.00	0.00	Customers-All Total
926 Employee Pensions and Benefits Total	0.00	575,975.42	575,975.42	0.00	58,775.46	58,775.46	0.00	517,199.96	517,199.96	0.00	0.00	0.00	Direct-OR Total
	0.00	177,862.20	177,862.20	0.00	17,519.43	17,519.43	0.00	160,342.77	160,342.77	0.00	0.00	0.00	Direct-WA Total
	0.00	177,862.20	177,862.20	0.00	17,519.43	17,519.43	0.00	160,342.77	160,342.77	0.00	0.00	0.00	Direct-WA Total
	0.00	352,704.56	352,704.56	0.00	34,741.40	34,741.40	0.00	317,963.16	317,963.16	0.00	0.00	0.00	Direct-WA Total
930 Miscellaneous General Expense Total	0.00	352,704.56	352,704.56	0.00	34,741.40	34,741.40	0.00	317,963.16	317,963.16	0.00	0.00	0.00	Direct-WA Total
	0.00	242,488.23	242,488.23	0.00	23,885.11	23,885.11	0.00	218,603.12	218,603.12	0.00	6,935.43	6,935.43	Customers-All Total
	0.00	7,712.03	7,712.03	0.00	776.60	776.60	0.00	6,409.91	6,409.91	0.00	67,782.07	67,782.07	Customers-The Dailies Total
	0.00	863.64	863.64	0.00	222.73	222.73	0.00	0.00	0.00	0.00	0.00	0.00	Direct-OR Total
	67,782.07	0.00	0.00	0.00	0.00	0.00	2,378.92	2,378.92	2,378.92	0.00	267.75	267.75	Firm Volumes Total
	2,378.92	0.00	0.00	2,378.92	0.00	0.00	28.17	28.17	28.17	0.00	226,447.21	226,447.21	294,229.28
	0.00	295.92	295.92	0.00	28.17	28.17	0.00	8,102,241.28	8,102,241.28	0.00	8,586,916.70	8,586,916.70	
935 Maintenance of General Plant Total	70,160.99	251,352.82	321,520.81	2,378.92	24,912.61	27,291.53	67,782.07	226,447.21	294,229.28	0.00	226,447.21	294,229.28	
Grand Total	490,068.70	9,007,686.55	9,497,755.25	5,393.28	905,445.27	910,838.55	484,675.42	8,102,241.28	8,586,916.70	0.00	8,586,916.70	8,586,916.70	

NW Natural
Washington Quarterly Results of Operations Report
Selected Balance Sheet Accounts - 2008
System Amounts

	July	August	September	
101000	UTIL PLANT IN SVCE	1,960,180,926	1,963,115,251	1,968,908,796
106000	COMPL CONST NOT CLAS	101,495,324	100,649,106	106,012,275
107000	CONST WORK IN PROGR	22,172,631	27,478,413	24,802,948
108001	RWIP-REMOVAL-B CHARGES	4,399,203	4,539,270	4,493,980
108002	SWIP-SALV UTILITY PLANT C CHARGE	(112,747)	(142,828)	(142,892)
108003	SWIP-SALV TRANSP C CHARGES	(123,523)	147,657	147,657
108004	SWIP-SALV POWER EQUIP C CHARGE	(8,374)	1,202	1,202
108011	DEP PROV-UTIL PLANT	(844,459,903)	(849,728,155)	(854,797,992)
108012	DEP PROV-TRANS EQUIP	(12,443,333)	(11,922,131)	(12,055,358)
108015	DEP PROV-POWER EQUIP	(4,013,052)	(3,949,031)	(3,989,552)
108100	ASSET RETIREMENT OBLIGATION	214,044,094	214,044,094	219,095,362
117001	GAS STORED UNDRGRD-BRUER/FLORA	6,737,549	6,737,549	6,737,549
117002	GAS STORED UNDRGRD-AL'S POOL	1,201,124	1,201,124	1,201,124
117003	GAS STORED UNDRGRD-BUSCH-MIST	1,047,338	1,047,338	1,047,338
117004	GAS STORED UNDRGRD-ADAMS-MIST	14,902	9,884	4,324
117005	GAS STORED UNDRGRD-REICHHOLD	3,140,216	3,140,216	3,140,216
117006	GAS STORED UNDRGRD-SO CALVIN	1,463,743	1,463,743	1,463,743
117007	GAS STORED UNDRGRD-SCHLKR	283,621	283,621	283,621
117008	GAS STORED UNDRGRD-NEWTON	313,209	303,682	296,256
121001	NON-UTIL PROP-DOCK	1,956,033	1,956,033	1,956,033
121002	NON-UTIL PROP-LAND	125,102	125,102	125,102
121003	NON-UTIL PROP-OIL ST	2,201,485	2,201,485	2,201,485
121007	NON-UTIL PROP-APPL CTR HW/SW	7,142	7,142	7,142
121008	NON-UTIL PROP-STORAGE BUSINESS	56,709,018	56,709,018	56,900,977
121044	NON-UTIL PROP-GARDEN BLOC	438,739	438,739	438,739
121045	NON-UTIL PROP-MISC	153,037	153,037	153,037
121107	CONST WORK IN PROGRESS	1,610,667	1,595,999	1,452,096
121117	GAS STORED UNDRGRD-ST HELENS	3,459,313	3,459,313	3,459,313
122027	DEP PROV-DOCK/OIL TK	(3,920,088)	(3,924,046)	(3,928,005)
122028	DEP PROV-INT STOR	(4,745,689)	(4,870,828)	(4,996,214)
123016	INVEST IN NNG FINL	1,050,479	1,042,805	1,046,830
123030	INVEST IN NW ENERGY 123030	(8,518,480)	(8,518,480)	(8,518,480)
123401	INVEST IN GRS	0	0	11,964,463
124005	STOCK INV-CECC MEMB	2,000	2,000	2,000
124050	INITIAL INVESTMENT	10,000	10,000	10,000
124059	INVEST - PALOMAR PIPELINE	9,290,587	11,608,814	11,769,747
124062	INVEST - GILL RANCH	7,742,232	11,271,816	(483,330)
124099	N/R - LONG TERM	500,747	503,435	506,123
124100	CSV FUND I & II	11,298,068	11,337,200	11,376,332
124101	CSV FUND III	2,826,655	2,834,493	2,842,331
124102	CSV RTMNT FUND	5,976,570	5,988,864	6,001,158
124103	CSV COLI 1988 POLICIES	2,540,901	2,549,118	2,557,335
124104	CSV COLI 1990 PLAN	4,490,652	4,500,719	4,510,786
124107	CSV EDC 1990	2,683,744	2,691,008	2,698,272
124108	CSV ESRIP MCG	8,078,484	8,101,821	8,125,158
124109	CSV ESRIP TODD	9,323,855	9,368,923	9,413,991
131001	CASH - WELLS FARGO GENERAL	(170,141)	17,203	(199,942)
131006	CASH - BANK OF AMERICA	62,283	34,124	67,737
131012	CASH - FIRST INDEPENDENT WASH	26	26	26
131032	CASH - BIDWELL- INVESTMENT	1,204	1,204	1,204
131040	US BANK 2901 - REMITTANCE PROCESSING	(3,057)	3,145	(2,673)
131041	US BANK 2919 - ELECTRONIC RECEIVABLES	456,328	59,377	49,832
131042	US BANK 2927 - SECURE ELECTRONIC	(3,531)	90	90
131044	US BANK 9971 - ONLINE RESOURCES	(393,531)	(434,871)	(432,225)
131045	US BANK 2950 - CONCENTRATION	633,622	791,125	1,555,448
131051	CASH - WELLS - PAYROLL	(187,866)	(850,307)	(88,532)
131052	CASH - WELLS - LAWSON AP	(2,201,022)	(2,407,937)	(2,433,278)
131053	CASH - WELLS - WORKERS COMP	(51,219)	(45,735)	(65,803)
131099	CASH - MANUAL CHECKS	(250)	(250)	(250)
131401	CASH - WELLS FARGO GILL RANCH - CONCENTRAT.	0	0	0
131999	RECLASS - O/S CHECKS	2,432,785	4,846,091	2,788,380
134036	MISC DEP - FUND I/II	2,372,557	2,372,557	2,390,557
135002	EMPLOYEE EXPENSE ADVANCES	(1,000)	(1,438)	230
135101	WORKING FUNDS - ALBANY CENTER	1,485	1,485	1,485
135102	WKING FUNDS - ASTORIA	1,460	1,800	1,800
135104	WORKING FUNDS - CES	500	500	500
135106	WORKING FUNDS - THE DALLES	1,699	1,699	1,699
135108	WORKING FUNDS - EUGENE	1,500	1,500	1,500
135109	WORKING FUNDS - GAS SUPPLY - GLENN	3,000	3,000	3,000
135110	WORKING FUNDS - TUALATIN - JORDAN	900	900	900
135111	WORKING FUNDS - GEN MAINT - SHANBECK	7,000	7,000	7,000
135112	WORKING FUNDS - LAND - HORDICHOKE	25,000	25,000	25,000
135113	WORKING FUNDS - LINCOLN CITY	1,400	1,400	1,400
135114	WORKING FUNDS - MARKETING - DOLEZAL	5,000	5,000	5,000
135117	WORKING FUNDS - SALEM	2,500	2,500	2,500
135118	WORKING FUNDS - TUALATIN	50	50	50
135121	WORKING FUNDS - APPL CTR - PITTS	1,900	1,900	1,900
135122	WORKING FUNDS - APPL CTR - PITTS	3,000	3,000	3,000
135125	WORKING FUNDS - SAFETY - CAMMERILLO	5,000	5,000	5,000
135131	WORKING FUNDS - S. CENTER - NELSON	200	200	200
135135	WKING FUNDS - ENG - D. PAZ	5,000	5,000	5,000
135136	WORKING FUNDS COOS BAY	1,500	1,500	1,500
135137	WKING FUNDS-VEHICLE REGIST	6,000	6,000	6,000
136002	TEMP CASH INVEST	0	0	0

NW Natural
Washington Quarterly Results of Operations Report
Selected Balance Sheet Accounts - 2008
System Amounts

	<u>July</u>	<u>August</u>	<u>September</u>	
136032	TEMP CASH INVEST MARKET SECURITIES	49	49	68
136100	US BANK-OLGA INVEST ACCT	383,712	438,008	496,203
136104	US BANK-OLIEE INVEST ACCT	5,352,004	5,266,279	5,332,135
136105	SMART ENERGY INVEST	34,700	41,005	67,706
136201	BANK OF THE WEST ADAMS/CASCADE	0	0	0
136205	BANK OF THE WEST - MIST LEASE	356,707	357,313	357,925
142001	A/R-SERVICE	16,901,503	12,323,274	8,954,472
142101	A/R-COMMERCIAL	5,315,500	5,277,520	5,211,665
142102	A/R-INDUSTRIAL FIRM	4,179,209	3,945,244	4,354,564
142103	A/R-INDUSTRIAL INT	4,078,880	4,108,007	4,120,510
142106	OTHER A/R-ORDER 636	435,002	434,518	537,662
142107	A/R GST TAX PAID	127,727	121,291	125,402
143001	A/R-GENERAL	768,878	792,860	564,152
143003	ACCOUNTS REC-DAMAGES	190,950	186,531	159,686
143006	A/R-GAP	7,563	9,592	(2,615)
143007	A/R-401K OVERFUNDING	(2,899)	0	0
143008	A/R-INSURANCE RECOV	1,075,746	1,075,746	1,075,746
143009	A/R OTHER	(547,017)	58,017	12,374
143011	A/R - INTERSTATE STORAGE	2,865,477	2,990,219	2,989,277
143014	AR CASH RECEIVED NOT APPLIED	(435)	(435)	0
143016	A/R Palomar	19,965	23,856	24,079
143018	A/R-PYMT PROCESSING	(14,810)	(14,810)	(14,810)
143019	A/R - NORTHERN STAR	(49,082)	(49,808)	(726)
143020	A/R - PGE METER READERS	523	3	(40)
143022	A/R - P CARDS	684	684	31
143025	A/R LIFE INSURANCE	(69)	(186)	(186)
143026	A/R - EMPLOYEE POSTAGE	6,614	6,627	6,793
143027	A/R - MISC RECEIVABLES	16,660	16,660	16,660
143666	CONVERSION A/R BALAN	8,281	8,281	4,754
144011	PROV-UNCOLL RESIDEN	(1,963,677)	(1,549,991)	(1,179,274)
144012	PROV-UNCOLL COMMER	(234,118)	(212,060)	(330,309)
144013	PROV-UNCOLL IND FIRM	(88,396)	(92,091)	(57,094)
144014	PROV-UNCOLL IND INT	(113,482)	(118,243)	(123,187)
144020	PROV-UNCOLL UNBILLED REVENUE	(57,129)	(58,551)	(62,597)
144021	PROV-UNCOLL UNBILLED REV-WARM	0	0	0
146016	A/R ASSOC-NNG FINANCE	10,330	(18,130)	(18,325)
146030	A/R ASSOC CO - NW ENERGY	8,518,530	8,518,530	8,518,530
146040	A/R INTERCOMPANY GILL RANCH	711,750	(1,938)	325,949
146096	A/R TAXES-NNG FINANCE	(30,710)	(8,487)	13,063
154001	MAT & SUPPLIES-GEN	7,775,775	7,863,745	7,982,420
154002	CNG COMPRESSORS	0	0	0
154003	PURCHASED APPL-PTLD-APPL CTR	1,025,519	1,017,694	969,868
154005	MAT & SUPP-GAR TOOLS	7,772	7,742	7,856
154007	MAT & SUPPLIES-GARAGE	273,301	278,402	281,613
154009	INVENTORY DEFAULT OFFSET	127	127	127
154010	MAT & SUPPLIES-POSTAGE	121,583	129,885	103,637
154013	MAT & SUP - EXEC POSTAGE	400	400	400
154015	MAT & SUPPLIES-FUEL	335,931	386,193	436,796
154039	INVENTORY RESERVE	(14,735)	(14,735)	(14,735)
154040	MAT & SUPPLIES-ODORANT	306,405	306,405	225,091
154042	DEMO APPL-LINC CITY	882	882	882
154048	DEMO APPL-ASTORIA	2,957	2,957	2,957
154050	OFFICE SUPPLIES	32,266	40,082	40,888
154071	MAT & SUPP-DIESEL AUTO# 2	31,043	42,533	68,991
154073	MAT & SUPP-UNLEADED GASOLINE	(94,430)	(95,775)	(143,284)
154085	MAT & SUPP-SMPE	210,155	210,155	210,155
154666	CONVERSION INV BALAN	(215,281)	0	(66,582)
163001	STORES EXP-UNDIST	747,466	212,872	353,885
163002	STORES EXP-INV ADJ	139,202	139,202	346,806
163003	STORES EXP-FREIGHT	28,690	30,027	31,949
163005	PURCHASING VARIANCE	5,162	5,162	5,162
164012	UNDRGR STR MIST BRUER/FLORA/AL	47,511,672	61,538,189	73,510,688
164016	UNDRGR STOR-J P. 2F	5,715,123	7,629,191	8,526,197
164021	LNG STORAGE-GASCO	2,865,347	2,790,436	2,884,179
164022	LNG STORAGE-PLYMOUTH LS-1	2,179,755	2,881,930	3,428,153
164023	LNG STORAGE-NEWPORT	4,444,684	5,385,517	5,907,713
164032	UNDRGRD STG - OPTN	(4,032,785)	(3,597,820)	(2,460,217)
165001	PREPMTS-A/P INVOICES	1	0	0
165008	PREPMTS-NOTE DISC	29,631	64,437	42,875
165009	PREPMTS-NETWORK SOFTWARE	29,123	22,144	16,608
165010	PREPMTS-MAINFRAME SOFTWARE	6,809	5,107	3,405
165011	PREPMTS-PROP TAXES	0	0	0
165012	PREPMTS-OTHER TAXES	694,008	555,206	416,405
165015	PREPD LEASES & MAINT	56,236	49,988	43,739
165018	NT SYSTEMS	551,153	422,527	384,422
165020	PREPMTS-NETWORK OPERATING	89,795	64,648	224,767
165031	PREPMTS-INSURANCE	356,105	213,670	71,235
165070	PREPMTS-MISC	512,350	483,323	512,409
165076	PREPMTS-PENSION EXPENSE	3,278,442	3,278,442	3,278,442
165130	PREPMTS-NPC DEM CHGE	1,749,000	2,465,000	3,181,000
165131	PREPMTS-DEC-NOV DEM EQ ADJ	(56,000)	(44,000)	(76,000)
165404	PREPAID CONSV CREDIT 2004	3,610	3,610	3,610
173001	ACCRUED REVENUES UNBILLED	15,113,543	15,489,748	16,559,962
173003	ACCRUED REV UNBILLED - WARM	0	0	0
174002	INVESTMENT IN VANC LAND	1,862,179	1,862,179	1,862,179

NW Natural
Washington Quarterly Results of Operations Report
Selected Balance Sheet Accounts - 2008
System Amounts

