

NORTHWEST NATURAL GAS COMPANY

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GENERAL RULES AND REGULATIONS
(continued)

Definitions (continued):

Nomination. A request for delivery of a physical quantity of gas under a specific purchase, sale or Transportation Agreement for a given Gas Day or period.

Non-Residential Customer. Any Commercial, Industrial, or Institutional Customer.

Orifice Meter. A meter used for measuring large volumes of gas of uniform characteristics whereby the flow of gas is measured by recording the pressure differential across the pipe restriction.

Overrun Entitlement. A condition whereby a Transportation Service Customer is restricted to use no more than a percentage of such Customer's Acknowledged Confirmations on a specified Gas Day.

Pipeline. Northwest Pipeline Corporation.

Preemption. A condition wherein Transportation Customers are required to make their gas available to the Company, for a price, to the extent the Company determines that it is necessary to maintain service to Customers with higher service priorities.

Premise. The site upon which customer facilities are located and to which Natural Gas service is provided.

Purchased Gas Adjustment (PGA) Filing. The regulatory document filed with the Commission that supports the Company's request for rate changes under Schedule P, and for other changes to rates as the Commission may allow.

Receipt Point. The point at which gas enters Company's system from the Pipeline's interconnect.

Residential Customer Class. Single-family dwellings, separately metered apartments, condominiums or townhouses, and centrally metered multiple dwellings or apartments.

Sales Service. Gas Service to Customers that use Company procured gas supplies. This term does not include service to Customers that purchase Company procured gas supplies upstream of the Company's distribution system.

Schedule C03. Refers to Rate Schedule 3, Commercial Firm Sales Service. (C)

Schedule C41SF. Refers to Rate Schedule 41, Commercial Firm Sales Service. (C)

Schedule C41TF. Refers to Rate Schedule 41, Commercial Firm Transportation Service. (N)

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GENERAL RULES AND REGULATIONS
(continued)

Definitions (continued):

- Schedule C41SI.** Refers to Rate Schedule 41, Commercial Interruptible Sales Service. (C)
- Schedule I41SF.** Refers to Rate Schedule 41, Industrial Firm Sales Service. (N)
- Schedule I41TF.** Refers to Rate Schedule 41, Industrial Firm Transportation Service. |
- Schedule I41SI.** Refers to Rate Schedule 41, Industrial Interruptible Sales Service. (N)
- Schedule C42SF.** Refers to Rate Schedule 42 Commercial Firm Sales Service. (C)
- Schedule C42TF.** Refers to Rate Schedule 42 Commercial Firm Transportation Service. (C)
- Schedule C42SI.** Refers to Rate Schedule 42 Commercial Interruptible Sales Service. (C)
- Schedule C42TI.** Refers to Rate Schedule 42 Commercial Interruptible Transportation Service. (C)
- Schedule I42SF.** Refers to Rate Schedule 42 Industrial Firm Sales Service. (N)
- Schedule I42TF.** Refers to Rate Schedule 42 Industrial Firm Transportation Service. |
- Schedule I42SI.** Refers to Rate Schedule 42 Industrial Interruptible Sales Service. |
- Schedule I42TI.** Refers to Rate Schedule 42 Industrial Interruptible Transportation Service. (N)
- Schedule 43TF.** Refers to Rate Schedule 43 Firm Transportation Service. (C)
- Schedule 43TI.** Refers to Rate Schedule 43 Interruptible Transportation Service. (C)
- Service Installation Agreement.** A written agreement between Company and Applicant as provided under Schedule E.
- Service Line.** The piping which runs from the Main to the Delivery Point at the service site.
- Standby Service.** Service to equipment that is available in lieu of or as a supplement to the usual source of supply; or service to equipment that is used for the protection of equipment or commodity during cold weather.
- Tariff.** The published volume of schedules and general terms and conditions under which Natural Gas service will be provided. (M)

(continue to Sheet 00.8)

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GENERAL RULES AND REGULATIONS
(continued)

Definitions (continued):

Temporary Adjustment. The net amount by which the rates under a given Rate Schedule are to be adjusted on a temporary basis. Temporary Adjustments include amounts set forth in Schedule 201, and any other Schedules as may be approved by the Commission.

(M)

Termination of Service. The ending of the service relationship between a Customer and the Company effectuated by closing the Customer's service account at a specific Premise, by the Disconnection of Service at a Customer's Premise, or both.

Therm. A unit of heating value equivalent to 100,000 Btu. The amount of heat energy in approximately 100 cubic feet of Natural Gas. One therm equals 29.3 kilowatt hours of electricity at 100% conversion efficiency.

(M)

Transportation. The movement of customer-owned natural gas from the Pipeline Receipt Point through the Company's transmission and distribution system to a customer's Delivery Point(s).

Transportation Service. Service to Customers that use Customer procured gas supplies.

Underrun Entitlement. A condition whereby a Transportation Service Customer is required to use the gas previously nominated and received on such Customer's behalf on a specified Gas Day.

Weighted Average Cost of Gas (WACOG). See Annual Sales WACOG and Winter Sales WACOG.

Winter Sales WACOG. The Company's weighted average commodity cost of gas for the winter period (October through March), as determined in the Company's most recent Purchased Gas Cost Adjustment (PGA) Filing, and set forth in Schedule P and Schedule 203 of this Tariff.

Year. A period of twelve (12) consecutive billing months.

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NORTHWEST NATURAL GAS COMPANY

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**RATE SCHEDULE 1
 GENERAL SALES SERVICE
 (continued)**

AVAILABLE:

To all Residential and Commercial Customer classes in all territory served by the Company under the Tariff of which this Rate Schedule is a part, except that service under this Rate Schedule is not available for Standby Service to Commercial Customers. Seasonal or temporary Discontinuance of Service is allowed subject to Special Provision 1 of this Rate Schedule. The installation of Distribution Facilities, when required before service can be provided to equipment served under this Rate Schedule, is subject to the provisions of **SCHEDULE E**.

