

APPENDIX A

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BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND	)	
TRANSPORTATION COMMISSION,	)	
	)	
Complainant,	)	Docket No. UG-000073
	)	
vs.	)	PARTIAL STIPULATION
	)	REGARDING RETURN
NORTHWEST NATURAL GAS COMPANY,	)	
	)	
Respondent.	)	
_____	)	

On January 21, 2000, Northwest Natural Gas Company (NW Natural or company) filed tariff revisions (Advice No. WUTC 00-1) designed to implement a general rate increase for gas service in the company's Washington territory of \$6,204,367 in annual revenue. The company filed a revised request on March 23, 2000, which reduced the revenue requirement from \$6.2 million in the original case to \$5,626,590 in the revised case. The Washington Utilities and Transportation Commission (WUTC or Commission) suspended the company's filing with an order dated February 9, 2000 ("Complaint and Order Suspending Tariff Revisions").

Following informal settlement discussions among parties, the undersigned parties have entered into the following agreement regarding the resolution of cost of capital issues raised by the company's filing in the docket. This Partial Stipulation Regarding Return ("Partial Stipulation") is presented for the Commission's approval under WAC 480-09-465 (Alternative Dispute Resolution) as a settlement of cost of capitol issues as indicated below.

Accordingly, the WUTC Staff and NW Natural stipulate and agree as follows:

ARTICLE I: Introduction of Evidence

1.0 The direct evidence of NW Natural regarding costs of capital, including NW Natural Exhibits 21 and 22, as well as this Partial Stipulation, are jointly offered into evidence in this record by the undersigned parties without objection.

ARTICLE II: Rate of Return

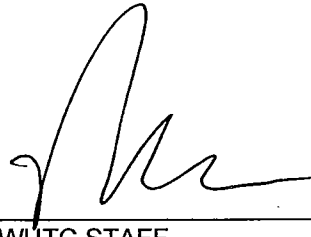
2.0 The undersigned parties agree to an overall rate of return on rate base of 8.95 percent. The undersigned parties agree that the rate of return specified in this Article II of this Partial Stipulation is reasonable for purposes of determining revenue requirement in this proceeding

ARTICLE III: Effect of the Partial Stipulation

3.0 Binding on Parties The undersigned parties agree to support a settlement of rate of return issues in this proceeding. The undersigned parties understand that this Partial Stipulation is not binding on the Commission in ruling on the Application.

3.1 Procedure The undersigned parties shall cooperate in submitting this Partial Stipulation promptly to the Commission for acceptance. The WUTC Staff and the company shall each make available for cross-examination a witness in support of the Partial Stipulation. If the Commission rejects this Partial Stipulation, or adds additional conditions, each undersigned party reserves the right, upon written notice to the Commission and all undersigned parties to this proceeding within seven (7) days of the date of the Commission's Order, to withdraw from the Partial Stipulation. If any undersigned party exercises its right of withdrawal, all undersigned parties will support a





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WUTC STAFF  
By Robert D. Cedarbaum  
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