	July	August	September
174004	NON-REG AIRCRAFT-LSE RES VAL	0	0
174006	DEF INC TAX-N UTIL-AIRCRAFT-FED	(3)	(3)
181026	UNAMT DEBT DIS 9.05%-2021	49,920	49,600
181067	UNAMT DEBT DIS 6.50%-2008,7-30	0	0
181072	UNAMT DEBT DIS 8.26%-2014,9-21	20,774	20,492
181073	UNAMT DEBT DIS 8.31%-2019,9-21	30,075	29,850
181074	UNAMT DEBT DIS 6.52%-2025,12-1	52,000	51,750
181075	UNAMT DEBT DIS 7.05%-26 10-15	106,846	106,357
181076	UNAMT DEBT DIS 7.00%-27 05-21	96,728	96,300
181078	UNAMT DEBT DIS 7.00%-17 08-01	169,020	167,455
181079	UNAMT DEBT DIS 6.65%-27 10-10	104,412	103,960
181080	UNAMT DEBT DIS 6.60%-18 03-16	101,746	100,865
181081	UNAMT DEBT DIS 6.65%-28 06-01	64,974	64,701
181085	UNAMT DEBT DIS 7.63%-19 12-09	110,701	109,887
181086	UNAMT DEBT DIS 7.74%-30 08-29	135,696	135,182
181087	UNAMT DEBT DIS 7.85%-30 09-01	68,635	68,376
181088	UNAMT DEBT DIS 7.72%-25 09-01	127,510	126,888
181089	UNAMT DEBT DIS 7.45%-10 12-01	54,936	52,974
181091	UNAMT DEBT DISC 6.05	21,805	21,182
181093	UNAMT DEBT DIS 7.13% - 03-12	129,228	126,291
181094	UNAMT DEBT DIS 5.82% - 09	314,650	313,565
181095	UNAMT DEBT DISC 5.66% - 02-33	292,345	291,354
181097	UNAMT DEBT DISC 5.62%,11-2023	285,568	284,016
181098	UNAMT DEBT DIS 4.11%, 11-2010	26,040	25,110
181099	UNAMT DEBT DISC 4.70%, 06-2015	233,618	230,769
181100	UNAMT DEBT DISC 5.25%, 06-2035	87,584	87,312
181101	UNAMT DEBT DISC 5.15%, 12-2016	232,508	230,194
181500	UNAMT DEBT EXP LINE OF CREDIT	220,803	216,003
181998	2007 SHELF REGISTRATION EXPENSES	43,459	43,459
181999	2004 SHELF REGISTRATION EXPENSES	401,129	402,949
183003	PRELIM SURVEYS-GILL RANCH	800	800
184000	CLEARING	(288,048)	(1,293,428)
184100	CLEARING - MULT CNTY TAX	(188,466)	(201,043)
184200	CLEARING - MC TAX REFUND	6,362	6,362
184300	AR CASH CLEARING ACCOUNT	(3,093)	(3,093)
184400	AR CASH CLEARING - RISK & LAND	0	0
184900	ACCOUNT ADJUSTMENTS	(22,594)	(22,739)
184999	CAPITAL IO SETTLE	24	24
186001	THE DALLES LEASEHOLD IMP	123,215	123,215
186002	OPS LEASEHOLD IMPR	5,233,002	5,233,002
186003	AMT - THE DALLES LSEHLD IMP	(123,215)	(123,215)
186004	AMORT-OPS-LEASEHOLD IMP	(5,233,002)	(5,233,002)
186005	NON-UTILITY LEASEHOLD IMP	821,004	821,004
186006	AMT OF NON-UTILITY LEASE IMP	(456,681)	(458,998)
186008	VANCOUVER LEASEHOLD IMPROV	154,102	154,102
186009	AMORT - VANCOUVER LEASE IMPROV	(154,102)	(154,102)
186011	ODD-EXEMPT VACATION ACCRUAL	496,412	496,412
186012	ALBANY LEASEHOLD IMPROVEMENTS	292,524	292,524
186013	AMORT - ALBANY LEASE IMPROV	(292,524)	(292,524)
186016	FAS 109 DFED ASSET	69,547,062	69,547,062
186017	COOS BAY LEASEHOLD IMPROV	183,465	183,465
186018	AMORT - COOS BAY LEASEHOLD	(183,793)	(183,793)
186024	VANC LEASE NE 112TH	75,028	75,028
186025	AMORT - VANC LEASE NE 112TH	(75,028)	(75,028)
186026	OPS LEASEHOLD IMPROVEMENTS	3,016,516	3,016,516
186028	AMORT - OPS LEASEHOLD IMPROVEMENTS	(687,179)	(706,523)
186042	ALBANY LEASEHOLD IMPROVEMENTS	2,723	2,723
186043	AMORT - ALB LEASEHOLD IMPR	(90)	(95)
186140	ENVIR INV-GASCO	3,301,341	3,301,341
186143	ENVIR INV-WACKER	263,164	263,164
186144	ENVIR INV - PORTLAND HARBOR	1,297,179	1,297,179
186145	2003 ENVIR INV-GASCO	10,542,634	10,980,924
186146	2003 ENVIR INV-EUGENE	118,495	119,346
186147	2003 ENVIR INV-WACKER	1,277,361	1,304,095
186148	2003 ENVIR INV-PORTLAND HARBOR	8,295,465	8,493,506
186149	2003 ENVIR INV-FRONT ST PDX G	13,342	13,438
186151	TAR BODY EARLY ACTION	12,159,651	12,251,548
186152	OREGON STEEL MILLS	25,919	26,106
186153	CENTRAL SERVICE CENTER	17,862	17,990
186154	FR AMERICAN SCHOOL	89,615	99,704
186158	NWN ENVR INV -ALBANY	201	13,016
186203	UNBILLED REVENUE INCREMENT-OR	622,402	650,363
186221	TEMP HOLDING-RATES	0	0
186231	AMORT DSM LOST MARGIN	6,409	8,103
186248	OR DEFERRED WARM	(87)	(30)
186259	AMORT OREGON TAX KICKER	(69,963)	(34,389)
186260	DEF REG REC - ENVIRONMENTAL	32,072,420	32,072,420
186267	AMORT COOS BAY DEFERRAL	(2,784)	(1,877)
186269	AMORT WEST LINN DEFERRAL	31	31
186270	OR COMMERCIAL DECOUPLING DEFERRAL	(2,689,349)	(2,910,413)
186271	OR COMMERCIAL DECOUPLING AMORT	(642,039)	(583,340)
186275	DECOUPLING DEFERRAL	2,125,802	1,995,258
186276	INTERVENER FUNDING	57,793	57,500
186277	AMORT OR DECOUPLING	(1,028,897)	(1,092,166)
186278	NWIGU INTERVENOR MATCHING FUND	30,917	31,210

NW Natural
Washington Quarterly Results of Operations Report
Selected Balance Sheet Accounts - 2008
System Amounts

	July	August	September	
186286	AMORT - CUB INTERVENER MATCHING FUND	(3,870)	(5,242)	(6,739)
186288	AMORT - NWIGU INTERVENER MATCHING FUND	3,908	2,369	754
186292	IMP REFUND AMORTIZATION	(84,558)	(54,601)	(22,248)
186301	MARGIN SHARING	(4,485,447)	(5,232,020)	(5,953,521)
186302	MARGIN SHARING - WA	(710,962)	(827,655)	(942,571)
186304	SMART ENERGY DEFEF	278,547	434,020	523,376
186311	WA FURNACE PROGRAM	49,386	51,608	56,847
186312	WA - AUDIT RESIDENTIAL	66,795	93,764	101,241
186314	WA - LOW INCOME WEATHERIZATION	3,064	0	0
186316	WA DSM AMORTIZATION	32,622	30,901	29,082
186350	Y2K WASH SHARE DIRECT	558,809	0	0
186351	Y2K - WASH SHARE CONTRA	(558,809)	0	0
186400	SURCHARGE SEN BILL 408	5,113,135	4,812,586	5,832,411
186404	DBP PENSION COSTS	22,874,588	22,767,067	22,659,546
186406	FAS 106 COSTS	5,082,215	5,031,528	4,980,841
186630	FAS133 L.T. GAIN SW&	9,057,862	9,057,862	32,000
186635	FAS 133 L.T. GAINS PHYSICALS	160,000	160,000	163,000
186640	FAS 133 S.T. GAINS SWAPS&FC	53,566,800	53,566,800	2,710,000
186645	FASFAS 133 S.T. GAINS PHYSICAL	532,000	532,000	682,000
186647	PHYSICAL OPT-ST GAIN	768,000	768,000	674,000
189006	UNAMTZD LOSS 9.80% BONDS	723,988	717,026	710,064
189007	UNAMTZD LOSS 9.125% BONDS	545,704	540,964	536,224
189008	UNAMTZD LOSS 9.75% BONDS	2,208,765	2,199,600	2,190,435
189013	UNAMTZD EXPENSE 5.62%, 11-2023	2,251,632	2,239,328	2,227,024
189014	UNAMTZD PFD PRM 4.11%,11-2010	57,267	55,146	53,025
191031	AMORT-STORAGE INVENTORY ADJ	(272,962)	(357,332)	(447,569)
191400	WACOG - ACCR. OR	9,056,133	11,376,720	12,415,087
191401	AMORT OR WACOG OR	(10,151,261)	(8,991,720)	(7,736,311)
191410	DEMAND - ACCR OR	(1,441,040)	(1,609,972)	(1,680,686)
191411	AMORT DEMAND OR	(5,124,235)	(5,099,601)	(5,071,543)
191417	DEMAND - ACCR COOS BAY	240,028	267,290	294,540
191420	WACOG - ACCR. WA	1,727,945	2,103,064	2,262,510
191421	AMORT OF WACOG - WA	(1,783,851)	(1,617,483)	(1,441,866)
191430	DEMAND - ACCR WA	(121,099)	(138,432)	(145,309)
191431	AMORT OF DEMAND WA	490,174	563,044	639,426
191432	WA DEMAND COLL	(1,458,256)	(1,054,309)	(674,040)
191450	ORE DEMAND ACCR VOLUME	(7,429,607)	(7,529,055)	(7,584,434)
191451	ORE WAGOC EQUAL 00-01	(1,872,000)	(1,354,000)	(815,000)
192630	FAS133 L.T. REG LOSSES SWAPS&FC	32,091	32,091	7,758,662
192633	FAS133 LT REG LOSS INT RT SWAP	1,358,000	1,358,000	2,364,000
192635	FAS133 L.T. REG LOSSES PHYSICALS	866,000	866,000	934,000
192637	PHY OPT-LT LOSS REG	476,000	476,000	243,000
192640	FAS133 S.T. REG LOSSES SWAPS&FC	314,774	314,774	106,182,338
192645	FAS133 S.T. REG LOSSES PHYSICALS	2,153,000	2,153,000	1,643,000
192647	PHY OPT-ST LOSS REG	324,000	324,000	1,187,000
196630	FAS133 L.T. REG GAINS SWAPS&FC	(9,057,862)	(9,057,862)	(32,000)
196635	FAS133 L.T. REG GAINS PHYSICAL	(160,000)	(160,000)	(163,000)
196640	FAS133 S.T. REG GAINS SWAPS&FC	(52,699,276)	(52,699,276)	(3,775,000)
196645	FAS133 S.T. REG GAINS PHYSICAL	(532,000)	(532,000)	(682,000)
196647	PHY OPT ST GAINS REG	(768,000)	(768,000)	(674,000)
196999	LT LIAB ASSET RET OBLIGATION	(214,044,094)	(214,044,094)	(219,095,362)
199990	SUSPENSE-BLANKET PO	(372)	(372)	(372)
199999	SUSPENSE	128,830	41,689	(2,725)
201100	COMMON STOCK - NO PAR VALUE	(327,969,040)	(328,324,540)	(329,098,266)
207001	PREM-CAP STOCK-OTHER	(293,561,405)	(293,561,405)	(293,561,405)
207003	APIC - STOCK BASED COMP	(1,479,562)	(1,495,979)	(1,495,716)
207004	APIC - LTIP	(2,259,400)	(2,259,400)	(2,733,300)
207010	APIC - UNEARNED COMP-DIR	57,199	43,849	30,500
207011	APIC - UNEARNED COMP-EMP	91,223	80,845	70,467
209000	REDUCTION IN PAR - COM STK	293,561,405	293,561,405	293,561,405
210000	APIC - REACQUIRED PREFERRED STOCK	(1,649,864)	(1,649,864)	(1,649,864)
212001	INST RECD-STOCK-EMP	(522,705)	(577,935)	(638,112)
214001	COMMON STOCK EXPENSE - DRIP & ESPP	1,136	1,136	1,136
216000	RETAINED EARN-NWNG	(242,240,535)	(242,240,535)	(242,240,535)
216016	UNDIST EARN-NNG FINANCIAL	2,562,212	2,562,212	2,562,212
216018	UNDIST EARN - NW ENERGY	8,436,925	8,436,925	8,436,925
216100	RETAINED EARNINGS - KB PIPELINE	933,351	933,351	933,351
216999	RETAINED EARNINGS - FINANCING DIVISION	(36,350,095)	(36,350,095)	(36,350,095)
218000	OTHER COMP INCOME	3,332,641	3,314,291	3,295,941
218004	OCI-CASH FLOW HEDGES	(867,524)	(867,524)	649,960
221001	CURR PORTION LT DEBT	0	0	0
221026	BONDS 9.05% - 2021 AUG 13	(10,000,000)	(10,000,000)	(10,000,000)
221067	SEC MTN'S 6.5%-2008,7-30	(5,000,000)	0	0
221072	SEC MTN'S 8.26%-2014,9-21	(10,000,000)	(10,000,000)	(10,000,000)

NW Natural
Washington Quarterly Results of Operations Report
Selected Balance Sheet Accounts - 2008
System Amounts

	July	August	September
221073 SEC MTN'S 8.31%-2019,9-21	(10,000,000)	(10,000,000)	(10,000,000)
221074 SEC MTN'S 6.52%-2025,12-1	(10,000,000)	(10,000,000)	(10,000,000)
221075 SEC MTN'S 7.05%-2026,10-15	(20,000,000)	(20,000,000)	(20,000,000)
221076 SEC MTN'S 7.00%-2027,05-21	(20,000,000)	(20,000,000)	(20,000,000)
221077 SEC MTN'S 6.80%-2007	5,000,000	0	0
221078 SEC MTN'S 7.00%-2017,08-01	(40,000,000)	(40,000,000)	(40,000,000)
221079 SEC MTN'S 6.65%-2027,11-10	(20,000,000)	(20,000,000)	(20,000,000)
221080 SEC MTN'S 6.60%-2018,03-16	(22,000,000)	(22,000,000)	(22,000,000)
221081 SEC MTN'S 6.65%-2028,06-01	(10,000,000)	(10,000,000)	(10,000,000)
221085 SEC MTN'S 7.63%-2019,12-09	(20,000,000)	(20,000,000)	(20,000,000)
221086 SEC MTN'S 7.74%-2030,08-29	(20,000,000)	(20,000,000)	(20,000,000)
221087 SEC MTN'S 7.85%-2030,09-01	(10,000,000)	(10,000,000)	(10,000,000)
221088 SEC MTN'S 7.72%-2025,09-01	(20,000,000)	(20,000,000)	(20,000,000)
221089 SEC MTN'S 7.45%-2010,12-01	(25,000,000)	(25,000,000)	(25,000,000)
221091 SEC MTN'S 6.665% -2011, 6-27	(10,000,000)	(10,000,000)	(10,000,000)
221093 SEC MTN'S 7.13% -2012, 3-26	(40,000,000)	(40,000,000)	(40,000,000)
221094 SEC MTN'S 5.82%-2032, 9-2	(30,000,000)	(30,000,000)	(30,000,000)
221095 SEC MTN'S 5.66%-2033, 2-25	(40,000,000)	(40,000,000)	(40,000,000)
221097 SEC MTN'S 5.62%-2023,11-21	(40,000,000)	(40,000,000)	(40,000,000)
221098 SEC MTN'S 4.11%-2010,11-22	(10,000,000)	(10,000,000)	(10,000,000)
221099 SEC MTN'S 4.70%-2015,06-22	(40,000,000)	(40,000,000)	(40,000,000)
221100 SEC MTN'S 5.25%-2035,06-21	(10,000,000)	(10,000,000)	(10,000,000)
221101 SEC MTN'S 5.15%-2016,12-15	(25,000,000)	(25,000,000)	(25,000,000)
227037 CAP LEASE-NONCUR DELL 535	(13,002)	(13,002)	(13,002)
227040 CAP LEASE-NONCUR DELL 538	(1,416)	(1,416)	(1,416)
227041 CAP LEASE-NONCUR DELL 539	(7,085)	(7,085)	(7,085)
227042 CAP LEASE-NONCUR DELL 540	(190)	(190)	(190)
227043 CAP LEASE-NONCUR DELL 541	(10,518)	(10,518)	(10,518)
227044 CAP LEASE-NONCUR DELL 542	(12,457)	(12,457)	(12,457)
227045 CAP LEASE-NONCUR DELL 543	(10,114)	(10,114)	(10,114)
227046 CAP LEASE-NONCUR DELL 544	(22,895)	(22,895)	(22,895)
227047 CAP LEASE-NONCUR DELL 545	(23,247)	(23,247)	(23,247)
227048 CAP LEASE-NONCUR DELL 546	(15,877)	(15,877)	(15,877)
227049 CAP LEASE-NONCUR DELL 547	(222,526)	(222,526)	(222,526)
227050 CAP LEASE-NONCUR DELL 548	(9,301)	(9,301)	(9,301)
227051 CAP LEASE-NONCUR DELL 549	(32,452)	(32,452)	(32,452)
227052 CAP LEASE-NONCUR DELL 550	(14,765)	(14,765)	(14,765)
227053 CAP LEASE-NONCUR DELL 551	(16,526)	(16,526)	(16,526)
227054 CAP LEASE-NONCUR DELL 552	(31,537)	(31,537)	(31,537)
227055 CAP LEASE-NONCUR DELL 553	(171,742)	(171,742)	(171,742)
228100 ESRIP LIABILITY CURRENT	(1,180,891)	(1,180,891)	(1,180,891)
228106 FAS 106 LIABILITY CURRENT	(1,808,211)	(1,808,211)	(1,808,211)
228300 ESRIP LIABILITY LONG TERM	(15,703,120)	(15,703,890)	(15,704,659)
228302 SERP LIABILITY LONG TERM	(580,841)	(594,027)	(607,213)
228304 DBP PENSION LIABILITY LONG TERM	(6,887,252)	(7,165,973)	(7,444,694)
228306 FAS 106 LIABILITY LONG TERM	(20,622,477)	(20,482,225)	(20,880,450)
228400 DEFD COMP - LONG TERM	(8,751,345)	(8,805,790)	(8,853,147)
228402 DEFD DIRECTORS FEES - LONG TERM	(3,352,393)	(3,302,922)	(3,363,262)
231002 N/P COM PAPER	(87,200,000)	(142,500,000)	(174,802,000)
232000 GR/TR	(1,506,669)	(1,124,692)	(2,084,824)
232001 A/P VOUCHERS	(2,403,152)	(2,717,348)	(3,088,768)
232011 LAWSON ITEMS INVOICED NOT RECEIVED 2007	(536,010)	0	0
232013 ITEMS INVOICED - NOT RECEIVED	308	308	308
232014 YEAR END ACCRUED INVOICES	(2,186,504)	(3,148,244)	(1,749,950)
232017 A/P-TRADE-INV GEN	34,618	34,618	34,618
232021 A/P OFFICE PAYROLL	(4,421)	(13,245)	(17,224)
232022 A/P HOURLY PAYROLL	(961,736)	(531,134)	(782,485)
232024 A/P SEVERANCE	(381,632)	(378,954)	(376,275)
232026 A/P VOLUNTARY SEV ACCRUAL	(20,392)	(15,014)	(9,635)
232027 KEY GOAL BONUS ACCRUAL	(649,654)	(649,654)	(1,015,413)
232028 PERFORMANCE BONUS ACCRUAL	(885,165)	(885,165)	(1,775,048)
232031 A/P OFFICE PTO-BARGAINING	(334,148)	(334,148)	(334,148)
232032 A/P HOURLY PTO-BARGAINING	(1,867,443)	(1,700,880)	(1,666,903)
232040 DEMAND CHARGE EQUALIZATION	(763,000)	2,470,000	5,329,000
232099 OTHER OVERHEAD ALLOCATION	0	0	0
232199 VS&H O/H ALLOCATION	0	0	0
232202 A/P TAX LEVY/GARNISHMENTS	(0)	(975)	(1,950)
232211 A/P UNION DUES-GAS WK	(21,921)	0	0
232212 A/P UNION DUES-OFFICE	0	0	0
232213 A/P NW RESOURCE CR UNION	(75,205)	0	0
232217 A/P EMP SAVING BOND	(760)	(330)	(500)
232219 A/P EMP SAVINGS PLAN	(438,291)	(441,277)	(441,288)
232220 A/P HEALTH MILES	0	0	(1,188)
232221 A/P UN WAY-GENERAL	0	0	0
232222 A/P BLACK UNITED FUND	(60)	(60)	(60)
232223 A/P ENVIRON FUND	0	0	0
232229 A/P GAS PAC	3,193	3,193	3,193
232232 A/P EQUAL PAY BAL	(3,368,236)	(6,370,674)	(9,775,589)
232233 A/P SYS SUP/END USER	(60,790,068)	(48,799,886)	(36,833,626)
232234 A/P GAS TRANSP PURCHASE	(34,597)	(34,597)	(34,597)
232235 A/P GAS TRANSP IMBALANCE	574,545	3,131,952	4,905,026
232239 A/P MELODY TEPPOLA FUND	70	70	70
232242 A/P WORK FOR ART	(3,133)	(3,133)	(3,133)
232400 OTHER LIABILITIES - KB PIPELINE	(73,670)	(82,414)	(91,157)
232450 A/P LTIP & PERF AWARD	(238,300)	(238,300)	(273,100)