SERVICE DESCRIPTION:

Service under this Rate Schedule is Firm Sales Service to gas-fired equipment, including but not limited to one or any multiple or combination of the following:

- (a) Non-ducted space heating equipment, including but not limited to fireplace inserts, free standing gas stoves, and room heaters;
- (b) Supplemental or Standby space heating equipment including but not limited to natural gas back-up to electric heat pumps, used in residential applications;
- (c) Water heating equipment used to serve single-family residential swimming pools, spas, and hot tubs;
- (d) Other equipment including, but not limited to, log lighter, gas log, gas barbecue, tiki torch, Bunsen burner, Domestic cooking equipment, hobby kilns, refrigeration or Domestic clothes drying;
- (e) Equipment installed for use in detached garages, shops, or outbuildings.

MONTHLY RATE: Effective: May 1, 2008

The rates shown in this Rate Schedule may not always reflect actual billing rates. See **SCHEDULE 200** for a list of applicable adjustments. Rates are subject to charges for purchased gas costs and technical rate adjustments.

(C)

	Base Rate	Pipeline Capacity Rate	Commodity Rate	Temporary Adjustment	Billing Rate
Customer Charge	<u>\$8.00</u>	----	----	----	<u>\$8.00</u>
Volumetric Charge (per therm)	<u>\$0.42737</u>	\$0.11887	\$0.71915	\$(0.10399)	<u>\$1.16140</u>

(I)
(R)

Minimum Monthly Bill: Customer Charge, plus charges under **SCHEDULE C** and **SCHEDULE 10** (if applicable)

(continue to Sheet 101.2)

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**RATE SCHEDULE 2
 RESIDENTIAL SALES SERVICE
 (continued)**

AVAILABLE:

To Residential Customers, in all territory served by the Company under the Tariff of which this Rate Schedule is a part. Seasonal or temporary Discontinuance of Service is allowed subject to Special Provision 1 of this Rate Schedule. The installation of Distribution Facilities, when required before service can be provided to equipment served under this Rate Schedule, are subject to the provisions of **SCHEDULE E**.

SERVICE DESCRIPTION:

Service under this Rate Schedule is Firm Sales Service to gas-fired equipment used in Residential dwellings that provide complete family living facilities in which the occupant normally cooks, eats, sleeps, and carries on the household operations incident to Domestic life, for at least one of the following purposes:

- (a) Operation of ducted forced air Natural Gas space heating equipment that is the primary source for space heating requirements, or;
- (b) Operation of fully automatic water heating equipment for primary water heating requirements.

Service under this Rate Schedule includes the use of gas for equipment installed in addition to (a) and (b).

MONTHLY RATE: Effective: May 1, 2008

(C)

The rates shown in this Rate Schedule may not always reflect actual billing rates. See **SCHEDULE 200** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments.

	Base Rate	Pipeline Capacity Rate	Commodity Rate	Temporary Adjustment	Billing Rate
Customer Charge:	<u>\$12.00</u>	---	---	---	<u>\$12.00</u>
Volumetric Charge (per therm)	<u>\$.36119</u>	\$0.11887	\$0.71915	\$(0.10399)	<u>\$1.09522</u>

(I)
(R)

Minimum Monthly Bill: Customer Charge, plus charges under **SCHEDULE C** and **SCHEDULE 10** (if applicable)

(continue to Sheet 102.2)

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NORTHWEST NATURAL GAS COMPANY

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**RATE SCHEDULE 3
 BASIC FIRM SALES SERVICE - NON-RESIDENTIAL
 (continued)**

MONTHLY RATE: Effective: May 1, 2008 (C)

The rates shown in this Rate Schedule may not always reflect actual billing rates. See **SCHEDULE 200** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments.

FIRM SALES SERVICE CHARGES:					Billing Rates [1]	(D)
Customer Charge (per month):					<u>\$21.00</u>	(I)
	Base Rate		Pipeline Capacity	Commodity Component [2]	Temporary Adjustment	
Volumetric Charges (per therm):	<u>\$0.40820</u>		\$0.11887	\$0.71915	\$(0.10399)	<u>\$1.14223</u> (R)
Standby Charge (per therm of MHDV) [3]:					<u>\$5.00</u>	

- [1] **SCHEDULE C** and **SCHEDULE 10** Charges shall apply, if applicable.
- [2] The Commodity Component will be either Annual Sales WACOG or Monthly Incremental Cost of Gas.
- [3] Applies to Standby Sales Service only.

Minimum Monthly Bill. The Minimum Monthly Bill shall be any **SCHEDULE C** and **SCHEDULE 10** Charges, plus:

- (a) **Firm Sales Service.** Customer Charge
- (b) **Firm Sales Standby Service.** Customer Charge, plus Standby Service Charge

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NORTHWEST NATURAL GAS COMPANY

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FROZEN

**RATE SCHEDULE 19
GAS LIGHT SERVICE**

AVAILABLE:

In all territory served by the Company under the Tariff of which this Rate Schedule is a part for use exclusively in gas lighting devices to which service was committed or served prior to March 4, 1974.

SERVICE DESCRIPTION:

Firm unmetered gas service delivered on a continuous basis for use in gas lamps, not exceeding a rated capacity of 2.5 cubic feet per hour per Mantle or Mantle equivalent; and, only to approved installations using gas for mood or atmosphere lighting, for porch, patio or walkway lamps and for roadway or street lighting. Gas lamps installed downstream of the meter will be treated as additional equipment under the rate schedule appropriate for the existing service.

BILLING UNIT:

Rates for gas service under this Rate Schedule are expressed in units of the standard Mantle with a maximum rated capacity of 2.5 cubic feet per hour.

MONTHLY RATE: Effective: May 1, 2008

(C)

The rates shown in this Rate Schedule may not always reflect current billing rates. See **SCHEDULE 200** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments.

	Base Rate	Temporary Adjustments	Billing Rate
One mantle	\$24.48	\$(2.00)	\$22.48
All additional mantles	\$21.28	\$(2.00)	\$19.28
Minimum Monthly Bill: Amount based on number of mantles installed			

(I)
(I)

GENERAL TERMS:

Service under this Rate Schedule is governed by the terms of this Rate Schedule, the General Rules and Regulations contained in this Tariff, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

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SCHEDULE 21
FIRM SERVICE HIGH LOAD FACTOR
FROZEN

--- CANCELLED ---

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(D)

NORTHWEST NATURAL GAS COMPANY

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RATE SCHEDULE 27
 RESIDENTIAL HEATING DRY-OUT SERVICE

AVAILABLE:

To Residential home builders, developers, and contractors during the period that a Residential dwelling is under construction, in all territory served by the Company under the Tariff of which this schedule is a part.