NW Natural
Washington Quarterly Results of Operations Report
Selected Balance Sheet Accounts - 2008
System Amounts

	July	August	September	
232666	CONVERSION A/P BAL	(6,501)	(6,501)	(6,501)
232999	RECLASS - CHECK O/D	(2,432,785)	(4,846,091)	(2,788,380)
234400	A/P ASSOC CO-NWNG	0	0	0
235000	CUSTOMER DEPOSITS	(4,594,280)	(4,567,730)	(4,562,926)
235001	UNPAID DEPOSIT INTEREST	(81,423)	(81,329)	(79,901)
235005	APPLIED INITIAL DEPOSIT	(94,121)	(89,820)	(93,597)
235013	DEPOSIT - GENERAL	0	0	0
236011	TAX ACC-OPER PROP-OR	(1,493,510)	(2,987,023)	(4,480,536)
236012	TAX ACC-OPER PROP-WA	(1,271,895)	(1,372,003)	(1,472,111)
236015	TAX ACC-BUSINESS-WA	1,089	1,089	1,089
236026	TAX ACC-FED-2006	0	0	0
236027	TAX ACC-FED-2007	345,385	345,385	1,597,851
236028	TAX ACC-FED-2008	16,390	5,083,916	4,721,978
236033	TAX ACC-OR-2003	26,741	26,741	26,741
236036	TAX ACC-OR-2006	0	0	0
236037	TAX ACC-OR-2007	(3,716)	(3,716)	433,871
236038	TAX ACC-OR-2008	257,676	1,193,508	1,133,986
236045	TAX ACC-FRAN-WA	3	0	0
236046	TAX ACC-FRAN-UNBILLED	(376,327)	(385,695)	(412,343)
236047	TAX ACC-FRAN-UNBILLED-WARM	0	0	0
236050	TAX ACC-SO CLAC 98	6,009	6,009	6,009
236051	TAX ACC-PAYROLL	(4,260,233)	(4,851,363)	(4,968,067)
236052	TAX ACC-UNEMP-OR	293,557	293,557	293,557
236053	TAX ACC-UNEMP-WA	7,525	7,525	7,525
236054	TAX ACC-FED UNEMP-OR	64,012	64,012	64,012
236055	TAX ACC-FED UNEMP-WA	1,599	1,599	1,599
236056	TAX ACC-PAYROLL-SOC SEC	2,584,706	2,835,486	3,244,683
236057	TAX ACC-PAYROLL-TRI-MET	242,214	242,214	242,214
236058	TAX ACC-LANE CO TRANSIT	7,545	7,545	7,545
236059	TAX ACC-PAYROLL-MEDICARE	697,331	761,797	872,215
236076	TAX ACC-PAYROLL SEVERANCE	(391)	933	1,466
236078	TAX ACC RETAIN BONUS	(6,341)	(7,125)	(7,910)
236100	TAX ACC-MULT CO-2000	177,586	177,586	221,597
236101	FRANCHISE TAX - PORTLAND	(1,803,375)	(492,481)	(729,751)
236102	FRANCHISE TAX - ALBANY	(21,019)	(19,073)	(18,798)
236103	FRANCHISE TAX - AURORA	(11,031)	(11,434)	(11,834)
236104	FRANCHISE TAX - CORVALLIS	(16,818)	(16,970)	(18,070)
236105	FRANCHISE TAX - FAIRVIEW	(44,642)	(46,454)	(48,275)
236106	FRANCHISE TAX - GERVAIS	(5,954)	(6,128)	(6,315)
236107	FRANCHISE TAX - HUBBARD	(4,332)	(1,305)	(2,022)
236108	FRANCHISE TAX - LEBANON	(13,349)	(11,860)	(11,725)
236109	FRANCHISE TAX - MILWAUKIE	(132,650)	(138,679)	(18,656)
236110	FRANCHISE TAX - MT ANGEL	(20,665)	(21,665)	(22,666)
236111	FRANCHISE TAX - SALEM	0	0	0
236112	FRANCHISE TAX - SILVERTON	(3,287)	(6,686)	(11,664)
236113	FRANCHISE TAX - TROUTDALE	(43,245)	(11,937)	(17,257)
236114	FRANCHISE TAX - WEST LINN	(234,907)	(243,713)	(31,841)
236115	FRANCHISE TAX - WOODBURN	(120,705)	(126,030)	(131,857)
236117	FRANCHISE TAX - BEAVERTON	(222,055)	(53,276)	(80,858)
236118	FRANCHISE TAX - DALLAS	(78,364)	(81,711)	(85,534)
236119	FRANCHISE TAX - MONMOUTH	(1,960)	(3,930)	(5,969)
236120	FRANCHISE TAX - INDEPENDENCE	(35,227)	(36,793)	(38,659)
236121	FRANCHISE TAX - TUALATIN	(253,816)	(25,384)	(37,571)
236122	FRANCHISE TAX - LAKE OSWEGO	(393,972)	(407,616)	(421,912)
236123	FRANCHISE TAX - NEWBERG	(107,977)	(112,689)	(118,012)
236124	FRANCHISE TAX - SHERWOOD	(124,315)	(130,056)	(135,754)
236125	FRANCHISE TAX - HILLSBORO	(662,255)	(694,675)	(728,333)
236128	FRANCHISE TAX - FOREST GROVE	(96,736)	(102,211)	(108,356)
236129	FRANCHISE TAX - CORNELIUS	(16,648)	(4,458)	(6,431)
236130	FRANCHISE TAX - GRESHAM	(221,614)	(56,885)	(84,342)
236131	FRANCHISE TAX - GLADSTONE	(61,697)	(63,788)	(66,392)
236132	FRANCHISE TAX - OREGON CITY	(80,056)	(20,503)	(31,598)
236133	FRANCHISE TAX - WOOD VILLAGE	(22,611)	(23,456)	(24,351)
236134	FRANCHISE TAX - EUGENE	(308,146)	(95,816)	(140,094)
236135	FRANCHISE TAX - SPRINGFIELD	(89,038)	(29,023)	(44,200)
236136	FRANCHISE TAX - THE DALLES	(3,252)	(6,104)	(9,060)
236137	FRANCHISE TAX - TURNER	(11,004)	(11,447)	(11,918)
236138	FRANCHISE TAX - COBURG	(23,757)	(24,809)	(26,064)
236139	FRANCHISE TAX - ST HELENS	(3,680)	(6,912)	(10,053)
236140	FRANCHISE TAX - SCAPPOOSE	(41,413)	(42,963)	(44,814)
236141	FRANCHISE TAX - TIGARD	(405,362)	(34,898)	(51,865)
236142	FRANCHISE TAX - SWEET HOME	(16,686)	(4,032)	(5,786)
236145	FRANCHISE TAX - HOOD RIVER	(22,880)	(7,478)	(11,105)
236146	FRANCHISE TAX - STAYTON	(20,357)	(5,043)	(7,637)
236147	FRANCHISE TAX - AUMSVILLE	(504)	(964)	(1,406)
236148	FRANCHISE TAX - LYONS	(6,290)	(6,510)	(6,748)
236149	FRANCHISE TAX - MILL CITY	(9,316)	(9,565)	(9,907)
236152	FRANCHISE TAX - JUNCTION CITY	(31,316)	(32,499)	(33,698)
236153	FRANCHISE TAX - COTTAGE GROVE	(2,953)	(5,133)	(7,206)
236154	FRANCHISE TAX - CRESWELL	(20,729)	(21,685)	(22,663)
236155	FRANCHISE TAX - COLUMBIA CITY	(11,921)	(12,390)	(12,833)
236156	FRANCHISE TAX - PHILOMATH	(1,185)	(1,038)	(1,157)
236158	FRANCHISE TAX - DONALD	(1,285)	(323)	(464)
236159	FRANCHISE TAX - MCMINNVILLE	(110,455)	(117,542)	(124,769)
236160	FRANCHISE TAX - AMITY	(5,686)	(5,859)	(6,030)

NW Natural
Washington Quarterly Results of Operations Report
Selected Balance Sheet Accounts - 2008
System Amounts

	July	August	September
236161	FRANCHISE TAX - HALSEY	(5,345)	(5,530)
236162	FRANCHISE TAX - HARRISBURG	(17,417)	(18,618)
236163	FRANCHISE TAX - BROWNSVILLE	(8,740)	(8,948)
236165	FRANCHISE TAX - NORTH PLAINS	(9,195)	(4,020)
236166	FRANCHISE TAX - ASTORIA	(96,775)	(102,107)
236167	FRANCHISE TAX - CLATSKANIE	(5,102)	(5,415)
236168	FRANCHISE TAX - JEFFERSON	(10,670)	(11,056)
236169	FRANCHISE TAX - SCIO	(5,878)	(6,021)
236170	FRANCHISE TAX - SUBLIMITY	(16,506)	(17,324)
236171	FRANCHISE TAX - MOLALLA	(36,103)	(37,581)
236172	FRANCHISE TAX - BARLOW	(648)	(660)
236173	FRANCHISE TAX - WILLAMINA	(6,769)	(6,992)
236174	FRANCHISE TAX - WATERLOO	(650)	(667)
236175	FRANCHISE TAX - SODAVILLE	(942)	(964)
236176	FRANCHISE TAX - RAINIER	(6,887)	(7,142)
236177	FRANCHISE TAX - GEARHART	(16,227)	(17,141)
236179	FRANCHISE TAX - WARRENTON	(40,245)	(43,605)
236180	FRANCHISE TAX - SEASIDE	(68,670)	(73,852)
236181	FRANCHISE TAX - SHERIDAN	(38,005)	(40,479)
236182	FRANCHISE TAX - TOLEDO	(9,540)	(10,055)
236183	FRANCHISE TAX - NEWPORT	(60,839)	(68,492)
236184	FRANCHISE TAX - BANKS	(11,901)	(1,898)
236185	FRANCHISE TAX - LINCOLN CITY	(77,024)	(83,598)
236186	FRANCHISE TAX - SILETZ	(2,774)	(2,904)
236187	FRANCHISE TAX - SANDY	(61,720)	(64,837)
236189	FRANCHISE TAX - CANBY	(74,735)	(78,186)
236190	FRANCHISE TAX - KING CITY	(23,070)	(24,024)
236191	FRANCHISE TAX - HAPPY VALLEY	(110,013)	(114,563)
236192	FRANCHISE TAX - DURHAM	(10,536)	(10,810)
236193	FRANCHISE TAX - DUNDEE	(15,830)	(16,675)
236194	FRANCHISE TAX - MAYWOOD PARK	(4,384)	(301)
236195	FRANCHISE TAX - WILSONVILLE	(157,267)	(163,613)
236196	FRANCHISE TAX - JOHNSON CITY	(183)	(191)
236197	FRANCHISE TAX - RIVERGROVE	(2,893)	(2,989)
236198	FRANCHISE TAX - TANGENT	(344)	(240)
236199	FRANCHISE TAX - DEPOE BAY	(14,240)	(15,516)
236200	FRANCHISE TAX - MILLERSBURG	(9,526)	(9,835)
236213	FRANCHISE TAX - ADAIR VILLAGE	(3,503)	(3,619)
236214	FRANCHISE TAX - KEIZER	(8,000)	(15,660)
236215	FRANCHISE TAX - LAFAYETTE	(13,475)	(14,020)
236217	FRANCHISE TAX - CANNON BEACH	(29,963)	(33,025)
236218	FRANCHISE TAX - VERNONIA	(12,770)	(13,233)
236225	FRANCHISE TAX - COOS BAY	(1,325)	(2,804)
236226	FRAN TAX - NORTH BEND	(9,408)	(10,514)
236229	FRAN TAX - MYRTLE POINT	(7,289)	(7,996)
236230	FRAN TAX - COQUILLE	(2,638)	(3,077)
236232	FRAN TAX - DAMASCUS	(56,650)	(58,933)
236995	PAYMENT OF WASHINGTON EXCISE TAX	4,875	0
236999	FRANCHISE TAX - STATE OF WASHINGTON	(145,642)	(122,748)
237026	INT ACC-9.05% BND-2021, 08-13	(150,833)	(226,250)
237032	INT ACC-COMMIT COMMISSION	(7,778)	(16,389)
237067	INT ACC-6.5% NOTES-2008-7,30	(53,264)	0
237072	INT ACC-8.26% NOTES-2014,9-21	(137,667)	(206,500)
237073	INT ACC-8.31% NOTES-2019,9-21	(138,500)	(207,750)
237074	INT ACC-6.52% NOTES-2025,12-1	(108,667)	(163,000)
237075	INT ACC-7.05% NOTE-2026,10-15	(235,000)	(352,500)
237076	INT ACC-7.00% NOTE-2027,05-21	(233,333)	(350,000)
237078	INT ACC-7.00% NOTE-2017,08-01	(466,667)	(700,000)
237079	INT ACC-6.65% NOTE-2027,10-10	(221,667)	(332,500)
237080	INT ACC-6.60% NOTE-2018,03-16	(242,000)	(363,000)
237081	INT ACC-6.65% NOTE-2028,06-01	(110,833)	(166,250)
237085	INT ACC-7.63% NOTE-2019,12-09	(254,333)	(381,500)
237086	INT ACC-7.74% NOTE-2030,08-29	(258,000)	(387,000)
237087	INT ACC-7.85% NOTE-2030,09-01	(130,833)	(196,250)
237088	INT ACC-7.72% NOTE-2025,09-01	(257,333)	(386,000)
237089	INT ACC-7.72% NOTE-2010,12-01	(310,417)	(465,625)
237091	INT ACC-6.665% NOTE2011, 06-27	(111,083)	(166,625)
237093	INT ACC-7.13% NOTE - 2012, 03-26	(475,333)	(713,000)
237094	INT ACC-5.82% NOTE-2032,9	(291,000)	(436,500)
237095	INT ACC-5.66% NOTE-2033, 2-25	(377,333)	(566,000)
237097	INT ACC-5.62% NOTE 2023,11-21	(374,667)	(562,000)
237098	INT ACC-4.1% NOTE 2010,11-22	(68,500)	(102,750)
237099	INT ACC-4.7% NOTE 2015,06-22	(313,333)	(470,000)
237100	INT ACC-5.25% NOTE 2035,06-21	(87,500)	(131,250)
237101	INT ACC-5.15% NOTE 2016,12-15	(214,583)	(321,875)
237999	PAYMENT OF DEBT INT	53,264	0
238000	DIVIDENDS DECLARED	(9,913,265)	0
239001	CURR PORTION LT DEBT	0	0
241001	TX COL PAY-FED W/H	(112,120)	(305,134)
241002	TX COL PAY-SOC SEC W/H	(80,854)	(172,140)
241003	TX COL PAY-ST W/H	(62,511)	(167,578)
241006	TX COL PAY-FED W/H PENSIONS	(565)	(565)
241007	TX COL PAY-ST W/H PENSIONS	(307)	(307)
241030	TX COL PAY-OR CNG TAX COLL	(60,337)	(60,337)
241031	TX COL PAY-MEDICARE W/H	96,968	71,656

NW Natural
Washington Quarterly Results of Operations Report
Selected Balance Sheet Accounts - 2008
System Amounts

	July	August	September	
241101	FRAN TAX - PORTLAND	(1,232,066)	(338,066)	(500,301)
241102	FRAN TAX - ALBANY	(14,290)	(12,862)	(12,724)
241103	FRAN TAX - AURORA	(7,374)	(7,652)	(7,933)
241104	FRAN TAX - CORVALLIS	(11,267)	(11,383)	(12,070)
241105	FRAN TAX - FAIRVIEW	(43,921)	(45,724)	(47,526)
241107	FRAN TAX - HUBBARD	(2,935)	(878)	(1,364)
241108	FRAN TAX - LEBANON	(13,218)	(11,691)	(11,774)
241109	FRAN TAX - MILWAUKIE	(88,452)	(92,486)	(12,515)
241110	FRANCHISE TAX - MT ANGEL	(13,805)	(14,476)	(15,144)
241111	FRAN TAX - SALEM	(291,527)	(89,477)	(133,880)
241112	FRAN TAX - SILVERTON	(2,238)	(4,522)	(7,885)
241113	FRAN TAX - TROUTDALE	(42,657)	(11,925)	(17,262)
241114	FRAN TAX - WEST LINN	(156,724)	(162,613)	(21,333)
241115	FRANCHISE TAX - WOODBURN	(4,871)	(8,534)	(12,481)
241117	FRAN TAX - BEAVERTON	0	0	0
241118	FRANCHISE TAX - DALLAS	(52,466)	(54,770)	(57,310)
241119	FRAN TAX - MONMOUTH	(1,315)	(2,635)	(3,994)
241120	FRAN TAX - INDEPENDENCE	(23,610)	(24,679)	(25,948)
241121	FRAN TAX - TUALATIN	(169,501)	(17,123)	(25,270)
241123	FRAN TAX - NEWBERG	(72,224)	(75,498)	(79,076)
241124	FRANCHISE TAX - SHERWOOD	(83,065)	(86,910)	(90,810)
241128	FRANCHISE TAX - FOREST GROVE	(64,587)	(68,291)	(72,405)
241129	FRAN TAX - CORNELIUS	(11,200)	(3,048)	(4,401)
241130	FRAN TAX - GRESHAM	(150,501)	(39,163)	(57,983)
241133	FRANCHISE TAX - WOOD VILLAGE	(22,185)	(23,013)	(23,900)
241134	FRAN TAX - EUGENE	(209,451)	(65,543)	(95,931)
241135	FRAN TAX - SPRINGFIELD	(69,327)	(23,429)	(35,641)
241136	FRAN TAX - THE DALLES	(1,369)	(2,579)	(3,824)
241139	FRAN TAX - ST HELENS	(5,475)	(10,476)	(15,384)
241140	FRANCHISE TAX - SCAPPOOSE	(27,655)	(28,711)	(29,944)
241141	FRAN TAX - TIGARD	(271,102)	(23,689)	(35,096)
241142	FRANCHISE TAX - SWEET HOME	(11,321)	(2,853)	(4,061)
241145	FRAN TAX - HOOD RIVER	(15,338)	(5,087)	(7,510)
241146	FRAN TAX - STAYTON	(13,641)	(3,455)	(5,193)
241147	FRAN TAX - AUMSVILLE	(677)	(1,275)	(1,865)
241152	FRAN TAX - JUNCTION CITY	(20,900)	(21,682)	(22,504)
241154	FRAN TAX - CRESWELL	(13,906)	(14,539)	(15,188)
241155	FRAN TAX - COLUMBIA CITY	(7,986)	(8,299)	(8,604)
241156	FRAN TAX - PHILOMATH	(793)	(762)	(787)
241158	FRAN TAX - DONALD	(861)	(212)	(304)
241160	FRAN TAX - AMITY	(3,824)	(3,946)	(4,064)
241161	FRAN TAX - HALSEY	(3,588)	(3,716)	(3,857)
241162	FRAN TAX - HARRISBURG	(11,699)	(12,502)	(13,564)
241165	FRAN TAX - NORTH PLAINS	(6,174)	(2,717)	(4,237)
241166	FRAN TAX - ASTORIA	(64,764)	(68,369)	(71,511)
241167	FRAN TAX - CLATSKANIE	(3,401)	(3,610)	(3,828)
241172	FRANCHISE TAX - BARLOW	(635)	(653)	(684)
241173	FRAN TAX - WILLAMINA	(4,533)	(4,696)	(4,881)
241174	FRAN TAX - WATERLOO	(429)	(441)	(454)
241175	FRAN TAX - SODAVILLE	(628)	(642)	(658)
241179	FRAN TAX - WARRENTON	(26,858)	(29,153)	(31,017)
241180	FRAN TAX - SEASIDE	(34,700)	(38,164)	(41,787)
241181	FRAN TAX - SHERIDAN	(25,411)	(27,084)	(28,737)
241182	FRANCHISE TAX - TOLEDO	(6,390)	(6,739)	(7,050)
241183	FRAN TAX - NEWPORT	0	(5,101)	(8,770)
241184	FRAN TAX - BANKS	(1,566)	(1,265)	(1,861)
241185	FRAN TAX - LINCOLN CITY	(51,452)	(55,894)	(60,490)
241186	FRAN TAX - SILETZ	0	0	(81)
241187	FRANCHISE TAX - SANDY	(41,349)	(43,457)	(45,714)
241189	FRAN TAX - CANBY	(49,923)	(52,222)	(54,531)
241190	FRAN TAX - KING CITY	(15,384)	(16,056)	(16,696)
241191	FRAN TAX - HAPPY VALLEY	(108,385)	(112,872)	(117,707)
241192	FRANCHISE TAX - DURHAM	(10,344)	(10,607)	(10,902)
241194	FRANCHISE TAX - MAYWOOD PARK	(2,937)	(202)	(317)
241195	FRAN TAX - WILSONVILLE	(105,063)	(109,296)	(113,789)
241196	FRANCHISE TAX - JOHNSON CITY	(127)	(132)	(139)
241198	FRANCHISE TAX - TANGENT	(232)	(159)	(182)
241200	FRAN TAX - MILLERSBURG	(6,347)	(6,555)	(6,759)
241214	FRAN TAX - KEIZER	(5,454)	(10,719)	(16,373)
241218	FRANCHISE TAX - VERNONIA	(8,572)	(8,873)	(9,227)
241225	FRANCHISE TAX - COOS BAY	(890)	(1,872)	(2,911)
241226	FRAN TAX - NORTH BEN	(6,317)	(7,062)	(7,928)
241229	FRAN TAX - MYRTLE POINT	(4,860)	(5,331)	(5,852)
241230	FRAN TAX - COQUILLE	(1,759)	(2,051)	(2,220)
241232	FRAN TAX - DAMASCUS	(37,830)	(39,370)	(41,087)
241316	FRAN TAX - VANCOUVER	(79,921)	(156,321)	(236,202)
241326	FRAN TAX - WASHOUGAL	(4,087)	(8,191)	(12,158)
241327	FRAN TAX - CAMAS	(5,298)	(10,277)	(15,373)
241343	FRANCHISE TAX - BINGEN	(9,257)	(9,576)	(9,991)
241344	FRAN TAX - WHITE SAL	(25,496)	(26,673)	(27,862)
241350	FRAN TAX - BATTLEGROUND	(134,063)	(140,860)	(148,340)
241351	FRAN TAX - RIDGEFIELD	(11,618)	(21,923)	(31,985)
241364	FRANCHISE TAX - NORTH BONNEVILLE	(6,709)	(7,171)	(7,605)
242003	OTHER LIAB-UNCL OTHER CKS	2,745	2,745	2,745
242010	OTHER LIAB-EST W/C CLAIMS	(364,673)	(304,188)	(422,074)

NW Natural
Washington Quarterly Results of Operations Report
Selected Balance Sheet Accounts - 2008
System Amounts

	July	August	September	
242011	OTHER LIAB-W/C GAUTHIER	(373,008)	(370,915)	(368,823)
242012	OTHER LIAB-EXEC SUPP LTD	476	476	476
242017	OTHER LIAB-UNCL CUST CREDITS	(4)	(4)	(4)
242018	OTHER LIAB-W/C MCRAE	12,949	18,240	46,091
242020	UNEARNED INTEREST INCOME	(9,740)	(8,731)	(7,721)
242057	OTHER LIAB-WK COMP	(10,178)	(20,356)	(30,533)
242058	DEFD RENTAL INCOME	0	0	0
242064	DEALER DEPOSITS - FIREPLA	(1,570)	(26,093)	(19,370)
242065	CONTRIBUTION-CHP CONSORT	(4,948)	(4,948)	(4,948)
242066	DEPOSITS-DISTRIBUTORS	(260,669)	(239,751)	(240,898)
242067	DEPOSIT - ENERGY TRUST	(200)	(200)	(200)
242071	OTHER LIAB-GAS CLEAN-UP	(186,698)	0	0
242072	DEALER DEPOSITS HVAC	(39,000)	(48,650)	(31,127)
242091	OTHER LIAB-SMPE 2004	(218,578)	(218,578)	(218,578)
242100	OLGA SURCHARGE	(579,973)	(649,835)	(722,117)
242101	ENERGY ASSIST - DUKE EL PASO	(18,742)	(18,742)	(18,742)
242102	PUBLIC PURPOSE .65%	(324,266)	(271,509)	(286,989)
242104	PUBLIC PURPOSE .25%	(5,241,451)	(5,129,206)	(4,972,029)
242105	SMART ENERGY LIABILITY	(22,121)	(17,071)	(13,426)
242107	ENERGY ASSISTANCE LIEAP	86,255	85,962	86,255
242108	OR HEAT/WILLIAM	26,016	26,016	26,016
242109	MATERIALS PRE-TEST PIPE	(89,249)	(89,249)	(89,249)
242140	DEFERRED REVENUE - APPLIANCE CENTER	(358,982)	(380,415)	(365,851)
242145	APPLIANCE CENTER FIN DEP - WELLS FARGO	18	0	4,644
243024	CAP LEASE CUR DELL	1,098	1,098	1,098
243025	CAP LEASE CUR DELL	(1,405)	(2,407)	(2,407)
243026	CAP LEASE CUR DELL 526	(7,396)	(7,396)	(7,396)
243027	CAP LEASE CUR DELL 527	2,112	1,516	1,516
243028	CAP LEASE CUR DELL 528	3,757	3,757	3,757
243029	CAP LEASE CUR DELL	(4,248)	(4,460)	(4,460)
243032	CAP LEASE CUR DELL 530	24	24	4,051
243033	CAP LEASE CUR DELL 531	(4,062)	(4,062)	(4,062)
243034	CAP LEASE CUR DELL 532	(3,237)	(3,237)	(2,737)
243035	CAP LEASE CUR DELL 533	(681)	(681)	(681)
243036	CAP LEASE CUR DELL 534	(14,974)	(14,974)	(11,521)
243037	CAP LEASE CUR DELL 535	(9,536)	(9,536)	(6,281)
243038	CAP LEASE CUR DELL 536	1,466	903	1,806
243039	CAP LEASE CUR DELL 537	(5,547)	(5,547)	(3,273)
243040	CAP LEASE CUR DELL 538	(7,435)	(7,435)	(6,171)
243041	CAP LEASE CUR DELL 539	(2,748)	(2,748)	(2,748)
243042	CAP LEASE CUR DELL 540	(494)	(494)	(323)
243043	CAP LEASE CUR DELL 541	(10,547)	(10,547)	(6,743)
243044	CAP LEASE CUR DELL 542	(10,287)	(10,287)	(8,404)
243045	CAP LEASE-NONCUR DELL 543	(5,370)	(5,370)	(4,341)
243046	CAP LEASE CUR DELL 544	(8,782)	(8,782)	(7,017)
243047	CAP LEASE CUR DELL 545	(6,348)	(6,348)	(4,986)
243048	CAP LEASE CUR DELL 546	(4,026)	(4,026)	(4,026)
243049	CAP LEASE CUR DELL 547	(70,370)	(64,748)	(45,791)
243050	CAP LEASE CUR DELL 548	(1,924)	(1,924)	(1,924)
243051	CAP LEASE CUR DELL 549	(2,950)	(2,950)	(1,151)
243052	CAP LEASE CUR DELL 550	(1,675)	(1,675)	(1,675)
243053	CAP LEASE CUR DELL 551	(1,208)	(1,208)	228
243054	CAP LEASE CUR DELL 552	(2,531)	(2,531)	(873)
243055	CAP LEASE CUR DELL 553	(67,168)	(67,168)	(52,958)
243056	CAP LS CUR DELL 554	(132,030)	(128,520)	(121,499)
243057	CAP LS CUR DELL 555	(79,680)	(78,027)	(74,720)
243058	CAP LS CUR DELL 556	0	0	(78,301)
252001	CUST ADV-CONST	113	113	113
252004	CUST CONTRIBUTION	152	152	152
252005	CUST CONTRIBUTION RS-1	473	473	473
252011	CUST CONTR - RES NEW CONST OR	(549,329)	(563,555)	(570,079)
252012	CUST CONTR - RES NEW CONST WA	(31,419)	(31,419)	(33,115)
252013	CUST CONTR - RES CONV OR	(1,156,349)	(1,145,802)	(1,152,881)
252014	CUST CONTR - RES CONV WA	(117,064)	(117,388)	(117,388)
252021	CUST CONTR - M/F NEW CON	(48,988)	(48,988)	(48,988)
252023	CONST CONTR - M/F CONV OR	(45,966)	(45,966)	(44,864)
252024	CUST CONTR - M/F CONV WA	(10,086)	(10,086)	(10,086)
252031	CUST CONTR - COMM NEW CON OR	(309,600)	(316,336)	(315,477)
252032	CUST CONTR - COMM NEW CONV WA	(15,310)	(15,310)	(15,310)
252033	CUST CONTR - COMM CONV OR	(308,086)	(310,875)	(309,915)
252034	CUST CONTR - COMM CONV WA	(19,309)	(19,309)	(19,309)
253039	DFED INC - POSTRTMNT	(0)	(0)	(0)
253201	DUE TO ADAMS	0	0	0
253205	DUE TO LONGVIEW FIBER	(356,707)	(357,313)	(357,925)
255084	DEFD INV TAX CREDIT	(2,808,163)	(2,857,860)	(2,896,580)
256016	DFED GAINS - SALES OF VANC. - WASH	(102,104)	(102,104)	(102,104)
256017	DEFD GAIN - 2004 VANC LAND	(195,607)	(195,607)	(195,607)
261001	AUTO SELF-INSURANCE	(84,411)	(66,404)	(105,502)
262001	INJ & DAMAGE RES-OPER	(145,634)	(131,892)	(71,098)
262002	INJ & DAMAGE RES-CONST	(145,265)	(145,410)	(205,140)
262003	INJ & DAMAGE RES-HR	(40,341)	(40,341)	(39,978)
262004	INJ & DAM RES-EXTRAORDINARY	(321,892)	(338,562)	(500,232)
262140	INJ & DAM RES-EXT-GASCO	(33,199,000)	(33,199,000)	(33,304,000)
262143	INJ & DAM RES-EXT-WACKER	(2,510,490)	(2,510,490)	(2,550,490)
262144	INJ & DAM INS-EXT HARBOR	(21,565,800)	(21,565,800)	(21,565,800)

NW Natural
Washington Quarterly Results of Operations Report
Selected Balance Sheet Accounts - 2008
System Amounts

	July	August	September
262145	INJ & DAM RES-EXT OR STEEL	(200,000)	(200,000)
262146	INJ & DAM RES-EXT TAR BODY	(10,822,700)	(10,822,700)
262147	INJ & DAM RES-ENV CEN GAS HOLD	(545,000)	(545,000)
262148	INJ & DAM RES-EXT-FRONT ST	(10,770)	(10,770)
262149	INJ & DAM RES-FR AMER SCHOOL	(89,002)	(89,002)
262150	RES OFFSET - ENV GASCO	12,449,211	12,449,211
262151	RES OFFSET - ENV SILTRONIC	1,029,057	1,029,057
262152	RES OFFSET - ENV HARBOR	6,680,641	6,680,641
262153	RES OFFSET - ENV TAR DEPOSIT	11,139,910	11,139,910
262154	RES OFFSET - ENV EUGENE	21,998	21,998
262155	RES OFFSET - ENV FRONT ST	2,477	2,477
262156	RES OFFSET - ENV STEEL MILLS	4,811	4,811
262157	RES OFFSET - ENV CRTL SVC CNTR	17,704	17,704
262159	RES OFF- FR AMER	89,615	89,615
262630	FAS133 L.T. LOSSES SWAPS&FC	(32,091)	(32,091)
262633	FAS133 LT LOSS INT RT SWAP	(1,358,000)	(1,358,000)
262635	FAS133 L.T. LOSSES PHYSICAL	(866,000)	(866,000)
262637	PHY OPTIONS LT LOSS	(476,000)	(476,000)
262640	FAS133 S.T. LOSS SWAPS&FC	(314,774)	(314,774)
262645	FAS133 S.T. LOSS PHYSICALS	(2,153,000)	(2,153,000)
262647	PHY OPTIONS ST LOSS	(324,000)	(324,000)
263002	ACC LIAB-EXEMPT VACATION	(2,695,313)	(2,695,313)
263017	DUE TO ENERFIN - ST HELENS WELL	(6,666,638)	(6,666,638)
283016	DEF INC TAX-FAS 109	(69,547,062)	(69,547,062)
283021	DEF INC TAX-UTIL-REV ADJ-FED	18,789,602	14,995,536
283022	DEF INC TAX-UTIL-REV ADJ-OR	3,481,302	2,778,280
283031	DEF INC TAX-NON UTIL-DEPR-FED	418,619	418,125
283032	DEF INC TAX-NON UTIL-DEPR-OR	77,590	77,499
283061	DEF INC TAX-UTIL-DEPREC-FED	(141,232,566)	(139,981,421)
283062	DEF INC TAX-UTIL-DEPREC-ORE	(26,196,527)	(25,964,696)
283071	DEF INC TAX-UTIL-OTHER-FED	1,699,668	1,432,147
283072	DEF INC TAX-UTIL-OTHER-ORE	284,920	235,350
283081	DEF INC TAX-STOR DEPR FED	(3,908,285)	(3,973,456)
283082	DEF INC TAX-STOR DEPR OR	(724,377)	(736,453)
283091	DEF INC TAX-STOR REV&COST FED	(31,091)	(31,091)
283092	DEF INC TAX-STOR REV&COST OR	(5,768)	(5,768)
283093	DEF INC TAX- SB408 FEDERAL	(1,542,969)	(1,595,379)
283094	DEF INC TAX- SB408 OR	(311,520)	(322,101)
283096	DEF INC TAX- OCI FEDERAL	10,902,121	10,840,250
283097	DEF INC TAX- OCI OR	2,029,397	2,017,894
283304	DEF INC TAX FED - DBP	(7,517,007)	(7,481,674)
283305	DEFERRED OREGON TAX-INVEST GEN	(1,397,436)	(1,390,867)
283306	DEF INC TAX FED - FAS 106	(1,670,199)	(1,653,542)
283307	DEF INC TAX STATE - FAS 106	(310,493)	(307,396)

**NW Natural
Rates & Regulatory Affairs
Report of Gross Plant & Accumulated Depreciation**

		2007 Dec	2006 Dec	Dec 06 - Dec 07 12 month average	
Gross Plant		System	System	System	Allocation Method
Intangible	Software	70,283,064	67,328,274	68,861,424	Direct & Total Customers
	Other	84,795	84,795	84,795	Direct
Production		675,198	675,198	675,198	Direct
Transmission		18,855,883	18,694,783	18,585,021	Direct
Distribution		1,558,716,591	1,480,419,137	1,518,631,492	Direct
General		96,612,194	92,945,129	94,566,349	3-Factor & Direct
Storage and storage transmission CNG and LNG		268,777,709 2,567,634	266,505,593 2,567,634	267,582,336 2,567,634	Firm Delivered Volumes 3-Factor
Total Gross Plant		2,016,573,067	1,929,220,543	1,971,554,250	
		2,016,573,067	-	-	
Accumulated Depreciation					
Intangible		(50,240,656)	(44,146,527)	(47,170,742)	Total Customers
Production		(684,628)	(684,628)	(684,628)	Direct
Transmission		(9,026,220)	(8,672,152)	(8,848,363)	Direct
Distribution		(645,214,711)	(601,784,244)	(623,593,982)	Direct
General		(45,867,846)	(42,521,853)	(44,545,150)	3-Factor
Storage and storage transmission CNG and LNG		(69,516,884) (2,504,909)	(63,790,133) (2,380,229)	(66,651,159) (2,442,569)	Firm Delivered Volumes 3-Factor
Total Accumulated Depreciation		(823,055,852)	(763,979,765)	(793,936,594)	
		(823,055,852)	0	(0)	
Gross Plant		Oregon	Oregon	Oregon	
Intangible	Software	61,532,984	58,875,742	60,254,504	
	Other	84,348	84,348	84,348	
Production		675,198	675,198	675,198	
Transmission		18,855,883	18,694,783	18,585,021	
Distribution		1,385,707,786	1,318,231,591	1,351,803,652	
General		88,617,729	85,184,889	86,758,325	
Storage and storage transmission CNG and LNG		246,331,671 2,314,722	244,275,861 2,314,722	245,250,098 2,314,722	
Total Gross Plant		1,804,120,321	1,728,337,134	1,765,725,868	
			1,728,337	1,765,726	
Accumulated Depreciation					
Intangible		(44,301,440)	(38,932,551)	(41,596,447)	
Production		(684,628)	(684,628)	(684,628)	
Transmission		(9,026,220)	(8,672,152)	(8,848,363)	
Distribution		(588,220,174)	(549,795,744)	(569,146,327)	
General		(40,706,655)	(37,758,398)	(39,549,766)	
Storage and storage transmission CNG and LNG		(64,479,894) (2,258,176)	(59,168,087) (2,145,776)	(61,821,811) (2,201,976)	
Total Accumulated Depreciation		(749,677,186)	(697,157,335)	(723,849,319)	
			(697,157)	(723,849)	
Gross Plant		Washington	Washington	Washington	
Intangible	Software	8,750,079	8,452,532	8,606,920	
	Other	447	447	447	
Production					
Transmission					
Distribution		173,008,805	162,187,546	166,827,840	
General		7,994,464	7,760,240	7,808,024	
Storage and storage transmission CNG and LNG		22,446,038 252,912	22,229,732 252,912	22,332,238 252,912	
Total Gross Plant		212,452,745	200,883,409	205,828,382	
Accumulated Depreciation					
Intangible		(5,939,216)	(5,213,976)	(5,574,295)	
Production		-	-	-	
Transmission		-	-	-	
Distribution		(56,994,537)	(51,988,500)	(54,447,655)	
General		(5,161,191)	(4,763,455)	(4,995,384)	
Storage and storage transmission CNG and LNG		(5,036,990) (246,734)	(4,622,046) (234,453)	(4,829,348) (240,593)	
Total Accumulated Depreciation		(73,378,667)	(66,822,430)	(70,087,276)	

NW Natural
Washington Quarterly Results of Operations Report
State Allocation Factors
Updated for year ended 2007 data