SERVICE DESCRIPTION:

Service under this Rate Schedule is restricted to the use of gas in approved permanently-installed gas heating equipment in place during the period the dwelling is under construction. Upon occupancy of the dwelling, service under this Rate Schedule shall terminate automatically. In no event will service under this Rate Schedule continue for more a period of time greater than twelve (12) months from the date the gas meter is set at the dwelling. Upon termination of service under this Rate Schedule, gas service shall transfer to **SCHEDULE 1** or **SCHEDULE 2**, whichever is applicable.

MONTHLY RATE: Effective: May 1, 2008

(C)

The rates shown in this Rate Schedule may not always reflect actual billing rates. See **SCHEDULE 200** for a list of applicable adjustments. Rates are subject to charges for purchased gas costs and technical rate adjustments.

	Base Rate	Pipeline Capacity Rate	Commodity Rate	Temporary Adjustment	Billing Rate
Customer Charge:	\$8.00				\$8.00
Volumetric Charge (per therm)					
All therms	\$0.24876	\$0.11887	\$0.71915	\$(0.10399)	\$0.98279

(N)

(R)

GENERAL TERMS:

Service under this Rate Schedule is governed by the terms of this Rate Schedule, the General Rules and Regulations contained in this Tariff and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

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**RATE SCHEDULE 41
 NON-RESIDENTIAL SALES AND TRANSPORTATION SERVICE
 (continued)**

MONTHLY RATES FOR COMMERCIAL CUSTOMER CLASS:

Effective: May 1, 2008

The rates shown in this Rate Schedule may not always reflect actual billing rates. **SEE SCHEDULE 200** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments.

FIRM SALES SERVICE CHARGES (C41SF) [1]:					Billing Rates
Customer Charge (per month):					\$275.00
Volumetric Charges (per therm)	Base Rate		Commodity Component [2]	Total Temporary Adjustments [3]	
Block 1: 1 st 2,000 therms	<u>\$0.30338</u>		\$0.71915	\$(0.10399)	\$0.91854
Block 2: All additional therms	<u>\$0.26500</u>		\$0.71915	\$(0.10399)	\$0.88016
Pipeline Capacity Charge Options (select one):					
Firm Pipeline Capacity Charge - Volumetric option (per therm):					\$0.11887
Firm Pipeline Capacity Charge - Peak Demand option (per therm of MDDV):					\$1.77
INTERRUPTIBLE SALES SERVICE CHARGES (C41SI) [1]:					
Customer Charge (per month):					\$275.00
Volumetric Charges (per therm)	Base Rate		Commodity Component: [2]	Total Temporary Adjustments [3]	
Block 1: 1 st 2,000 therms	<u>\$0.30338</u>		\$0.71915	\$(0.08250)	\$0.94003
Block 2: All additional therms	<u>\$0.26500</u>		\$0.71915	\$(0.08250)	\$0.90165
Plus: Interruptible Pipeline Capacity Charge - Volumetric (per therm):					\$0.04152
FIRM TRANSPORTATION SERVICE CHARGES (C41TF):					
Customer Charge (per month):					\$275.00
Transportation Charge (per month):					\$250.00
Volumetric Charges (per therm)	Base Rate			Total Temporary Adjustments [4]	
Block 1: 1 st 2,000 therms	<u>\$0.30338</u>			\$0.00000	\$0.30338
Block 2: All additional therms	<u>\$0.26500</u>			\$0.00000	\$0.26500

- [1] The Monthly Bill shall equal the sum of the Customer Charge, plus the Volumetric Charges, plus the Pipeline Capacity Charge selected by the Customer, plus any other charges that may apply from Schedule C and Schedule 10.
- [2] The stated rate is the Company's Annual Sales WACOG. However, the Commodity Component to be billed will be dependent on Customer's Service Type Selection and may instead be Winter Sales WACOG, or Monthly Incremental Cost of Gas.
- [3] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Temporary Adjustments as set forth in Schedule 201 may not apply.
- [4] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Sales Service Temporary Adjustments as set forth in Schedule 201 may also apply.

(continue to Sheet 141-10)

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RATE SCHEDULE 41
NON-RESIDENTIAL SALES AND TRANSPORTATION SERVICE
(continued)

MONTHLY RATES FOR INDUSTRIAL CUSTOMER CLASS:

Effective: May 1, 2008

The rates shown in this Rate Schedule may not always reflect actual billing rates. **SEE SCHEDULE 200** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments.

FIRM SALES SERVICE CHARGES (I41SF) [1]:					Billing Rates
Customer Charge (per month):					\$275.00
Volumetric Charges (per therm)	Base Rate		Commodity Component [2]	Total Temporary Adjustments [3]	
Block 1: 1 st 2,000 therms	<u>\$0.30338</u>		\$0.71915	\$(0.10399)	\$0.91854
Block 2: All additional therms	<u>\$0.26500</u>		\$0.71915	\$(0.10399)	\$0.88016
Pipeline Capacity Charge Options (select one):					
Firm Pipeline Capacity Charge - Volumetric option (per therm):					\$0.11887
Firm Pipeline Capacity Charge - Peak Demand option (per therm of MDDV):					\$1.77
INTERRUPTIBLE SALES SERVICE CHARGES (I41SI) [1]:					
Customer Charge (per month):					\$275.00
Volumetric Charges (per therm)	Base Rate		Commodity Component: [2]	Total Temporary Adjustments [3]	
Block 1: 1 st 2,000 therms	<u>\$0.30338</u>		\$0.71915	\$(0.08250)	\$0.94003
Block 2: All additional therms	<u>\$0.26500</u>		\$0.71915	\$(0.08250)	\$0.90165
Plus: Interruptible Pipeline Capacity Charge - Volumetric (per therm):					\$0.04152
FIRM TRANSPORTATION SERVICE CHARGES (I41TF):					
Customer Charge (per month):					\$275.00
Transportation Charge (per month):					\$250.00
Volumetric Charges (per therm)	Base Rate			Total Temporary Adjustments [4]	
Block 1: 1 st 2,000 therms	<u>\$0.30338</u>			\$0.00000	\$0.30338
Block 2: All additional therms	<u>\$0.26500</u>			\$0.00000	\$0.26500

[1] The Monthly Bill shall equal the sum of the Customer Charge, plus the Volumetric Charges, plus the Pipeline Capacity Charge selected by the Customer, plus any other charges that may apply from Schedule C and Schedule 10.