	<u>System</u>	<u>Washington</u>	<u>Oregon</u>
Customers			
Total Customers			
December 2007	652,012	65,992	586,020
December 2006	636,584	63,741	572,843
Average	644,298	64,867	579,432
% of System		10.07%	89.93%
Residential Customers			
December 2007	589,676	60,787	528,889
December 2006	575,116	58,671	516,445
Average	582,396	59,729	522,667
% of System		10.26%	89.74%
Commercial Customers			
December 2007	61,397	5,147	56,250
December 2006	60,523	5,015	55,508
Average	60,960	5,081	55,879
% of System		8.33%	91.67%
Industrial Customers			
December 2007	939	58	881
December 2006	945	55	890
Average	942	57	886
% of System		6.00%	94.00%
The Dalles			
December 2007	7,005	1,803	5,202
December 2006	6,829	1,765	5,064
Average	6,917	1,784	5,133
% of System		25.79%	74.21%
Portland / Vancouver			
December 2007	461,293	64,189	397,104
December 2006	450,704	61,975	388,729
Average	455,999	63,082	392,917
% of System		13.83%	86.17%
Portland / Vancouver Commercial			
December 2007	39,809	4,946	34,863
December 2006	39,203	4,815	34,388
Average	39,506	4,881	34,626
% of System		12.35%	87.65%
Volumes - 12 Months Ended 12/31/07			
Firm Delivered			
% of System	752,825,552	71,693,700	681,131,853
		9.52%	90.48%
Sales Volumes			
% of System	791,888,943	74,049,999	717,838,944
		9.35%	90.65%
Sendout Volumes			
% of System	1,216,646,357	87,794,794	1,128,851,563
		7.22%	92.78%

**NW Natural
State Allocation Factors**

3-factor formula (simple average)	Washington	Oregon
Gross Plant Directly Assigned	10.89%	89.11%
Number of Employees Directly Assigned	8.60%	91.40%
Number of Customers	10.07%	89.93%
Average	9.85%	90.15%

Derivation of factor for 3-factor - Gross Plant Directly Assigned

December 31, 2006	System	Washington	Oregon
Intangible - Other	84,795	447	84,348
Production	675,198	0	675,198
Transmission	18,694,783	0	18,694,783
Distribution	1,480,419,137	162,187,546	1,318,231,591

December 31, 2007	System	Washington	Oregon
Intangible	84,795	447	84,348
Production	675,198	0	675,198
Transmission	18,855,883	0	18,855,883
Distribution	1,558,716,591	173,008,805	1,385,707,786

Average	System	Washington	Oregon
Intangible - Other	84,795	447	84,348
Production	675,198	0	675,198
Transmission	18,775,333	0	18,775,333
Distribution	1,519,567,864	167,598,175	1,351,969,688

Gross Plant Directly Assigned	1,539,103,190	167,598,622	1,371,504,567
% of System		10.89%	89.11%

Allocation Factors - Summary	Washington	Oregon
Customers-all	10.07%	89.93%
Customers-Residential	10.26%	89.74%
Customers-Commercial	8.33%	91.67%
Customers-Industrial	6.00%	94.00%
Customers-The Dalles	25.79%	74.21%
3-factor	9.85%	90.15%
firm volumes	9.52%	90.48%
sales volumes	9.35%	90.65%
sendout volumes	7.22%	92.78%
sales/sendout volumes	8.29%	91.72%
Customers Portland/Vancouver	13.83%	86.17%
Customers Portland/Vancouver 80%	11.06%	88.94%
Customers Portland/Vancouver Con	12.35%	87.65%
Payroll	9.89%	90.11%
Admin Transfer	11.70%	88.30%
Employee Cost	10.26%	89.74%
Regulatory	30.00%	70.00%
Telemetry	10.77%	89.23%
Direct-Wa	100.00%	0.00%
Direct-Or	0.00%	100.00%
Gross plant direct assign	10.89%	89.11%
Depreciation	10.75%	89%
Rate Base	11.81%	

NW Natural
Washington Quarterly Results of Operations Report
Monthly Volumes, Customers, and Use/Customer

	2008 January	2008 February	2008 March	2008 April	2008 May	2008 June	2008 July	2008 August	2008 September
Volumes									
Residential	7,829,060	7,513,927	5,240,444	5,318,558	3,428,152	2,090,293	1,392,246	1,116,209	1,181,677
Commercial	3,395,030	3,230,092	2,373,567	2,365,392	1,624,061	1,096,978	831,323	742,624	762,319
Industrial Firm	410,371	348,648	340,955	309,114	230,280	195,772	193,825	159,916	179,725
Interruptible	571,886	455,546	497,297	605,649	539,546	559,806	581,350	522,738	541,949
Transport Total	1,476,657	1,218,254	1,307,088	1,213,073	1,122,719	1,076,317	1,165,101	1,160,621	1,223,339
Total	13,683,004	12,766,467	9,759,351	9,811,786	6,944,758	5,019,166	4,163,845	3,702,108	3,889,009
Customers									
Residential	61,013	61,219	61,310	61,395	61,488	62,425	61,542	61,515	61,450
Commercial	5,165	5,182	5,207	5,209	5,206	5,207	5,194	5,190	5,185
Industrial Firm	37	37	38	38	38	37	37	37	37
Interruptible	13	14	14	14	14	14	14	14	14
Transport Total	8	8	8	8	8	8	8	8	8
Total	66,236	66,460	66,577	66,664	66,754	67,691	66,795	66,764	66,694
Use per Customer	3.07%	3.14%	3.28%	2.34%	3.37%	4.70%	3.24%	2.93%	2.25%
Residential	128	123	85	87	56	33	23	18	19
Commercial	657	623	456	454	312	211	160	143	147
Industrial Firm	11,091	9,423	8,973	8,135	6,060	5,291	5,239	4,322	4,857
Interruptible	43,991	32,539	35,521	43,261	38,539	39,986	41,525	37,338	38,711
Transport Total	184,582	152,282	163,386	151,634	140,340	134,540	145,638	145,078	152,917

NW Natural
Washington Quarterly Results of Operations Report
Monthly Volumes, Customers, and Use/Customer

12 Months Ended	2008 January	2008 February	2008 March	2008 April	2008 May	2008 June	2008 July	2008 August	2008 September
Volumes									
Residential	43,631,912	44,009,256	44,181,011	45,919,323	46,768,383	47,249,317	47,444,697	47,488,927	47,495,845
Commercial	20,629,419	20,555,364	20,573,970	21,394,696	21,708,210	21,874,998	21,928,672	21,964,741	21,929,541
Industrial Firm	3,230,799	3,235,932	3,258,094	3,297,065	3,305,119	3,298,737	3,298,082	3,265,215	3,261,549
Interruptible	6,325,125	6,403,022	6,342,648	6,388,511	6,478,093	6,613,264	6,736,271	6,697,314	6,675,218
Transport Total	14,109,677	14,312,206	14,575,540	14,696,020	14,747,236	14,738,145	14,826,886	14,852,570	14,876,734
Total	87,926,932	88,515,780	88,931,263	91,695,615	93,007,041	93,774,461	94,234,607	94,268,767	94,238,887
Average Customers									
Residential	59,871	60,044	60,211	60,383	60,507	60,756	60,924	61,084	61,225
Commercial	5,087	5,097	5,107	5,118	5,128	5,139	5,149	5,161	5,173
Industrial Firm	35	35	36	36	36	37	37	37	37
Interruptible	14	14	14	14	14	14	14	14	14
Transport Total	8	9	9	9	10	10	11	11	11
Total	65,015	65,198	65,377	65,560	65,695	65,955	66,134	66,307	66,459
12 Month Use per Average Customer									
Residential	729	733	734	760	773	778	779	777	776
Commercial	4,055	4,033	4,029	4,180	4,233	4,256	4,259	4,256	4,240
Industrial Firm	93,196	92,236	91,777	91,798	90,967	90,376	89,948	88,648	88,150
Interruptible	460,009	460,097	455,759	459,055	465,492	475,205	484,043	481,244	479,656
Transport Total	1,711,836	1,670,686	1,599,754	1,553,764	1,503,359	1,449,654	1,407,616	1,360,541	1,312,653

NW Natural
Washington Quarterly Results of Operations Report
Monthly Volumes, Customers, and Use/Customer

	2007 January	2007 February	2007 March	2007 April	2007 May	2007 June	2007 July	2007 August	2007 September	2007 October	2007 November	2007 December
Volumes												
Residential	8,012,396	7,136,583	5,068,689	3,580,246	2,579,092	1,609,359	1,196,867	1,071,979	1,174,759	2,094,602	3,842,393	6,448,283
Commercial	3,416,798	3,304,147	2,354,961	1,544,665	1,310,548	930,189	777,649	706,554	797,519	1,096,118	1,702,962	2,709,075
Industrial Firm	427,913	343,516	318,793	270,143	222,226	202,154	194,481	192,783	183,391	241,679	300,099	351,165
Interruptible	581,983	377,649	557,671	559,786	449,964	424,635	458,343	561,695	564,045	613,274	586,562	599,615
Interruptible Incentive												
Firm	573,279	517,544	556,874	549,904	545,571	531,897	534,366	549,998	555,471	647,072	688,517	735,888
Interruptible	718,496	498,181	486,880	542,689	525,932	553,511	541,994	584,939	643,704	652,330	561,436	628,322
Interruptible Incentive												
Total	13,730,866	12,177,620	9,343,868	7,047,434	5,633,333	4,251,745	3,703,700	3,667,948	3,918,889	5,345,076	7,681,969	11,472,348
Customers												
Residential	58,931	59,144	59,303	59,329	59,997	59,448	59,523	59,592	59,763	60,096	60,455	60,787
Commercial	5,039	5,069	5,082	5,078	5,087	5,070	5,074	5,049	5,046	5,071	5,108	5,147
Industrial Firm	33	32	33	33	33	35	35	35	35	36	36	36
Interruptible	14	12	14	14	14	14	14	14	14	15	13	14
Interruptible Incentive												
Industrial Firm	4	4	4	4	4	4	4	4	4	4	4	4
Interruptible	5	4	2	4	4	4	4	4	4	5	4	4
Interruptible Incentive												
Total	64,026	64,265	64,438	64,462	65,139	64,575	64,654	64,698	64,866	65,227	65,620	65,992
Use per Customer	4.01%	3.91%	3.91%	2.64%	4.56%	3.73%	3.66%	3.56%	3.28%	3.07%	2.95%	3.07%
Residential	136	121	85	60	43	27	20	18	20	35	64	106
Commercial	678	652	463	304	258	183	153	140	158	216	333	526
Industrial Firm	12,967	10,735	9,660	8,186	6,734	5,776	5,557	5,508	5,240	6,713	8,336	9,755
Interruptible	41,570	31,471	39,834	39,985	32,140	30,331	32,739	40,121	40,289	40,885	45,120	42,830
Interruptible Incentive												
Industrial Firm	143,320	129,386	139,219	137,476	136,393	132,974	133,592	137,500	138,868	161,768	172,129	183,972
Interruptible	143,699	124,545	243,440	135,672	131,483	138,378	135,499	146,235	160,926	130,466	140,359	157,081
Interruptible Incentive												

NW Natural
Washington Quarterly Results of Operations Report
Monthly Volumes, Customers, and Use/Customer

12 Months Ended	2007 January	2007 February	2007 March	2007 April	2007 May	2007 June	2007 July	2007 August	2007 September	2007 October	2007 November	2007 December
Volumes												
Residential	42,573,751	43,645,551	42,604,045	42,393,234	42,713,783	42,790,894	42,892,941	42,965,829	43,003,385	43,397,386	43,595,045	43,815,249
Commercial	20,371,209	21,123,499	20,635,830	20,358,303	20,429,878	20,440,701	20,474,734	20,474,164	20,455,924	20,536,025	20,605,368	20,651,187
Industrial Firm	4,049,875	3,663,609	3,214,564	3,224,338	3,227,072	3,211,106	3,235,720	3,257,050	3,269,923	3,264,423	3,255,078	3,248,342
Interruptible	6,243,702	6,185,033	6,164,484	6,161,195	6,151,107	6,143,159	6,175,875	6,286,145	6,300,386	6,352,559	6,358,278	6,335,222
Interruptible Incentive												
Firm	4,164,711	4,626,255	5,121,129	5,237,751	5,375,220	5,555,367	5,800,040	6,054,344	6,308,704	6,546,488	6,774,405	6,986,381
Interruptible	7,119,803	7,133,846	7,024,478	7,113,360	7,085,396	7,107,937	7,140,659	7,139,492	7,121,696	6,978,531	6,986,761	6,938,414
Interruptible Incentive												
Total	84,523,051	86,377,793	84,764,529	84,488,181	84,962,455	85,249,163	85,719,968	86,177,024	86,460,019	87,075,412	87,574,934	87,974,794
Average Customers												
Residential	57,646	57,855	58,056	58,245	58,425	58,600	58,786	58,966	59,153	59,340	59,521	59,697
Commercial	4,922	4,939	4,954	4,969	4,984	4,998	5,012	5,025	5,038	5,052	5,066	5,077
Industrial Firm	34	34	33	33	33	34	34	34	34	34	34	34
Interruptible	14	14	13	13	13	13	13	14	14	14	14	14
Interruptible Incentive												
Industrial Firm	3	3	3	4	4	4	4	4	4	4	4	4
Interruptible	4	4	4	4	4	4	4	4	4	4	4	4
Interruptible Incentive												
Total	62,623	62,848	63,064	63,269	63,463	63,653	63,853	64,047	64,246	64,448	64,643	64,830
12 Month Use per Average Customer												
Residential	739	754	734	728	731	730	730	729	727	731	732	734
Commercial	4,139	4,277	4,165	4,097	4,099	4,090	4,085	4,074	4,060	4,065	4,068	4,068
Industrial Firm	119,701	109,090	96,196	96,489	96,571	95,854	96,349	96,744	96,887	96,012	95,271	94,612
Interruptible	448,649	455,340	459,465	462,090	464,234	463,635	460,314	462,784	458,210	456,471	459,635	457,968
Interruptible Incentive												
Industrial Firm	1,350,717	1,423,463	1,498,867	1,496,500	1,500,061	1,515,100	1,546,677	1,579,394	1,610,733	1,707,779	1,729,635	1,746,595
Interruptible	1,675,248	1,646,272	1,652,818	1,673,732	1,695,695	1,740,719	1,823,147	1,903,865	1,942,281	1,820,486	1,783,854	1,734,604
Interruptible Incentive												

**NW Natural
Washington Results of Operations
12 Month Ended Reports**

Summary

Total Operating Revenue

Total Rate Base

Rate Of Return on Rate Base

		August '2008			Washington			Oregon		
System	System	System	Washington	Washington	Washington	Oregon	Oregon	Oregon	Oregon	
Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total	Total	
		87,343,982			9,241,720			78,102,262		
		1,050,058,143			131,425,685			918,632,458		
		8.32%			7.03%			8.50%		

NW Natural
Washington Results of Operations
12 Month Ended Reports

Acct	Description	Alloc. Ref.	System		Washington		Washington		Oregon	
			Direct	Allocated	Direct	Allocated	Direct	Allocated	Total	
480.1	Sales of Gas									
481.1	Residential		563,046,029	-	57,827,724	-	-	505,218,306	-	505,218,306
481.2	Commercial		295,831,148	-	25,905,943	-	-	269,925,205	-	269,925,205
481.3	Industrial Firm		47,668,618	-	3,345,438	-	-	44,323,180	-	44,323,180
481.5	Interruptible		69,579,550	-	5,521,617	-	-	64,057,933	-	64,057,933
495.20	Unbilled Revenue		-	184,680	-	-	32,781	-	151,899	151,899
	Total Sales of Gas	A	976,125,344	184,680	92,600,721	32,781	32,781	883,524,623	151,899	883,676,522
489.12	Transportation Revenue									
489.13	Industrial Firm		6,229,470	-	205,866	-	-	6,023,604	-	6,023,604
489.15	Interruptible		8,134,029	-	124,909	-	-	8,009,120	-	8,009,120
489.3	Agency Fee/Balancing		12,614	-	-	-	-	12,614	-	12,614
	Total Transportation Revenue		14,376,112	-	330,775	-	-	14,045,337	-	14,045,337
495.6	Rate Adjustments - Amortizations		8,007,364	-	-	-	-	8,007,364	-	8,007,364
487	Miscellaneous Revenues									
488.1	Late Payment Charge		3,188,236	-	162,941	-	-	3,025,295	-	3,025,295
488.3	Returned Check Charge		171,667	-	19,860	-	-	151,807	-	151,807
488.4	Recon Charge CR During Office Hours		273,690	-	27,050	-	-	246,640	-	246,640
488.5	Field Collection Charge		300,485	-	39,300	-	-	261,185	-	261,185
488.6	Recon Charge CR After Office Hours		354,925	-	50,325	-	-	304,600	-	304,600
488.7	Recon Charge Seas During Office Hours		17,700	-	1,550	-	-	16,150	-	16,150
488.8	Automated Payment Charge		4,750	-	300	-	-	4,450	-	4,450
488.2	Rent - Utility Property		151,885	-	21,380	-	-	130,505	-	130,505
493.2	Meter Rentals		189,653	-	19,158	-	11,231	170,495	204,340	204,340
495.1	Other Gas Revenue - Miscellaneous		212,249	-	(66,274)	-	-	278,524	-	278,524
495.2	Total Gas Revenue - Miscellaneous Revenues		4,865,240	215,571	275,589	11,231	-	4,589,650	204,340	4,793,990
	Total Operating Revenue		1,003,374,060	400,251	93,207,085	44,012	44,012	910,166,975	356,239	910,523,214
804.7	Cost of Gas									
805.7	WACOG Incurred		593,595,110	-	56,183,964	-	-	537,411,146	-	537,411,146
804.6	WACOG Deferred		(3,882,169)	-	(1,022,300)	-	-	(2,859,869)	-	(2,859,869)
805.8	Demand Incurred		86,862,474	-	7,825,807	-	-	79,036,667	-	79,036,667
805.4	Demand Deferred		6,957,626	-	630,794	-	-	6,326,832	-	6,326,832
	Amortization of Gas Costs		(37,958,044)	-	(7,027,663)	-	-	(30,930,381)	-	(30,930,381)
	Total Cost of Gas		645,574,998	-	56,590,602	-	-	588,984,396	-	588,984,396
Detail	Operations & Maintenance	O&M	7,160,993	109,016,102	711,665	11,100,787	-	6,449,328	97,915,315	104,364,643
408.11	Other Taxes									
408.12	Property		18,562,091	-	1,205,647	-	-	17,356,444	-	17,356,444
408.13	Franchise		25,128,821	-	3,487,956	-	-	21,640,865	-	21,640,865
408.14	Payroll		4,786,143	-	475,308	-	-	4,310,835	-	4,310,835
408.15	Other		379,686	-	100	-	-	379,586	-	379,586
	Regulatory		2,492,996	-	187,467	-	-	2,305,529	-	2,305,529
	Total Other Taxes		46,563,594	4,786,143	4,881,171	475,308	-	41,682,424	4,310,835	45,993,258
403.1	Depreciation		-	69,682,633	-	7,357,998	-	-	62,324,635	62,324,635
409.11	Income Taxes									
410.11	Federal Income Taxes		17,633,168	-	2,961,560	-	-	14,671,608	-	14,671,608
411.42	Federal Income Taxes - Deferred		35,558,789	-	-	-	-	35,558,789	-	35,558,789
409.12	Federal Income Tax Credit		(24,566,529)	-	(69,713)	-	-	(24,496,816)	-	(24,496,816)
410.12	Oregon Income Taxes		3,230,705	-	-	-	-	3,230,705	-	3,230,705
411.12	Oregon Income Taxes - Deferred		5,939,382	-	-	-	-	5,939,382	-	5,939,382
	Total Income Taxes		33,645,867	-	2,891,847	-	-	30,754,020	-	30,754,020
	Total Operating Revenue Deductions		699,299,585	183,484,877	62,183,437	18,934,093	-	637,116,147	164,550,785	832,420,952
	Net Operating Income		87,343,982	-	9,241,720	-	-	78,102,262	-	78,102,262

	System Direct	System Allocated	System Total	Washington Direct	Washington Allocated	Washington Total	Oregon Direct	Oregon Allocated	Oregon Total
12 Month Ended Reports									
Rate Base									
101 Gross Plant			2,030,413,720			219,932,838			1,810,480,882
108.1X Accumulated Depreciation			(833,643,293)			(75,251,099)			(758,392,193)
117.X Storage Gas - Cushion			14,210,041			1,348,049			12,861,992
186.XX Leasehold Improvements			2,416,626			237,694			2,178,933
252.XX Customer Contributions			(2,407,477)			(179,763)			(2,227,714)
283.XX Deferred Taxes - Federal			(135,720,622)			(14,662,033)			(121,058,589)
283.XX Deferred Taxes - State			(25,210,852)			-			(25,210,852)
Total Rate Base			1,050,058,143			131,425,685			918,632,458
Rate Of Return on Rate Base			8.32%			7.03%			8.50%
Allocation References:									
A Unbilled Therms			100.00%			17.75%			82.25%
B Follows plant split			100.00%			5.21%			94.79%
O&I See O&M Detail									
C Payroll Factor			100.00%			9.93%			90.07%
D Depreciation Factor			100.00%			10.56%			89.44%

**NW Natural
Washington Results of Operations
Summary**

Total Operating Revenue

Total Rate Base

Rate Of Return on Rate Base

System	System			Washington			Oregon		
	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
			(1,754,377)			(172,053)			(1,582,324)
			1,052,306,877			128,309,502			923,997,375
			-0.17%			-0.13%			-0.17%

**NW Natural
Washington Quarterly Results of Operations Report**

Acct	Description	Alloc. Ref.	System			Washington			Oregon			August 2008		
			Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
480.1	Sales of Gas		14,497,999	404,166	14,497,999	1,561,800	72,723	1,561,800	12,936,199	331,443	12,936,199			
481.1	Commercial		10,124,994	404,166	10,124,994	909,821	72,723	909,821	9,215,173	331,443	9,215,173			
481.2	Industrial Firm		2,860,805		2,860,805	172,553		172,553	2,688,252		2,688,252			
481.3	Interruptible		4,860,092		4,860,092	420,851		420,851	4,439,241		4,439,241			
481.5	Interruptible Incentive		-		-	-		-	-		-			
495.20	Unbilled Revenue		-		-	-		-	-		-			
	Total Sales of Gas	A	32,343,891	404,166	32,748,056	3,065,025	72,723	3,137,748	29,278,866	331,443	29,610,309			
489.12	Transportation Revenue													
489.13	Industrial Firm		508,897		508,897	-		-	508,897		508,897			
489.15	Interruptible		642,395		642,395	-		-	642,395		642,395			
489.3	Agency Fee/Balancing		-		-	-		-	-		-			
	Total Transportation Revenue		1,240		1,240	-		-	1,240		1,240			
	Total		1,152,532		1,152,532	-		-	1,152,532		1,152,532			
495.6	Rate Adjustments - Amortizations		(280,829)		(280,829)				(280,829)		(280,829)			
	Miscellaneous Revenues		163,309		163,309	9,046		9,046	154,263		154,263			
488.1	Late Payment Charge		11,565		11,565	1,365		1,365	10,200		10,200			
488.3	Recon Charge CR During Office Hours		20,800		20,800	2,450		2,450	18,350		18,350			
488.4	Field Collection Charge		28,070		28,070	3,795		3,795	24,275		24,275			
488.5	Recon Charge CR After Office Hours		21,350		21,350	3,125		3,125	18,225		18,225			
488.6	Recon Charge Seas During Office Hours		600		600	125		125	475		475			
488.7	Recon Charge Seas After Office Hours		700		700	100		100	600		600			
488.8	Automated Payment Charge		10,915		10,915	1,510		1,510	9,405		9,405			
493.2	Rent - Utility Property		20,648		20,648	-		-	20,648		20,648			
495.1	Meter Rentals		16,016		16,016	1,617		1,617	14,400		14,400			
495.2	Other Gas Revenue - Miscellaneous		2,086		2,086	(1,661)		(1,661)	3,747		3,747			
	Total Miscellaneous Revenues		275,411		296,059	21,472		21,472	253,940		274,587			
	Total Operating Revenue		33,491,005	424,814	33,915,819	3,086,497	72,723	3,159,220	30,404,508	352,091	30,756,599			
	Cost of Gas		22,315,421		22,315,421	2,156,200		2,156,200	20,159,221		20,159,221			
804.7	WACOG Incurred		(3,132,156)		(3,132,156)	(366,677)		(366,677)	(2,765,479)		(2,765,479)			
804.6	Demand Incurred		7,256,170		7,256,170	651,346		651,346	6,604,824		6,604,824			
805.8	Demand Deferred		(4,192,543)		(4,192,543)	(392,722)		(392,722)	(3,799,821)		(3,799,821)			
805.4	Amortization of Gas Costs		(1,395,997)		(1,395,997)	(244,037)		(244,037)	(1,151,961)		(1,151,961)			
	Total Cost of Gas		20,850,895		20,850,895	1,804,110		1,804,110	19,046,785		19,046,785			
	Operations & Maintenance	O&M	509,801	8,371,882	8,881,683	21,215	852,867	874,082	488,586	7,519,015	8,007,601			
	Other Taxes		1,593,621		1,593,621	100,108		100,108	1,493,513		1,493,513			
408.11	Property		912,249		912,249	122,748		122,748	789,502		789,502			
408.12	Franchise		(39,725)		(39,725)	-		-	(39,725)		(39,725)			
408.13	Payroll		413,437		413,437	-		-	372,548		372,548			
408.14	Other		-		-	-		-	-		-			
408.15	Regulatory		-		-	-		-	-		-			
	Total Other Taxes		2,466,145	413,437	2,879,583	222,856	40,889	263,744	2,243,290	372,548	2,615,838			
403.1	Depreciation		5,929,761		5,929,761	637,390		637,390	5,292,371		5,292,371			
	Income Taxes		(5,316,381)		(5,316,381)	(241,667)		(241,667)	(5,074,714)		(5,074,714)			
409.11	Federal Income Taxes		4,107,132		4,107,132	(6,387)		(6,387)	4,107,132		4,107,132			
411.42	Federal Income Tax Credit		(1,201,448)		(1,201,448)	-		-	(1,195,061)		(1,195,061)			
409.12	Oregon Income Taxes		(981,789)		(981,789)	-		-	(981,789)		(981,789)			
410.12	Oregon Income Taxes - Deferred		752,592		752,592	-		-	752,592		752,592			
411.12	Oregon Income Tax Credit		(231,831)		(231,831)	-		-	(231,831)		(231,831)			
	Total Income Taxes		(2,871,725)		(2,871,725)	(248,054)		(248,054)	(2,623,671)		(2,623,671)			
	Total Operating Revenue Deductions		23,826,840	14,715,080	38,541,920	2,048,181	1,531,146	3,579,327	21,778,660	13,183,934	34,962,594			
	Net Operating Income		(1,754,377)		(1,754,377)	(172,053)		(172,053)	(1,582,324)		(1,582,324)			

	System Direct	System Allocated	System Total	Washington Direct	Washington Allocated	Washington Total	Oregon Direct	Oregon Allocated	Oregon Total
Rate Base									
101 Gross Plant			2,063,764,357			218,478,208			1,845,286,149
108.1X Accumulated Depreciation		(861,054,015)				(76,465,599)			(784,588,417)
117.X Storage Gas - Cushion		14,187,156				1,350,617			12,836,539
186.XX Leasehold Improvements		2,312,293				227,502			2,084,791
252.XX Customer Contributions		(2,624,295)				(193,399)			(2,430,896)
283.XX Deferred Taxes - Federal		(138,549,274)				(15,087,828)			(123,461,446)
283.XX Deferred Taxes - State		(25,729,346)				-			(25,729,346)
Total Rate Base		1,052,306,877				128,309,502			923,997,375
Rate Of Return on Rate Base		-0.17%				-0.13%			-0.17%
Allocation References:									
A Unbilled Terms		100.00%				14.32%			85.68%
B Follows plant split		100.00%				0.10			90.15%
OO: See OO&M Detail									
C Payroll Factor		100.00%				9.89%			90.11%
D Depreciation Factor		100.00%				10.75%			89.25%

NW Natural
Washington Quarterly Results of Operations Report
Operations and Maintenance Expense: Allocation of System Amounts
For the Month Ended August 31, 2008

Month

	System	Washington	Oregon
Natural Gas Storage			
Underground Storage Expense			
Operation			
816 Wells Expense	\$5,376	\$512	\$4,864
818 Compressor Station Expense	10,951	1,043	9,908
819 Compressor Station Fuel	0	-	0
820 Measuring and Regulator Station Expense	78,508	7,474	71,034
821 Purification Expense	1,101	105	997
Maintenance			
832 Wells Expense	6,821	649	6,172
Total Underground Storage Expense	102,757	9,782	92,975
Other Storage Expense			
Operation			
840 Supervision and Engineering	5,197	495	4,703
Total Other Storage Expense	5,197	495	4,703
Liquified Natural Gas Expense			
Operation			
844 Supervision and Engineering	146,898	13,230	133,668
845 LNG Fuel	(21,031)	(2,002)	(19,028)
Maintenance			
847 Supervision and Engineering	79,465	7,565	71,900
Total Liquified Natural Gas Expense	205,332	18,793	186,539
Total Natural Gas Storage	313,287	29,070	284,216
Transmission Expense			
Operation			
856 Mains Expense	50,614	4,985	45,629
Maintenance			
863 Maintenance of Mains	-	-	-
Total Transmission Expense	50,614	4,985	45,629
Distribution Expense			
Operation			
870 Supervision and Engineering	156,644	12,242	144,402
874 Mains and Services Expense	587,447	66,999	520,448
875 Measuring and Regulator Station Expense - General	10,423	680	9,743
877 Measuring and Regulator Station Expense - City Gate	13,872	761	13,112
878 Meter and House Regulator Expense	417,675	40,772	376,903
879 Customer Installation Expense	528,613	53,235	475,378
880 Other Expense	94,626	15,735	78,891
881 Rents	20,516	2,021	18,495

	System	Washington	Oregon
Maintenance			
885 Supervision and Engineering	270,896	26,752	244,144
887 Mains	175,549	13,297	162,253
889 Measuring and Regulator Station Expense - General	60,420	3,596	56,824
891 Measuring and Regulator Station Expense - City Gate	12,686	917	11,769
892 Services	81,918	5,232	76,687
893 Meters and House Regulators	123,664	9,527	114,137
894 Other Equipment	3,172	-	3,172
Total Distribution Expense	<u>2,558,124</u>	<u>251,766</u>	<u>2,306,357</u>
Customer Accounts Expense			
Operation			
901 Supervision	94,138	9,273	84,865
902 Meter Reading Expenses	322,815	41,768	281,048
903 Customer Records and Collection Expense	1,182,219	116,431	1,065,788
904 Uncollectible Accounts	92,190	8,656	83,533
Total Customer Accounts Expense	<u>1,691,362</u>	<u>176,128</u>	<u>1,515,234</u>
Customer Service and Informational			
Operation			
907 Supervision	26,324	2,701	23,623
908 Customer Assistance Expense	372,587	11,188	361,399
909 Customer Information Expense	169,245	17,365	151,880
910 Miscellaneous Customer Service Expense	12,638	1,297	11,341
Total Customer Service and Informational	<u>580,794</u>	<u>32,550</u>	<u>548,244</u>
Sales Expense			
Operation			
911 Supervision	25,721	2,617	23,104
912 Demonstration and Selling Expense	224,443	22,419	202,024
913 Advertising	136,451	11,463	124,988
916 Miscellaneous Sales Expense	266	27	239
Total Sales Expense	<u>386,880</u>	<u>36,526</u>	<u>350,354</u>
Administrative and General Expense			
Operation			
921 Office Supplies and Expense	3,018,300	317,330	2,700,969
922 Administrative Expenses Transferred - Credit	(1,148,643)	(128,438)	(1,020,206)
924 Property Insurance Premium	115,582	11,385	104,197
925 Injuries and Damages	105,478	10,390	95,088
926 Employee Pensions and Benefits	570,739	58,247	512,493
930 Miscellaneous General Expense	52,791	5,200	47,591
931 Rents	379,649	53,918	325,731
Maintenance			
935 Maintenance of General Plant	206,728	15,024	191,704
Total Administrative and General Expense	<u>3,300,623</u>	<u>343,056</u>	<u>2,957,567</u>
Total Operations and Maintenance Expense	<u>\$8,881,683</u>	<u>\$874,082</u>	<u>\$8,007,601</u>

NW Natural
 Rates & Regulatory Affairs
 Operations and Maintenance Expense
 State Allocation of System Amounts
 For the Month Ended August 31, 2008

FERC Descr	System			Washington			Oregon			Allocation Method
	Direct	Total	Allocated	Direct	Total	Allocated	Direct	Total		
	Aug	Aug	Aug	Aug	Aug	Aug	Aug	Aug		
816 Wells Expense Total	0.00	5,375.86	5,375.86	0.00	511.78	511.78	0.00	4,864.08	Firm Volumes Total	
818 Compressor Station Expense Total	0.00	10,950.83	10,950.83	0.00	1,042.52	1,042.52	0.00	9,908.31	Firm Volumes Total	
819 Compressor Station Fuel Total	0.00	0.03	0.03	0.00	0.00	0.00	0.00	0.03	Firm Volumes Total	
820 Measuring and Regulator Station Expense Total	0.00	78,507.87	78,507.87	0.00	7,473.95	7,473.95	0.00	71,033.92	Firm Volumes Total	
821 Purification Expense Total	0.00	1,101.42	1,101.42	0.00	104.86	104.86	0.00	996.56	Firm Volumes Total	
832 Wells Expense Total	0.00	6,821.26	6,821.26	0.00	649.38	649.38	0.00	6,171.88	Firm Volumes Total	
840 Supervision and Engineering Total	0.00	5,197.29	5,197.29	0.00	494.79	494.79	0.00	4,702.50	Firm Volumes Total	
844 Supervision and Engineering Total	0.00	138,972.98	138,972.98	0.00	13,230.23	13,230.23	0.00	125,742.75	Firm Volumes Total	
845 LNG Fuel Total	0.00	(21,030.57)	(21,030.57)	0.00	(2,002.11)	(2,002.11)	0.00	(19,028.46)	Firm Volumes Total	
847 Supervision and Engineering Total	0.00	79,464.91	79,464.91	0.00	7,565.06	7,565.06	0.00	71,899.85	Firm Volumes Total	
856 Mains Expense Total	0.00	50,614.03	50,614.03	0.00	4,985.48	4,985.48	0.00	45,628.55	3-factor Total	
863 Maintenance of Mains Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3-factor Total	
870 Supervision and Engineering Total	0.00	52,817.90	52,817.90	0.00	5,202.56	5,202.56	0.00	47,615.34	3-factor Total	
874 Mains and Services Expense Total	0.00	50,277.00	50,277.00	0.00	66,981.16	66,981.16	0.00	47,615.34	3-factor Total	
875 Measuring and Regulator Station Expense - General T	0.00	2,567.30	2,567.30	0.00	185.36	185.36	0.00	2,381.94	Direct-OR Total	
877 Measuring and Regulator Station Expense - City Gate	0.00	4,596.96	4,596.96	0.00	495.09	495.09	0.00	4,101.87	Sales/Sendout Volumes Total	
878 Meter and House Regulator Expense Total	0.00	7,164.26	7,164.26	0.00	680.45	680.45	0.00	6,483.81	Direct-OR Total	
879 Customer Installation Expense Total	0.00	10,537.23	10,537.23	0.00	760.79	760.79	0.00	9,776.44	Sendout Volumes Total	
880 Other Expense Total	0.00	392,188.44	392,188.44	0.00	39,493.37	39,493.37	0.00	352,695.07	Customers-All Total	
881 Rents Total	0.00	5,307.25	5,307.25	0.00	318.44	318.44	0.00	4,988.81	Customers-Ind Total	
885 Supervision and Engineering Total	0.00	3,628.71	3,628.71	0.00	372.30	372.30	0.00	3,256.41	Customers-Res Total	
	0.00	8,413.58	8,413.58	0.00	8,413.58	8,413.58	0.00	8,413.58	Direct-OR Total	
	0.00	8,137.09	8,137.09	0.00	587.50	587.50	0.00	7,549.59	Sendout Volumes Total	
	0.00	25,842.21	25,842.21	0.00	40,771.61	40,771.61	0.00	368,489.88	3-factor Total	
	0.00	503,369.99	503,369.99	0.00	50,689.36	50,689.36	0.00	452,680.63	Customers-All Total	
	0.00	529,212.20	529,212.20	0.00	53,234.82	53,234.82	0.00	(598.91)	Direct-OR Total	
	0.00	12,898.88	12,898.88	0.00	1,270.53	1,270.53	0.00	11,628.35	3-factor Total	
	0.00	43,000.41	43,000.41	0.00	4,330.13	4,330.13	0.00	38,670.28	Customers-All Total	
	0.00	19,196.33	19,196.33	0.00	19,196.33	19,196.33	0.00	19,196.33	Direct-OR Total	
	0.00	9,403.42	9,403.42	0.00	9,403.42	9,403.42	0.00	0.00	Direct-WA Total	
	0.00	10,127.27	10,127.27	0.00	731.18	731.18	0.00	9,396.09	Sendout Volumes Total	
	0.00	66,026.56	66,026.56	0.00	6,331.84	6,331.84	0.00	59,694.72	3-factor Total	
	0.00	20,515.57	20,515.57	0.00	2,020.79	2,020.79	0.00	18,494.78	3-factor Total	
	0.00	225,148.88	225,148.88	0.00	22,177.15	22,177.15	0.00	202,971.73	3-factor Total	
	0.00	35,703.44	35,703.44	0.00	4,149.34	4,149.34	0.00	35,703.44	Direct-OR Total	
	0.00	4,149.34	4,149.34	0.00	4,149.34	4,149.34	0.00	0.00	Direct-WA Total	
	0.00	5,894.60	5,894.60	0.00	425.59	425.59	0.00	5,469.01	Sendout Volumes Total	
	0.00	231,043.48	231,043.48	0.00	22,602.74	22,602.74	0.00	208,440.74	3-factor Total	
	0.00	39,852.78	39,852.78	0.00	4,149.34	4,149.34	0.00	35,703.44	3-factor Total	
	0.00	270,896.26	270,896.26	0.00	26,752.08	26,752.08	0.00	244,144.18	3-factor Total	