[2] The stated rate is the Company's Annual Sales WACOG. However, the Commodity Component to be billed will be dependent on Customer's Service Type Selection and may instead be Winter Sales WACOG, or Monthly Incremental Cost of Gas.

[3] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Temporary Adjustments as set forth in Schedule 201 may not apply.

[4] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Sales Service Temporary Adjustments as set forth in Schedule 201 may also apply.

(N))

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RATE SCHEDULE 42
LARGE VOLUME NON-RESIDENTIAL SALES AND TRANSPORTATION SERVICE
 (continued)

MONTHLY SALES RATES FOR COMMERCIAL CLASS:

Effective: May 1, 2008 (C)

The rates shown in this Rate Schedule may not always reflect actual billing rates. See **SCHEDULE 200** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments.

COMMERCIAL SALES SERVICE:						(C)
Customer Charge (per month, all service types):					\$1,300.00	
	Base Rate		Commodity Component [2]	Total Temporary Adjustments [3]	Billing Rates	
FIRM SALES SERVICE CHARGES (C42SF) [1]:						(C)
Volumetric Charges (per therm):						
Block 1: 1 st 10,000 therms	\$0.11160		\$0.71915	\$(0.10399)	\$0.72676	(R)
Block 2: Next 20,000 therms	\$0.09500		\$0.71915	\$(0.10399)	\$0.71016	(I)
Block 3: Next 20,000 therms	\$0.08000		\$0.71915	\$(0.10399)	\$0.69516	(R)
Block 4: Next 100,000 therms	\$0.06500		\$0.71915	\$(0.10399)	\$0.68016	(I)
Block 5: Next 600,000 therms	\$0.05000		\$0.71915	\$(0.10399)	\$0.66516	(I)
Block 6: All additional therms	\$0.01498		\$0.71915	\$(0.10399)	\$0.63014	(R)
Firm Service Distribution Capacity Charge (per therm of MDDV per month):					\$0.32000	(I)
Firm Sales Service Storage Charge (per therm of MDDV per month):					\$0.35300	(I)
Pipeline Capacity Charge Options (select one):						
Firm Pipeline Capacity Charge - Volumetric option (per therm):					\$0.11887	
Firm Pipeline Capacity Charge - Peak Demand option (per therm of MDDV per month):					\$1.77	
INTERRUPTIBLE SALES SERVICE CHARGES (C42SI) [4]:						
Volumetric Charges (per therm):						(C)
Block 1: 1 st 10,000 therms	\$0.11160		\$0.71915	\$(0.08250)	\$0.74825	(R)
Block 2: Next 20,000 therms	\$0.09500		\$0.71915	\$(0.08250)	\$0.73165	(I)
Block 3: Next 20,000 therms	\$0.08000		\$0.71915	\$(0.08250)	\$0.71665	(R)
Block 4: Next 100,000 therms	\$0.06500		\$0.71915	\$(0.08250)	\$0.70165	(I)
Block 5: Next 600,000 therms	\$0.05000		\$0.71915	\$(0.08250)	\$0.68665	(I)
Block 6: All additional therms	\$0.01498		\$0.71915	\$(0.08250)	\$0.65163	(R)
Interruptible Pipeline Capacity Charge (per therm):					\$0.04152	
Interruptible Sales Service Storage Charge (per therm of MDDV per month)					\$0.17650	(I)

- [1] For Firm Sales Service, the Monthly Bill shall equal the sum of the Customer Charge, plus the Volumetric Charges, plus the Distribution Capacity Charge, plus the Storage Capacity Charge, plus the Pipeline Capacity Charge selected by the Customer, plus any other charges that may apply from Schedule C or Schedule 10.
- [2] The stated rate is the Company's Annual Sales WACOG. However, the Commodity Component to be billed will be dependent on Customer's Service Type Selection and may instead be Winter Sales WACOG or Monthly Incremental Cost of Gas.
- [3] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Temporary Adjustments as set forth in Schedule 201 may not apply.
- [4] For Interruptible Sales Service, the Monthly Bill shall equal the sum of the Customer Charge, plus the Volumetric Charges, plus the Pipeline Capacity Charge, plus any other charges that apply from Schedule C or Schedule 10.
 (continue to Sheet 142.11)

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 Cancels Second Revision of Sheet 141.11

RATE SCHEDULE 42
LARGE VOLUME NON-RESIDENTIAL SALES AND TRANSPORTATION SERVICE
 (continued)

MONTHLY TRANSPORTATION RATES FOR COMMERCIAL CLASS: Effective: May 1, 2008
 The rates shown in this Rate Schedule may not always reflect actual billing rates. See **SCHEDULE 200** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments.

FIRM TRANSPORTATION SERVICE CHARGES (C42TF) [1]:					Billing Rates
Customer Charge (per month):					\$1,300.00
Transportation Charge (per month):					\$250.00
Volumetric Charges (per therm)	Base Rate			Total Temporary Adjustments [2]	
Block 1: 1 st 10,000 therms	<u>\$0.11160</u>			\$0.00000	\$0.11160
Block 2: Next 20,000 therms	<u>\$0.09500</u>			\$0.00000	\$0.09500
Block 3: Next 20,000 therms	<u>\$0.08000</u>			\$0.00000	\$0.08000
Block 4: Next 100,000 therms	<u>\$0.06500</u>			\$0.00000	\$0.06500
Block 5: Next 600,000 therms	<u>\$0.05000</u>			\$0.00000	\$0.05000
Block 6: All additional therms	<u>\$0.01498</u>			\$0.00000	\$0.01498
Firm Service Distribution Capacity Charge (per therm of MDDV per month):					\$0.32000
INTERRUPTIBLE TRANSPORTATION SERVICE CHARGES (C42TI) [3]:					
Customer Charge (per month):					\$1,300.00
Transportation Charge (per month):					\$250.00
Volumetric Charges (per therm)	Base Rate			Temporary Adjustments [2]	
Block 1: 1 st 10,000 therms	<u>\$0.11160</u>			\$0.00000	\$0.11160
Block 2: Next 20,000 therms	<u>\$0.09500</u>			\$0.00000	\$0.09500
Block 3: Next 20,000 therms	<u>\$0.08000</u>			\$0.00000	\$0.08000
Block 4: Next 100,000 therms	<u>\$0.06500</u>			\$0.00000	\$0.06500
Block 5: Next 600,000 therms	<u>\$0.05000</u>			\$0.00000	\$0.05000
Block 6: All additional therms	<u>\$0.01498</u>			\$0.00000	\$0.01498

- [1] For Firm Transportation Service, the Monthly Bill shall equal the sum of the Customer Charge, plus Transportation Charge, plus the Volumetric Charges, plus the Distribution Capacity Charge, plus any other charges that may apply from Schedule C or Schedule 10.
- [2] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Sales Service Temporary Adjustments as set forth in Schedule 201 may also apply.
- [3] For Interruptible Transportation Service, the Monthly Bill shall equal the sum of the Customer Charge, plus Transportation Charge, plus the Volumetric Charges, plus any other charges that may apply from Schedule C or Schedule 10.

(continue to Sheet 142.12)

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RATE SCHEDULE 42
LARGE VOLUME NON-RESIDENTIAL SALES AND TRANSPORTATION SERVICE
 (continued)

(N)

MONTHLY SALES RATES FOR INDUSTRIAL CLASS:

Effective: May 1, 2008

The rates shown in this Rate Schedule may not always reflect actual billing rates. See **SCHEDULE 200** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments.

INDUSTRIAL SALES SERVICE:					
Customer Charge (per month, all service types):					\$1,300.00
	Base Rate		Commodity Component [2]	Total Temporary Adjustments [3]	Billing Rates
FIRM SALES SERVICE CHARGES (I42SF) [1]:					
Volumetric Charges (per therm):					
Block 1: 1 st 10,000 therms	\$0.11160		\$0.71915	\$(0.10399)	\$0.72676
Block 2: Next 20,000 therms	\$0.09500		\$0.71915	\$(0.10399)	\$0.71016
Block 3: Next 20,000 therms	\$0.08000		\$0.71915	\$(0.10399)	\$0.69516
Block 4: Next 100,000 therms	\$0.06500		\$0.71915	\$(0.10399)	\$0.68016
Block 5: Next 600,000 therms	\$0.05000		\$0.71915	\$(0.10399)	\$0.66516
Block 6: All additional therms	\$0.01498		\$0.71915	\$(0.10399)	\$0.63014
Firm Service Distribution Capacity Charge (per therm of MDDV per month):					\$0.32000
Firm Sales Service Storage Charge (per therm of MDDV per month):					\$0.35300
Pipeline Capacity Charge Options (select one):					
Firm Pipeline Capacity Charge - Volumetric option (per therm):					\$0.11887
Firm Pipeline Capacity Charge - Peak Demand option (per therm of MDDV per month):					\$1.77
INTERRUPTIBLE SALES SERVICE CHARGES (I42SI) [4]:					
Volumetric Charges (per therm):					
Block 1: 1 st 10,000 therms	\$0.11160		\$0.71915	\$(0.08250)	\$0.74825
Block 2: Next 20,000 therms	\$0.09500		\$0.71915	\$(0.08250)	\$0.73165
Block 3: Next 20,000 therms	\$0.08000		\$0.71915	\$(0.08250)	\$0.71665
Block 4: Next 100,000 therms	\$0.06500		\$0.71915	\$(0.08250)	\$0.70165
Block 5: Next 600,000 therms	\$0.05000		\$0.71915	\$(0.08250)	\$0.68665
Block 6: All additional therms	\$0.01498		\$0.71915	\$(0.08250)	\$0.65163
Interruptible Pipeline Capacity Charge (per therm):					\$0.04152
Interruptible Sales Service Storage Charge (per therm of MDDV per month)					\$0.17650

- [1] For Firm Sales Service, the Monthly Bill shall equal the sum of the Customer Charge, plus the Volumetric Charges, plus the Distribution Capacity Charge, plus the Storage Capacity Charge, plus the Pipeline Capacity Charge selected by the Customer, plus any other charges that may apply from Schedule C or Schedule 10.
 - [2] The stated rate is the Company's Annual Sales WACOG. However, the Commodity Component to be billed will be dependent on Customer's Service Type Selection and may instead be Winter Sales WACOG or Monthly Incremental Cost of Gas.
 - [3] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Temporary Adjustments as set forth in Schedule 201 may not apply.
 - [4] For Interruptible Sales Service, the Monthly Bill shall equal the sum of the Customer Charge, plus the Volumetric Charges, plus the Pipeline Capacity Charge, plus any other charges that apply from Schedule C or Schedule 10.
- (continue to Sheet 142.13)

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RATE SCHEDULE 42

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

(N)

MONTHLY TRANSPORTATION RATES FOR INDUSTRIAL CLASS: Effective: May 1, 2008
 The rates shown in this Rate Schedule may not always reflect actual billing rates. See **SCHEDULE 200** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments.

FIRM TRANSPORTATION SERVICE CHARGES (I42TF) [1]:					Billing Rates
Customer Charge (per month):					\$1,300.00
Transportation Charge (per month):					\$250.00
Volumetric Charges (per therm)	Base Rate			Total Temporary Adjustments [2]	
Block 1: 1 st 10,000 therms	<u>\$0.11160</u>			\$0.00000	\$0.11160
Block 2: Next 20,000 therms	<u>\$0.09500</u>			\$0.00000	\$0.09500
Block 3: Next 20,000 therms	<u>\$0.08000</u>			\$0.00000	\$0.08000
Block 4: Next 100,000 therms	<u>\$0.06500</u>			\$0.00000	\$0.06500
Block 5: Next 600,000 therms	<u>\$0.05000</u>			\$0.00000	\$0.05000
Block 6: All additional therms	<u>\$0.01498</u>			\$0.00000	\$0.01498
Firm Service Distribution Capacity Charge (per therm of MDDV per month):					\$0.32000
INTERRUPTIBLE TRANSPORTATION SERVICE CHARGES (I4TI) [3]:					
Customer Charge (per month):					\$1,300.00
Transportation Charge (per month):					\$250.00
Volumetric Charges (per therm)	Base Rate			Temporary Adjustments [2]	
Block 1: 1 st 10,000 therms	<u>\$0.11160</u>			\$0.00000	\$0.11160
Block 2: Next 20,000 therms	<u>\$0.09500</u>			\$0.00000	\$0.09500
Block 3: Next 20,000 therms	<u>\$0.08000</u>			\$0.00000	\$0.08000
Block 4: Next 100,000 therms	<u>\$0.06500</u>			\$0.00000	\$0.06500
Block 5: Next 600,000 therms	<u>\$0.05000</u>			\$0.00000	\$0.05000
Block 6: All additional therms	<u>\$0.01498</u>			\$0.00000	\$0.01498