For the Month Ended August 31, 2008

FERC Descr	System			Washington			Oregon			Allocation Method
	Direct	Allocated		Direct	Allocated		Direct	Allocated		
		Aug	Aug		Aug	Aug		Aug	Aug	
911 Supervision Total	0.00	11,546.18	11,546.18	0.00	1,162.70	1,162.70	0.00	12,703.23	12,703.23	Customers-All Total
	0.00	14,174.54	14,174.54	0.00	1,454.31	1,454.31	0.00	12,720.23	12,720.23	Customers-Res Total
	0.00	25,720.72	25,720.72	0.00	2,617.01	2,617.01	0.00	23,103.71	23,103.71	
	0.00	(2,015.66)	(2,015.66)	0.00	(198.94)	(198.94)	0.00	(1,817.12)	(1,817.12)	3-factor Total
	0.00	218,531.10	218,531.10	0.00	22,006.10	22,006.10	0.00	196,525.00	196,525.00	Customers-All Total
	0.00	7,333.40	7,333.40	0.00	610.87	610.87	0.00	6,722.53	6,722.53	Customers-Comm Total
	0.00	6.00	6.00	0.00	0.62	0.62	0.00	5.38	5.38	Customers-Res Total
	588.00	0.00	588.00	0.00	0.00	0.00	588.00	0.00	588.00	Direct-OR Total
912 Demonstration and Selling Expense Total	588.00	223,854.84	224,442.84	0.00	22,419.05	22,419.05	588.00	201,435.79	202,023.79	
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3-factor Total
	0.00	131,455.22	131,455.22	0.00	10,950.22	10,950.22	0.00	120,505.00	120,505.00	Customers-Comm Total
	0.00	4,995.30	4,995.30	0.00	512.52	512.52	0.00	4,482.78	4,482.78	Customers-Res Total
913 Advertising Total	0.00	136,450.52	136,450.52	0.00	11,462.74	11,462.74	0.00	124,987.78	124,987.78	
	0.00	265.91	265.91	0.00	27.28	27.28	0.00	238.63	238.63	Customers-Res Total
916 Miscellaneous Sales Expense Total	0.00	2,590,816.34	2,590,816.34	0.00	255,195.43	255,195.43	0.00	2,335,620.91	2,335,620.91	3-factor Total
	0.00	249,360.55	249,360.55	0.00	25,110.61	25,110.61	0.00	224,249.94	224,249.94	Customers-All Total
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Customers-Res Total
	52,825.18	0.00	52,825.18	0.00	0.00	0.00	52,825.18	0.00	52,825.18	Direct-OR Total
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Direct-WA Total
	0.00	2,321.25	2,321.25	0.00	238.16	238.16	0.00	2,083.09	2,083.09	Employee Cost Total
	0.00	39.91	39.91	0.00	3.80	3.80	0.00	36.11	36.11	Firm Volumes Total
	0.00	122,503.09	122,503.09	0.00	36,750.93	36,750.93	0.00	85,752.16	85,752.16	Regulatory Total
	0.00	433.20	433.20	0.00	31.28	31.28	0.00	401.92	401.92	Sendout Volumes Total
921 Office Supplies and Expense Total	52,825.18	2,965,474.34	3,018,298.52	0.00	317,330.21	317,330.21	52,825.18	2,648,144.13	2,700,969.31	
	0.00	(735,206.09)	(735,206.09)	0.00	(86,019.11)	(86,019.11)	0.00	(649,186.98)	(649,186.98)	Admin Tran Total
	0.00	(413,437.32)	(413,437.32)	0.00	(42,418.67)	(42,418.67)	0.00	(371,018.65)	(371,018.65)	Employee Cost Total
922 Administrative Expenses Transferred - Credit Total	0.00	(1,148,643.41)	(1,148,643.41)	0.00	(128,437.78)	(128,437.78)	0.00	(1,020,205.63)	(1,020,205.63)	
924 Property Insurance Premium Total	0.00	115,581.55	115,581.55	0.00	11,384.78	11,384.78	0.00	104,196.77	104,196.77	3-factor Total
	0.00	115,581.55	115,581.55	0.00	11,384.78	11,384.78	0.00	104,196.77	104,196.77	3-factor Total
925 Injuries and Damages Total	0.00	105,477.57	105,477.57	0.00	10,389.56	10,389.56	0.00	95,088.01	95,088.01	3-factor Total
	0.00	62,958.52	62,958.52	0.00	6,201.42	6,201.42	0.00	56,757.10	56,757.10	3-factor Total
	0.00	493,463.96	493,463.96	0.00	50,629.41	50,629.41	0.00	442,834.55	442,834.55	Employee Cost Total
	0.00	14,317.00	14,317.00	0.00	1,415.95	1,415.95	0.00	12,901.05	12,901.05	Payroll Total
926 Employee Pensions and Benefits Total	0.00	570,739.48	570,739.48	0.00	58,246.78	58,246.78	0.00	512,492.70	512,492.70	
	0.00	52,790.72	52,790.72	0.00	5,199.88	5,199.88	0.00	47,590.84	47,590.84	3-factor Total
930 Miscellaneous General Expense Total	0.00	337,349.30	337,349.30	0.00	33,228.90	33,228.90	0.00	304,120.40	304,120.40	3-factor Total
	0.00	3,200.00	3,200.00	0.00	322.24	322.24	0.00	2,877.76	2,877.76	Customers-All Total
	18,732.50	0.00	18,732.50	0.00	0.00	0.00	18,732.50	0.00	18,732.50	Direct-OR Total
	20,367.13	0.00	20,367.13	20,367.13	0.00	0.00	20,367.13	0.00	20,367.13	Direct-WA Total
931 Rents Total	39,099.63	340,549.30	379,648.93	20,367.13	33,551.14	53,918.27	18,732.50	306,998.16	325,730.66	
	0.00	99,794.25	99,794.25	0.00	9,829.74	9,829.74	0.00	89,964.51	89,964.51	3-factor Total
	0.00	9,778.42	9,778.42	0.00	984.69	984.69	0.00	8,793.73	8,793.73	Customers-All Total
	0.00	1,457.35	1,457.35	0.00	375.85	375.85	0.00	1,081.50	1,081.50	Customers-The Dalles Total
	91,292.10	0.00	91,292.10	0.00	0.00	0.00	91,292.10	0.00	91,292.10	Direct-OR Total
	3,773.94	0.00	3,773.94	3,773.94	0.00	0.00	3,773.94	0.00	3,773.94	Direct-WA Total
	0.00	632.42	632.42	0.00	60.21	60.21	0.00	572.21	572.21	Firm Volumes Total
935 Maintenance of General Plant Total	509,800.72	8,371,882.41	8,881,683.13	21,214.98	852,866.97	874,081.95	488,585.74	7,519,015.44	8,007,601.18	
	95,065.04	111,662.44	206,728.48	3,773.94	11,250.49	15,024.43	91,292.10	100,411.95	191,704.05	
Grand Total	509,800.72	8,371,882.41	8,881,683.13	21,214.98	852,866.97	874,081.95	488,585.74	7,519,015.44	8,007,601.18	

**NW Natural
Washington Results of Operations
12 Month Ended Reports**

Acct	Description	Alloc. Ref.	System		Washington		Washington		Oregon		Oregon
			Direct	Allocated	Direct	Allocated	Direct	Allocated	Total		
480.1	Residential		563,606,919	-	57,904,298	-	-	57,904,298	505,702,622	-	505,702,622
481.1	Commercial		296,514,637	-	25,951,684	-	-	25,951,684	270,562,953	-	270,562,953
481.2	Industrial Firm		48,624,535	-	3,391,965	-	-	3,391,965	45,232,570	-	45,232,570
481.3	Interruptible		70,262,712	-	5,619,426	-	-	5,619,426	64,643,285	-	64,643,285
495.20	Unbilled Revenue		-	1,360,185	-	-	102,676	102,676	-	1,257,510	1,257,510
	Total Sales of Gas		979,008,804	1,360,185	92,867,373	102,676	92,970,049	92,970,049	886,141,431	1,257,510	887,398,940
489.12	Transportation Revenue		-	-	-	-	-	-	-	-	-
489.13	Industrial Firm		6,197,209	-	253,210	-	-	253,210	5,944,000	-	5,944,000
489.15	Interruptible		8,170,394	-	154,875	-	-	154,875	8,015,519	-	8,015,519
489.3	Agency Fee/Balancing		11,374	-	-	-	-	-	11,374	-	11,374
	Total Transportation Revenue		14,378,977	-	408,085	-	-	408,085	13,970,892	-	13,970,892
495.6	Rate Adjustments - Amortizations		7,700,920	-	-	-	-	-	7,700,920	-	7,700,920
	Miscellaneous Revenues		3,186,193	-	161,918	-	-	161,918	3,024,276	-	3,024,276
487	Late Payment Charge		172,012	-	19,680	-	-	19,680	152,332	-	152,332
488.1	Returned Check Charge		272,215	-	26,675	-	-	26,675	245,540	-	245,540
488.3	Recon Charge CR During Office Hours		293,952	-	38,280	-	-	38,280	255,672	-	255,672
488.4	Field Collection Charge		347,975	-	50,200	-	-	50,200	297,775	-	297,775
488.5	Recon Charge CR After Office Hours		17,750	-	1,425	-	-	1,425	16,325	-	16,325
488.6	Recon Charge Seas During Office Hours		4,050	-	200	-	-	200	3,850	-	3,850
488.7	Recon Charge Seas After Office Hours		151,699	-	21,310	-	-	21,310	130,389	-	130,389
488.8	Automated Payment Charge		-	216,334	-	-	-	-	-	203,252	203,252
493.2	Rent - Utility Property		189,408	-	19,355	-	-	19,355	170,053	-	170,053
495.1	Meter Rentals		358,222	-	(68,487)	-	-	(68,487)	426,709	-	426,709
495.2	Other Gas Revenue - Miscellaneous		4,993,476	216,334	270,556	13,083	-	283,638	4,722,921	203,252	4,926,172
	Total Miscellaneous Revenues		1,006,082,176	1,576,519	93,546,013	115,758	93,661,772	93,661,772	912,536,163	1,460,761	913,996,924
	Total Operating Revenue		589,858,790	-	55,857,329	-	-	55,857,329	534,001,461	-	534,001,461
804.7	WACOG Incurred		306,619	-	(531,312)	-	-	(531,312)	837,931	-	837,931
805.7	WACOG Deferred		86,963,094	-	7,814,347	-	-	7,814,347	79,148,747	-	79,148,747
804.6	Demand Incurred		7,609,492	-	620,823	-	-	620,823	6,988,669	-	6,988,669
805.8	Demand Deferred		(36,435,813)	-	(6,822,500)	-	-	(6,822,500)	(29,613,313)	-	(29,613,313)
805.4	Amortization of Gas Costs		648,302,182	-	56,938,687	-	-	56,938,687	591,363,495	-	591,363,495
	Total Cost of Gas		7,180,550	108,650,034	758,546	11,060,750	11,819,295	11,819,295	6,422,004	97,589,285	104,011,289
	Operations & Maintenance		18,446,575	-	1,197,956	-	-	1,197,956	17,248,619	-	17,248,619
408.11	Property		25,000,601	-	3,634,464	-	-	3,634,464	21,366,137	-	21,366,137
408.12	Franchise		-	4,732,577	-	470,453	-	470,453	-	4,262,124	4,262,124
408.13	Payroll		897,801	-	50	-	-	50	897,751	-	897,751
408.14	Other		2,492,996	-	187,467	-	-	187,467	2,305,529	-	2,305,529
408.15	Regulatory		46,837,974	4,732,577	5,019,938	470,453	5,490,391	5,490,391	41,818,036	4,262,124	46,080,160
	Total Other Taxes		-	69,395,554	-	7,294,469	-	7,294,469	-	62,101,085	62,101,085
403.1	Depreciation		-	-	-	-	-	-	-	-	-
	Income Taxes		20,903,428	-	2,916,629	-	-	2,916,629	17,986,799	-	17,986,799
409.11	Federal Income Taxes		31,909,400	-	-	-	-	-	31,909,400	-	31,909,400
410.11	Federal Income Taxes - Deferred		(23,647,406)	-	(67,980)	-	-	(67,980)	(23,579,426)	-	(23,579,426)
411.42	Federal Income Tax Credit		3,832,332	-	-	-	-	-	3,832,332	-	3,832,332
409.12	Oregon Income Taxes		5,271,705	-	-	-	-	-	5,271,705	-	5,271,705
410.12	Oregon Income Taxes - Deferred		(3,978,192)	-	-	-	-	-	(3,978,192)	-	(3,978,192)
411.12	Oregon Income Tax Credit		34,291,267	-	2,848,649	-	-	2,848,649	31,442,618	-	31,442,618
	Total Operating Revenue Deductions		702,320,706	182,778,165	62,717,171	18,825,671	84,391,491	84,391,491	639,603,535	163,952,494	834,988,647
	Net Operating Income		88,268,557	-	9,270,280	-	-	9,270,280	78,998,277	-	78,998,277

	System Direct	System Allocated	System Total	Washington Direct	Washington Allocated	Washington Total	Oregon Direct	Oregon Allocated	Oregon Total
12 Month Ended Reports									
Rate Base									
101 Gross Plant			2,024,008,101			220,493,748			1,803,514,353
108.1X Accumulated Depreciation			(828,632,856)			(75,112,432)			(753,520,424)
117.X Storage Gas - Cushion			14,216,257			1,347,452			12,868,805
186.XX Leasehold Improvements			2,432,599			239,246			2,193,354
252.XX Customer Contributions			(2,388,877)			(179,356)			(2,209,521)
283.XX Deferred Taxes - Federal			(134,618,203)			(14,513,788)			(120,104,415)
283.XX Deferred Taxes - State			(25,006,538)			-			(25,006,538)
Total Rate Base			<u>1,050,010,484</u>			<u>132,274,870</u>			<u>917,735,614</u>
			8.41%			7.01%			8.61%
			100.00%			7.55%			92.45%
			100.00%			6.05%			93.95%
			100.00%			9.94%			90.06%
			100.00%			10.51%			89.49%

Rate Of Return on Rate Base

Allocation References:

- A Unbilled Therms
- B Follows plant split
- O&I See O&M Detail
- C Payroll Factor
- D Depreciation Factor

July 2008

**NW Natural
Washington Results of Operations
Summary**

Total Operating Revenue

Total Rate Base

Rate Of Return on Rate Base

System		Washington		Washington		Oregon	
Direct	Allocated	Direct	Allocated	Direct	Allocated	Direct	Allocated
System Total		Washington Total		Washington Total		Oregon Total	
	(1,959,054)		(139,582)		(1,819,472)		
1,053,392,591		128,308,383		925,084,208			
-0.19%		-0.11%		-0.20%			

**NW Natural
Washington Quarterly Results of Operations Report**

July 2008

Acct	Description	System		System Total	Washington		Washington Total	Oregon		Oregon Total
		Direct	Allocated		Direct	Allocated		Direct	Allocated	
	Sales of Gas									
480.1	Residential	17,888,223	(4,784,463)	17,888,223	1,872,090	(322,342)	1,872,090	16,016,134	(4,462,121)	16,016,134
481.1	Commercial	11,403,947	(4,784,463)	11,403,947	1,011,905	(322,342)	1,011,905	10,392,042	(4,462,121)	10,392,042
481.2	Industrial Firm	2,888,782	-	2,888,782	200,728	-	200,728	2,688,053	-	2,688,053
481.3	Interruptible	4,730,477	-	4,730,477	464,867	-	464,867	4,265,610	-	4,265,610
481.5	Interruptible Incentive	-	-	-	-	-	-	-	-	-
495.20	Unbilled Revenue	-	(4,784,463)	(4,784,463)	-	(322,342)	(322,342)	-	(4,462,121)	(4,462,121)
	Total Sales of Gas	36,911,429	(4,784,463)	32,126,966	3,549,590	(322,342)	3,227,248	33,361,839	(4,462,121)	28,899,718
	Transportation Revenue									
489.12	Industrial Firm	507,411	-	507,411	-	-	-	507,411	-	507,411
489.13	Interruptible	637,690	-	637,690	-	-	-	637,690	-	637,690
489.15	Interruptible Incentive	-	-	-	-	-	-	-	-	-
489.3	Agency Fee/Balancing	3,748	-	3,748	-	-	-	3,748	-	3,748
	Total Transportation Revenue	1,148,849	-	1,148,849	-	-	-	1,148,849	-	1,148,849
495.6	Rate Adjustments - Amortizations	(183,499)	-	(183,499)	-	-	-	(183,499)	-	(183,499)
	Miscellaneous Revenues									
487	Late Payment Charge	209,314	-	209,314	12,094	-	12,094	197,220	-	197,220
488.1	Returned Check Charge	12,000	-	12,000	1,665	-	1,665	10,335	-	10,335
488.3	Recon Charge CR During Office Hours	19,875	-	19,875	2,175	-	2,175	17,700	-	17,700
488.4	Field Collection Charge	27,675	-	27,675	3,360	-	3,360	24,315	-	24,315
488.5	Recon Charge CR After Office Hours	20,975	-	20,975	3,500	-	3,500	17,475	-	17,475
488.6	Recon Charge Seas During Office Hours	1,275	-	1,275	175	-	175	1,100	-	1,100
488.7	Recon Charge Seas After Office Hours	300	-	300	-	-	-	300	-	300
488.8	Automated Payment Charge	11,385	-	11,385	1,655	-	1,655	9,730	-	9,730
493.2	Rent - Utility Property	22,111	-	22,111	-	-	-	22,111	-	22,111
495.1	Meter Rentals	15,702	-	15,702	1,601	-	1,601	14,101	-	14,101
495.2	Meter Rentals	2,099	-	2,099	(1,940)	-	(1,940)	4,038	-	4,038
495.2	Other Gas Revenue - Miscellaneous	320,599	-	320,599	24,285	-	24,285	296,314	-	296,314
	Total Miscellaneous Revenues	38,197,378	(4,762,352)	33,435,026	3,573,875	(322,342)	3,251,533	34,623,503	(4,440,010)	30,183,493
	Total Operating Revenue									
	Cost of Gas									
804.7	WACOG Incurred	24,994,839	-	24,994,839	2,632,895	-	2,632,895	22,361,944	-	22,361,944
805.7	WACOG Deferred	(5,544,397)	-	(5,544,397)	(742,758)	-	(742,758)	(4,801,639)	-	(4,801,639)
804.6	Demand Incurred	7,363,889	-	7,363,889	661,676	-	661,676	6,702,213	-	6,702,213
805.8	Demand Deferred	(4,396,094)	-	(4,396,094)	(392,082)	-	(392,082)	(4,004,012)	-	(4,004,012)
805.4	Amortization of Gas Costs	(1,602,176)	-	(1,602,176)	(288,671)	-	(288,671)	(1,313,504)	-	(1,313,504)
	Total Cost of Gas	20,816,061	-	20,816,061	1,871,059	-	1,871,059	18,945,002	-	18,945,002
	Operations & Maintenance									
O&M	Operations & Maintenance	491,574	8,217,799	8,709,374	27,227	801,450	828,677	464,347	7,416,350	7,880,697
	Other Taxes									
408.11	Property	1,593,618	-	1,593,618	100,108	-	100,108	1,493,510	-	1,493,510
408.12	Franchise	884,007	-	884,007	145,642	-	145,642	738,365	-	738,365
408.13	Payroll	(48,447)	390,906	390,906	-	38,661	38,661	352,246	-	352,246
408.14	Other	-	-	-	-	-	-	(48,447)	-	(48,447)
408.15	Regulatory	-	-	-	-	-	-	-	-	-
	Total Other Taxes	2,429,178	390,906	2,820,084	245,750	38,661	284,411	2,183,428	352,246	2,535,673
403.1	Depreciation	-	5,911,225	5,911,225	-	635,398	635,398	-	5,275,827	5,275,827
	Income Taxes									
409.11	Federal Income Taxes	(1,083,047)	-	(1,083,047)	-	-	(222,042)	-	-	(861,005)
410.11	Federal Income Taxes - Deferred	265,738	-	265,738	-	-	-	-	-	265,738
411.42	Federal Income Tax Credit	(1,592,895)	-	(1,592,895)	-	-	(6,387)	-	-	(1,586,508)
409.12	Oregon Income Taxes	(197,396)	-	(197,396)	-	-	-	-	-	(197,396)
410.12	Oregon Income Taxes - Deferred	49,240	-	49,240	-	-	-	49,240	-	49,240
411.12	Oregon Income Tax Credit	(304,303)	-	(304,303)	-	-	(228,429)	-	-	(304,303)
	Total Income Taxes	(2,862,663)	-	(2,862,663)	-	-	(228,429)	-	-	(2,634,234)
	Total Operating Revenue Deductions	23,736,813	14,519,930	35,394,081	2,144,036	1,475,508	3,391,115	21,592,777	13,044,423	32,002,966
	Net Operating Income									
	Net Operating Income			(1,959,054)			(139,582)			(1,819,472)

	System Direct	System Allocated	System Total	Washington Direct	Washington Allocated	Washington Total	Oregon Direct	Oregon Allocated	Oregon Total
Rate Base									
101 Gross Plant			2,061,676,250			218,201,659			1,843,474,591
108.1X Accumulated Depreciation			(856,761,730)			(76,086,676)			(780,675,054)
117.X Storage Gas - Cushion			14,201,702			1,352,002			12,849,700
186.XX Leasehold Improvements			2,331,641			229,407			2,102,234
252.XX Customer Contributions			(2,610,767)			(193,075)			(2,417,693)
283.XX Deferred Taxes - Federal			(139,532,898)			(15,194,935)			(124,337,963)
283.XX Deferred Taxes - State			(25,911,607)			-			(25,911,607)
Total Rate Base			1,053,392,591			128,308,383			925,084,208
Rate Of Return on Rate Base			-0.19%			-0.11%			-0.20%
Allocation References:									
A Unbilled Terms			100.00%			6.71%			93.29%
B Follows plant split			100.00%			0.10			90.15%
OO: See OO&M Detail									
C Payroll Factor			100.00%			9.89%			90.11%
D Depreciation Factor			100.00%			10.75%			89.25%

NW Natural
Washington Quarterly Results of Operations Report
Operations and Maintenance Expense: Allocation of System Amounts
For the Month Ended July 31, 2008

Month

	System	Washington	Oregon
Natural Gas Storage			
Underground Storage Expense			
Operation			
816 Wells Expense	\$5,627	\$536	\$5,092
818 Compressor Station Expense	8,611	820	7,791
819 Compressor Station Fuel	0	-	0
820 Measuring and Regulator Station Expense	168,003	15,994	152,009
821 Purification Expense	16,289	1,551	14,738
Maintenance			
832 Wells Expense	9,341	889	8,451
Total Underground Storage Expense	207,871	19,789	188,081
Other Storage Expense			
Operation			
840 Supervision and Engineering	5,373	511	4,861
Total Other Storage Expense	5,373	511	4,861
Liquified Natural Gas Expense			
Operation			
844 Supervision and Engineering	181,183	16,494	164,689
845 LNG Fuel	(27,137)	(2,583)	(24,554)
Maintenance			
847 Supervision and Engineering	52,570	5,005	47,566
Total Liquified Natural Gas Expense	206,616	18,915	187,701
Total Natural Gas Storage	419,860	39,216	380,643
Transmission Expense			
Operation			
856 Mains Expense	71,863	7,078	64,784
Maintenance			
863 Maintenance of Mains	-	-	-
Total Transmission Expense	71,863	7,078	64,784
Distribution Expense			
Operation			
870 Supervision and Engineering	138,918	11,001	127,917
874 Mains and Services Expense	683,393	79,392	604,001
875 Measuring and Regulator Station Expense - General	8,095	396	7,699
877 Measuring and Regulator Station Expense - City Gate	14,565	854	13,711
878 Meter and House Regulator Expense	465,054	45,809	419,245
879 Customer Installation Expense	370,567	37,266	333,301
880 Other Expense	66,032	6,437	59,595
881 Rents	10,725	1,056	9,668

	System	Washington	Oregon
Maintenance			
885 Supervision and Engineering	285,410	28,029	257,381
887 Mains	192,408	21,331	171,077
889 Measuring and Regulator Station Expense - General	59,863	3,658	56,204
891 Measuring and Regulator Station Expense - City Gate	3,130	227	2,903
892 Services	95,980	6,402	89,578
893 Meters and House Regulators	144,431	11,694	132,737
894 Other Equipment	2,413	185	2,228
Total Distribution Expense	2,540,983	253,737	2,287,245
Customer Accounts Expense			
Operation			
901 Supervision	96,203	9,476	86,727
902 Meter Reading Expenses	288,496	37,792	250,703
903 Customer Records and Collection Expense	1,325,721	131,414	1,194,307
904 Uncollectible Accounts	92,015	10,502	81,513
Total Customer Accounts Expense	1,802,435	189,185	1,613,250
Customer Service and Informational			
Operation			
907 Supervision	26,324	2,701	23,623
908 Customer Assistance Expense	357,621	25,656	331,965
909 Customer Information Expense	100,762	10,338	90,424
910 Miscellaneous Customer Service Expense	28,703	2,945	25,758
Total Customer Service and Informational	513,410	41,640	471,770
Sales Expense			
Operation			
911 Supervision	25,545	2,599	22,946
912 Demonstration and Selling Expense	179,603	17,937	161,666
913 Advertising	28,894	2,495	26,399
916 Miscellaneous Sales Expense	129	13	116
Total Sales Expense	234,171	23,045	211,127
Administrative and General Expense			
Operation			
921 Office Supplies and Expense	2,784,332	280,927	2,503,405
922 Administrative Expenses Transferred - Credit	(1,361,403)	(153,655)	(1,207,748)
924 Property Insurance Premium	187,117	18,431	168,686
925 Injuries and Damages	103,334	10,178	93,155
926 Employee Pensions and Benefits	624,835	63,713	561,122
930 Miscellaneous General Expense	183,160	18,041	165,119
931 Rents	356,591	43,463	313,128
Maintenance			
935 Maintenance of General Plant	248,686	20,904	227,783
Total Administrative and General Expense	3,126,652	302,002	2,824,650
Total Operations and Maintenance Expense	\$8,709,374	\$855,904	\$7,853,470

NW Natural
Rates & Regulatory Affairs
Operations and Maintenance Expense
State Allocation of System Amounts
For the Month Ended July 31, 2008

FERC Descr	System			Washington			Oregon			Allocation Method
	Direct	Allocated		Direct	Allocated		Direct	Allocated		
		Jul	Jul		Jul	Jul		Jul	Jul	
816 Wells Expense Total	0.00	5,627.37	5,627.37	0.00	535.73	535.73	0.00	5,091.64	5,091.64	Firm Volumes Total
	0.00	5,627.37	5,627.37	0.00	535.73	535.73	0.00	5,091.64	5,091.64	
	0.00	8,610.76	8,610.76	0.00	819.74	819.74	0.00	7,791.02	7,791.02	Firm Volumes Total
818 Compressor Station Expense Total	0.00	8,610.76	8,610.76	0.00	819.74	819.74	0.00	7,791.02	7,791.02	Firm Volumes Total
	0.00	0.02	0.02	0.00	0.00	0.00	0.00	0.02	0.02	Firm Volumes Total
819 Compressor Station Fuel Total	0.00	0.02	0.02	0.00	0.00	0.00	0.00	0.02	0.02	Firm Volumes Total
	0.00	168,003.20	168,003.20	0.00	15,993.91	15,993.91	0.00	152,009.29	152,009.29	Firm Volumes Total
820 Measuring and Regulator Station Expense Total	0.00	16,288.61	16,288.61	0.00	1,550.68	1,550.68	0.00	14,737.93	14,737.93	Firm Volumes Total
	0.00	16,288.61	16,288.61	0.00	1,550.68	1,550.68	0.00	14,737.93	14,737.93	Firm Volumes Total
821 Purification Expense Total	0.00	9,340.61	9,340.61	0.00	889.23	889.23	0.00	8,451.38	8,451.38	Firm Volumes Total
	0.00	9,340.61	9,340.61	0.00	889.23	889.23	0.00	8,451.38	8,451.38	Firm Volumes Total
822 Wells Expense Total	0.00	5,372.68	5,372.68	0.00	511.48	511.48	0.00	4,861.20	4,861.20	Firm Volumes Total
	0.00	5,372.68	5,372.68	0.00	511.48	511.48	0.00	4,861.20	4,861.20	Firm Volumes Total
840 Supervision and Engineering Total	7,925.00	0.00	7,925.00	0.00	0.00	0.00	7,925.00	0.00	0.00	Direct-OR Total
	7,925.00	0.00	7,925.00	0.00	0.00	0.00	7,925.00	0.00	0.00	Firm Volumes Total
844 Supervision and Engineering Total	7,925.00	173,257.86	173,257.86	0.00	16,494.15	16,494.15	7,925.00	156,763.71	156,763.71	Firm Volumes Total
	7,925.00	173,257.86	173,257.86	0.00	16,494.15	16,494.15	7,925.00	156,763.71	156,763.71	Firm Volumes Total
845 LNG Fuel Total	0.00	(27,136.96)	(27,136.96)	0.00	(2,583.44)	(2,583.44)	0.00	(24,553.52)	(24,553.52)	Firm Volumes Total
	0.00	(27,136.96)	(27,136.96)	0.00	(2,583.44)	(2,583.44)	0.00	(24,553.52)	(24,553.52)	Firm Volumes Total
847 Supervision and Engineering Total	0.00	52,570.35	52,570.35	0.00	5,004.70	5,004.70	0.00	47,565.65	47,565.65	Firm Volumes Total
	0.00	52,570.35	52,570.35	0.00	5,004.70	5,004.70	0.00	47,565.65	47,565.65	Firm Volumes Total
856 Mains Expense Total	0.00	71,862.59	71,862.59	0.00	7,078.46	7,078.46	0.00	64,784.13	64,784.13	3-factor Total
	0.00	71,862.59	71,862.59	0.00	7,078.46	7,078.46	0.00	64,784.13	64,784.13	3-factor Total
863 Maintenance of Mains Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3-factor Total
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3-factor Total
870 Supervision and Engineering Total	6,370.66	54,105.73	54,105.73	0.00	5,329.41	5,329.41	0.00	48,776.32	48,776.32	3-factor Total
	6,370.66	54,105.73	54,105.73	0.00	5,329.41	5,329.41	0.00	48,776.32	48,776.32	3-factor Total
875 Measuring and Regulator Station Expense - General Total	2,708.43	5,185.01	5,185.01	0.00	374.36	374.36	0.00	4,810.65	4,810.65	Direct-OR Total
	2,708.43	5,185.01	5,185.01	0.00	374.36	374.36	0.00	4,810.65	4,810.65	Direct-OR Total
877 Measuring and Regulator Station Expense - City Gate Total	2,732.55	11,832.47	11,832.47	0.00	854.29	854.29	0.00	10,978.18	10,978.18	Direct-OR Total
	2,732.55	11,832.47	11,832.47	0.00	854.29	854.29	0.00	10,978.18	10,978.18	Direct-OR Total
878 Meter and House Regulator Expense Total	7,065.37	457,988.75	457,988.75	0.00	45,808.74	45,808.74	7,065.37	412,180.01	412,180.01	3-factor Total
	7,065.37	457,988.75	457,988.75	0.00	45,808.74	45,808.74	7,065.37	412,180.01	412,180.01	3-factor Total
879 Customer Installation Expense Total	45.80	370,521.67	370,521.67	0.00	37,266.24	37,266.24	45.80	333,255.43	333,255.43	3-factor Total
	45.80	370,521.67	370,521.67	0.00	37,266.24	37,266.24	45.80	333,255.43	333,255.43	3-factor Total
880 Other Expense Total	17,118.99	48,913.37	66,032.36	1,701.43	4,731.89	6,433.32	15,417.56	44,177.48	59,595.04	3-factor Total
	17,118.99	48,913.37	66,032.36	1,701.43	4,731.89	6,433.32	15,417.56	44,177.48	59,595.04	3-factor Total
881 Rents Total	0.00	10,724.55	10,724.55	0.00	1,056.37	1,056.37	0.00	9,668.18	9,668.18	3-factor Total
	0.00	10,724.55	10,724.55	0.00	1,056.37	1,056.37	0.00	9,668.18	9,668.18	3-factor Total
885 Supervision and Engineering Total	41,582.72	243,826.82	285,409.54	4,172.13	23,856.38	28,028.51	37,410.59	219,970.44	257,381.03	3-factor Total
	41,582.72	243,826.82	285,409.54	4,172.13	23,856.38	28,028.51	37,410.59	219,970.44	257,381.03	3-factor Total

For the Month Ended July 31, 2008

FERC Descr	System			Washington			Oregon			Allocation Method
	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total	
911 Supervision Total	0.00	11,370.93	11,370.93	0.00	1,145.05	1,145.05	0.00	10,225.88	10,225.88	Customers-All Total
	0.00	14,174.54	14,174.54	0.00	1,454.31	1,454.31	0.00	12,720.23	12,720.23	Customers-Res Total
	0.00	25,545.47	25,545.47	0.00	2,599.36	2,599.36	0.00	22,946.11	22,946.11	
	0.00	4,150.44	4,150.44	0.00	408.82	408.82	0.00	3,741.62	3,741.62	3-factor Total
	0.00	170,179.19	170,179.19	0.00	17,137.04	17,137.04	0.00	153,042.15	153,042.15	Customers-Comm Total
	0.00	4,650.29	4,650.29	0.00	387.37	387.37	0.00	4,262.92	4,262.92	Customers-Res Total
	0.00	35.00	35.00	0.00	3.59	3.59	0.00	31.41	31.41	
	588.00	0.00	588.00	0.00	0.00	0.00	588.00	0.00	588.00	Direct-OR Total
912 Demonstration and Selling Expense Total	588.00	179,014.92	179,602.92	0.00	17,936.82	17,936.82	588.00	161,078.10	161,666.10	
	0.00	(215.00)	(215.00)	0.00	(21.18)	(21.18)	0.00	(193.82)	(193.82)	3-factor Total
	0.00	24,356.00	24,356.00	0.00	2,028.85	2,028.85	0.00	22,327.15	22,327.15	Customers-Comm Total
	0.00	4,753.23	4,753.23	0.00	487.68	487.68	0.00	4,265.55	4,265.55	Customers-Res Total
913 Advertising Total	0.00	28,694.23	28,694.23	0.00	2,495.35	2,495.35	0.00	26,398.88	26,398.88	
	0.00	128.74	128.74	0.00	13.21	13.21	0.00	115.53	115.53	Customers-Res Total
916 Miscellaneous Sales Expense Total	0.00	2,368,758.36	2,368,758.36	0.00	233,322.69	233,322.69	0.00	2,135,435.67	2,135,435.67	
	0.00	254,123.25	254,123.25	0.00	25,590.21	25,590.21	0.00	228,533.04	228,533.04	3-factor Total
	0.00	(211.50)	(211.50)	0.00	(21.70)	(21.70)	0.00	(189.80)	(189.80)	Customers-All Total
	87,810.53	0.00	87,810.53	0.00	0.00	0.00	87,810.53	0.00	87,810.53	Customers-Res Total
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Direct-OR Total
	0.00	363.60	363.60	0.00	37.31	37.31	0.00	326.29	326.29	Direct-WA Total
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Employee Cost Total
	0.00	73,277.18	73,277.18	0.00	21,983.15	21,983.15	0.00	51,294.03	51,294.03	Firm Volumes Total
	0.00	210.80	210.80	0.00	15.22	15.22	0.00	195.58	195.58	Regulatory Total
921 Office Supplies and Expense Total	87,810.53	2,656,521.69	2,744,332.22	0.00	280,926.68	280,926.68	87,810.53	2,415,594.81	2,503,405.34	Sendout Volumes Total
	0.00	(970,496.86)	(970,496.86)	0.00	(113,548.14)	(113,548.14)	0.00	(856,948.72)	(856,948.72)	Admin Tran Total
	0.00	(390,906.21)	(390,906.21)	0.00	(40,106.99)	(40,106.99)	0.00	(350,799.23)	(350,799.23)	Employees Cost Total
922 Administrative Expenses Transferred - Credit Total	0.00	(1,361,403.07)	(1,361,403.07)	0.00	(153,655.12)	(153,655.12)	0.00	(1,207,747.95)	(1,207,747.95)	
924 Property Insurance Premium Total	0.00	187,117.23	187,117.23	0.00	18,431.05	18,431.05	0.00	168,686.18	168,686.18	3-factor Total
	0.00	103,333.55	103,333.55	0.00	10,178.36	10,178.36	0.00	93,155.19	93,155.19	3-factor Total
	0.00	83,520.67	83,520.67	0.00	8,226.79	8,226.79	0.00	75,293.88	75,293.88	3-factor Total
	0.00	526,997.06	526,997.06	0.00	54,069.90	54,069.90	0.00	472,927.16	472,927.16	Employee Cost Total
	0.00	14,317.00	14,317.00	0.00	1,415.95	1,415.95	0.00	12,901.05	12,901.05	Payroll Total
925 Injuries and Damages Total	0.00	624,834.73	624,834.73	0.00	63,712.64	63,712.64	0.00	561,122.09	561,122.09	
	0.00	183,160.26	183,160.26	0.00	18,041.29	18,041.29	0.00	165,118.97	165,118.97	3-factor Total
	0.00	335,355.27	335,355.27	0.00	33,032.50	33,032.50	0.00	302,322.77	302,322.77	3-factor Total
	0.00	1,600.00	1,600.00	0.00	161.12	161.12	0.00	1,438.88	1,438.88	Customers-All Total
	9,366.25	0.00	9,366.25	0.00	0.00	0.00	9,366.25	0.00	9,366.25	Customers-OR Total
	10,269.85	0.00	10,269.85	0.00	10,269.85	10,269.85	0.00	0.00	0.00	Direct-WA Total
931 Rents Total	19,636.10	336,955.27	356,591.37	10,269.85	33,193.62	43,463.47	9,366.25	303,761.65	313,127.90	
	0.00	234,705.84	234,705.84	0.00	23,118.50	23,118.50	0.00	211,587.34	211,587.34	3-factor Total
	0.00	8,331.48	8,331.48	0.00	838.98	838.98	0.00	7,492.50	7,492.50	Customers-All Total
	0.00	922.34	922.34	0.00	237.87	237.87	0.00	684.47	684.47	Customers-The Dalles Total
	84,846.35	0.00	84,846.35	0.00	0.00	0.00	84,846.35	0.00	84,846.35	Direct-OR Total
	4,791.73	0.00	4,791.73	4,791.73	0.00	4,791.73	0.00	0.00	0.00	Direct-WA Total
	0.00	(84,911.58)	(84,911.58)	0.00	(8,083.58)	(8,083.58)	0.00	(76,828.00)	(76,828.00)	Firm Volumes Total
935 Maintenance of General Plant Total	89,638.08	159,048.08	248,686.16	4,791.73	16,111.77	20,903.50	84,846.35	142,936.31	227,782.66	
	491,574.45	8,217,799.18	8,709,373.63	27,227.19	828,676.81	855,904.00	464,347.26	7,389,122.37	7,853,469.63	