- [1] For Firm Transportation Service, the Monthly Bill shall equal the sum of the Customer Charge, plus Transportation Charge, plus the Volumetric Charges, plus the Distribution Capacity Charge, plus any other charges that may apply from Schedule C or Schedule 10.
- [2] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Sales Service Temporary Adjustments as set forth in Schedule 201 may also apply.
- [3] For Interruptible Transportation Service, the Monthly Bill shall equal the sum of the Customer Charge, plus Transportation Charge, plus the Volumetric Charges, plus any other charges that may apply from Schedule C or Schedule 10.

(N)

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**RATE SCHEDULE 43
 HIGH VOLUME NON-RESIDENTIAL
 FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE
 (continued)**

MONTHLY RATE:

Effective: May 1, 2008 (C)

The rates shown below may not always reflect actual billing rates. See **Schedule 200** for a list of applicable adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments.

FIRM TRANSPORTATION SERVICE CHARGES (43 TF)				
				Billing Rates
Customer Charge:				\$38,000.00
Transportation Charge:				\$250.00
Volumetric Charge		Base Rate	Total Temporary Adjustment [1]	
Per therm, all therms		\$0.00499	\$0.00000	\$0.00499
Firm Service Distribution Capacity Charge: Per therm of MDDV per month				\$0.32000
Minimum Monthly Bill: Customer Charge, plus Transportation Charge, plus Firm Service Distribution Capacity Charge, plus any other charges that may apply from SCHEDULE C and SCHEDULE 10 .				

(I)

INTERRUPTIBLE TRANSPORTATION SERVICE CHARGES (43 TI)				
				Billing Rates
Customer Charge:				\$38,000.00
Transportation Charge:				\$250.00
Volumetric Charge:		Base Rate	Total Temporary Adjustment [1]	
Per therm, all therms		\$0.00499	\$0.00000	\$0.00499
Minimum Monthly Bill: Customer Charge, plus Transportation Charge, plus any other charges that may apply from SCHEDULE C and SCHEDULE 10 .				

[1] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Temporary Adjustments as set forth in Schedule 201 shall apply.

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NORTHWEST NATURAL GAS COMPANY

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SCHEDULE 200
 SUMMARY OF ADJUSTMENTS

PURPOSE:

The purpose of this Schedule is to list and summarize the adjustment Schedules applicable to each of the Company's Rate Schedules.

SCHEDULE	A	201	203	207	215	220	225	230	240
R1	ADD	INC	INC	INC	INC	INC	INC	INC	
C1	ADD	INC	INC	INC	INC	INC	INC	INC	
2	ADD	INC	INC	INC	INC	INC	INC	INC	ADD
03SF	ADD	INC	INC	INC	INC	INC	INC	INC	ADD
10	ADD			INC					
19	ADD	INC	INC	INC		INC	INC		
21	ADD	INC	INC	INC	INC	INC	INC	INC	
27	ADD	INC	INC	INC	INC	INC	INC	INC	
C41SF	ADD	INC	INC	INC	INC	INC	INC	INC	
C41SI	ADD	INC	INC	INC	INC	INC	INC	INC	
C41TF	ADD	INC		INC		INC		INC	
I41SF	ADD	INC	INC	INC	INC	INC	INC		
I41SI	ADD	INC	INC	INC	INC	INC	INC		
I41TF	ADD	INC		INC		INC			
C42SF	ADD	INC	INC	INC	INC	INC	INC	INC	
C42SI	ADD	INC	INC	INC	INC	INC	INC	INC	
C42TF	ADD	INC		INC		INC		INC	
C42TI	ADD	INC		INC		INC		INC	
I42SF	ADD	INC	INC	INC	INC	INC	INC		
I42SI	ADD	INC	INC	INC	INC	INC	INC		
I42TF	ADD	INC		INC		INC			
I42TI	ADD	INC		INC		INC			
43TI	ADD	INC		INC		INC			
43TF	ADD	INC		INC		INC			
54	ADD	INC	INC	INC	INC	INC	INC		

(N)

(T)
(T)
(T)

(N)
(N)
(N)

(T)
(T)
(T)

(N)
(N)
(N)

(N)

Table Code Key:

- ADD** This adjustment is added to the billing rates at the time the bill is issued.
- INC** This adjustment is included in the billing rates shown on the Rate Schedule

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SCHEDULE 200
SUMMARY OF ADJUSTMENTS
(continued)

The following is a brief description of the applicable Schedules:

Schedule A "Billing for City and County Exactions."

This adjustment will be reflected directly on Customer bills.

Schedule 201 "Temporary (Technical) Adjustments to Rates."

These are temporary Adjustments that are included in the Billing Rate reflected on Customer bills.

Schedule 203 "Purchased Gas Cost Adjustments to Rates."

These are pipeline capacity and commodity charges

Schedule 207 "General Adjustments to Rates."

These are Base Rate Adjustments that are included in the Billing Rate reflected on Customer bills

Schedule 215 "Adjustment to Rates for Energy Conservation Programs."

These are temporary adjustments that are included in the Billing Rate reflected on Customer bills.

Schedule 230 "Partial Decoupling Mechanism (Pilot)"

These are Base Adjustments that are included in the volumetric charges reflected on Customer bills.

(N)

Schedule 240 "Weather Adjusted Rate Mechanism (WARM)"

These are winter heating season adjustments that are included in the volumetric charges reflected on Customer bills.

(N)

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By Authority of WUTC ORDER IN DOCKET UG-031885

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d.b.a. NW Natural
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Portland, Oregon 97209-3991

NORTHWEST NATURAL GAS COMPANY

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SCHEDULE 207

GENERAL RATE ADJUSTMENT

PURPOSE:

To identify the effects of general rate changes approved in the company's most recent general rate case proceeding (Docket UG-_____)

APPLICATION TO RATE SCHEDULES:

Effective: May 1, 2008

The Base Rates in the listed Rate Schedules include the adjustment shown below.
 NO FURTHER ADJUSTMENT TO RATES IS REQUIRED.

<u>SCHEDULES</u>	<u>BLOCKS</u>	<u>AMOUNT</u>	
Schedule 1	Customer Charge Per therm (all therms)	\$6.00 (\$0.25032)	(C)
Schedule 2	Customer Charge Per therm (all therms)	\$7.00 (\$0.03281)	
Schedule 3	Customer Charge Per therm (all therms)	\$10.50 (\$0.00764)	(C)
Schedule 10	First 150 CF Next 650 CF All additional CF Bill Charge	\$0.00000 \$0.00000 \$0.00000 \$0.00000	
Schedule 19	One mantle All additional mantles	\$2.92 \$0.54	(C) (C) (D)
Schedule 27	Customer Charge All therms	\$8.00 (\$0.05379)	(C) (C)

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SCHEDULE 207
 GENERAL RATE ADJUSTMENT
 (continued)

<u>SCHEDULES</u>	<u>BLOCKS</u>	<u>AMOUNT</u>	
Schedule 41 <u>Sales Service</u>	Customer Charge	\$79.84	(C)
	First 2,000 therms	(\$0.07717)	
	All additional therms	(\$0.09472)	
Schedule 41 <u>Transportation Service</u>	Customer Charge	\$79.84	(N)
	First 2,000 therms	(\$0.06564)	
	All additional therms	(\$0.08382)	
Schedule 42 <u>Sales Service</u>	Customer Charge	\$0.00	(N)
	First 10,000 therms	(\$0.00171)	
	Next 20,000 therms	\$0.00229	
	Next 20,000 therms	(\$0.01271)	
	Next 100,000 therms	\$0.00319	
	Next 600,000 therms	\$0.00879	
	All additional therms	\$0.00047	
Schedule 42 <u>Transportation Service</u>	Customer Charge	\$0.00	(N)
	First 10,000 therms	\$0.00172	
	Next 20,000 therms	\$0.00510	
	Next 20,000 therms	(\$0.00990)	
	Next 100,000 therms	\$0.00506	
	Next 600,000 therms	\$0.01004	
Schedule 43	Customer Charge	\$0.00000	(C) (N)
	Volumetric Charge	\$0.00000	
Schedule 54	All therms	\$0.00000	
Special Contracts	Customer Charge	\$0.00000	
	Volumetric Charge	\$0.00000	

GENERAL TERMS:

This Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this tariff and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

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SCHEDULE 230

PARTIAL DECOUPLING MECHANISM (Pilot)

PURPOSE:

To (a) describe the partial decoupling mechanism and price elasticity adjustment; and (b) identify the adjustment applicable to rates under the Rate Schedules listed below.

TERM:

This Schedule shall terminate on May 1, 2011, or on such other date as the Commission may approve.

APPLICABLE:

To Residential and Commercial Customers served on the following Rate Schedules of this Tariff:

Residential	Commercial	
Schedule 1	Schedule 1	Schedule 42 (C42SF)
Schedule 2	Schedule 3(C03)	Schedule 42 (C42SI)
	Schedule 41(C41SF)	Schedule 42 (C42TF)
	Schedule 41(C41SI)	Schedule 42 (C42TI)
	Schedule 41(C41TF)	

ADJUSTMENT TO RATE SCHEDULES:

Effective: November 1, 2008

The Temporary Adjustments for Residential and Commercial Customers taking service on the above-listed Rate Schedules includes the following adjustment:

Residential Rate Schedules: \$ _____ per therm
Commercial Rate Schedules: \$ _____ per therm

PARTIAL DECOUPLING DEFERRAL ACCOUNT:

1. Each month, the company will calculate the difference between weather-normalized usage and the calculated baseline usage for each Residential and Commercial Customer group. The resulting usage differential shall be multiplied by the per therm distribution margin for the applicable customer group.

The Company shall defer and amortize, with interest, 100% of the distribution margin differential in a sub-account of Account 186. The deferral will be a credit (accruing a refund to customers) if the differential is positive, or a debit (accruing a recovery by the company) if the differential is negative.

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SCHEDULE 230

PARTIAL DECOUPLING MECHANISM (Pilot)
(continued)

PARTIAL DECOUPLING DEFERRAL ACCOUNT (continued):

- 2. The baseline usage shall be determined from actual weather normalized usage for the Company's most recent rate case, as adjusted for any price elasticity effects since that rate case.

The following is an example baseline usage calculation for the Residential Group:

Weather-normalized usage, divided by Residential Customers, equal	<u>42,299,885</u> 59,153 715
Normalized use per therm per customer	
November 1 price decrease	-5%
Usage increase due to price elasticity (-10% x -0.172)	-.82%
Estimated usage increase due to price elasticity (weather normalized usage x % of usage increase)	346,859
Total New Baseline Usage: (weather normalized usage plus estimated usage increase), divided by customer count, equal	<u>42,646,744</u> 721
Reset baseline usage per therm per customer	

- 3. Weather-normalized usage is calculated using the approach to weather normalization adopted in the Company's last general rate case, Docket UG-____. The weather data is taken from the stations identified in **RULE 11**.

Step One. For the heating season months October through May, usage is normalized by taking the difference between normal and actual heating degree days for each district using a base of 65 degrees.

Step Two. This step derives the per-therm customer variance by multiplying the heating degree-day difference by the usage coefficient of .1903 for Residential variances, and .7616 for Commercial variances.

Step Three. The per-therm customer variance is multiplied by the appropriate customer count, by district, with the sum of the district results representing the normalized therm amount.

- 4. Baseline usage will be adjusted to reflect actual customers billed each month.
- 5. The price elasticity adjustment is calculated as follows: (1) the estimated usage change is multiplied by the margin per therm; and (2) that result is divided by the new total baseline usage to develop a rate per therm. The rate per therm is applied to the original margin per therm, including revenue sensitive factors, to develop the new margin per therm.

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SCHEDULE 230

PARTIAL DECOUPLING MECHANISM (Pilot)
(continued)

PARTIAL DECOUPLING DEFERRAL ACCOUNT (continued):

- 6. The per therm distribution margins to be used in the deferral calculation effective November 1, 2008 is \$0.35880 per therm for Residential customers and \$0.36824 per therm for Commercial customers.
- 7. Coincident with the Company's annual Purchased Gas Cost and Technical Rate Adjustment filing commencing with the filing effective November 1, 2008, and each year thereafter during the term of this Schedule, the Company shall apply an adjustment to Residential and Commercial rates to amortize over the following 12 months, the balance in the balancing account as of June 30.

GENERAL TERMS:

This Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this Tariff and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

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**SCHEDULE 240
WEATHER ADJUSTED RATE MECHANISM
(WARM Program)**

PURPOSE:

To describe the Weather Adjusted Rate Mechanism (WARM) adopted by the Washington Utilities and Transportation Commission in Docket UG-_____, Order No. _____ entered _____.

TERM:

This Schedule shall terminate on May 1, 2011, or on such other date as the Commission may approve.

APPLICABLE:

To Residential and Commercial Customers served on the following Rate Schedules of this Tariff:

Schedule 2	Schedule 3 (C03)
------------	------------------

APPLICATION TO RATE SCHEDULES:

The WARM Adjustment will be applied as an adjustment to the per therm Billing Rate on applicable Residential and Commercial Customer bills issued during the WARM Period. The WARM Period covers bills that are generated based on meters read on or after December 1st and on or before May 15th.

SPECIAL CONDITIONS:

1. The WARM Adjustment will apply to Customer bills that are based on applicable Residential Rate Schedule 2 or Commercial Rate Schedule 3 meters read on or after December 1st and on or before May 15th.
2. Residential bills --The maximum WARM Adjustment increase that will be added to any regular monthly bill during the WARM Period will be twelve dollars (\$12.00), or twenty-five percent (25%) of the usage portion of that bill, whichever is less. For any billing period in which the total monthly WARM adjustment exceeds either \$12.00 or 25% of the usage, the balance of the WARM adjustment will be billed in accordance with Special Condition 5.
3. Commercial bills--The maximum WARM Adjustment increase that will be added to any regular monthly bill during the WARM Period will be thirty-five dollars (\$35.00), or twenty-five percent (25%) of the usage portion of that bill, whichever is less. For any billing period in which the total monthly WARM adjustment exceeds either thirty-five dollars or 25% of the usage, the balance of the WARM adjustment will be billed in accordance with Special Condition 5.
4. The cent per therm rate applied to any customer bill during the WARM Period will never be less than the currently effective Annual Sales WACOG rate, as shown in **SCHEDULE 203** of this Tariff.
5. Any amounts not applied to a customer's bill during the WARM Period due to the caps and floor described in Special Conditions 2, 3 and 4 will be applied to the customer's first bill issued following the end of the WARM Period, except that these amounts will be applied earlier in the following situations: (a) at the time the Company issues a closing bill on a customer account; and (b) at the time a customer changes their status in the WARM program.

(continue to Sheet 240.2)

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**SCHEDULE 240
WEATHER ADJUSTED RATE MECHANISM
(WARM Program)
(continued)**

SPECIAL CONDITIONS: (continued)

- 6. WARM is the Company's default billing method for Residential **RATE SCHEDULE 2** and Commercial **RATE SCHEDULE 3** customers.
- 7. Upon request, the Company will provide Customer with historical billing information under both the opt-in and opt-out option for any month during the WARM Period.

WARM FORMULA:

- 1. The Formula is:
$$\text{WARM Adjustment} = \sum_1^T (HDD_{n,t} - HDD_{a,t}) * B * Mrgn$$

Where:

T = the days covered by the meter read dates for an individual customer's bill
HDDn = the 20-year average of heating degree-days for each day (1987-2006) determined using a 20-year average temperature published by the National Oceanic and Atmospheric Administration (NOAA).

HDDa = the actual heating degree-days for each day based on the individual customer's actual beginning and ending meter read dates

B = the statistical coefficient relating heating degree-days to therm use determined in the most recent general rate case, or other Commission authorized proceeding.

Mrgn = the relevant Rate Schedule margin defined as the current Billing Rate less the current Commodity Rate, Pipeline Capacity Charge, and any Temporary Adjustments.

- 2. For purposes of calculating the WARM Adjustment, the following shall apply:
 - a. A Heating Degree Day (HDD) is defined as the extent by which the daily mean temperature falls below a specified set point on a specified day. The HDD calculation uses a set point temperature of 65 degrees Fahrenheit;
 - b. The statistical coefficients to be used in the calculation of the WARM Adjustment Factor effective with the WARM Period are:

Schedule 2: .1903	Schedule 3: .7616
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- c. The applicable margins to be used in the calculation of the WARM Adjustment Factor effective with the WARM Period commencing December 1, 2008 are:

Schedule 2: \$0.36340	Schedule 3: \$0.41086
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(continue to Sheet 240.3)

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**SCHEDULE 240
WEATHER ADJUSTED RATE MECHANISM
(WARM Program)
(continued)**

WARM FORMULA: (continued)

Weather data used in the calculation of HDD for each customer shall be from the same weather stations and weather zones that are used in the determination of thermal units as set forth in **RULE 11**.

WARM BILL EFFECTS:

The following table depicts the impact on residential **RATE SCHEDULE 2** and commercial **RATE SCHEDULE 3** customer bills, respectively, at specified variations in HDDs.

HDD Variance (+ or -)	RESIDENTIAL		COMMERCIAL	
	Equivalent therms	Total Monthly WARM adjustment (+ or -) *	Equivalent therms	Total Monthly WARM adjustment (+ or -) *
1	.1903	\$0.07	.7616	\$0.31
5	.9515	\$0.35	3.8080	\$1.56
10	1.9030	\$0.69	7.6160	\$3.13
15	2.8545	\$1.04	11.4240	\$4.69
20	3.8060	\$1.38	15.2320	\$6.26
25	4.7575	\$1.73	19.0400	\$7.82
30	5.7090	\$2.07	22.8480	\$9.39
35	6.6605	\$2.42	26.6560	\$10.95
40	7.6120	\$2.77	30.4640	\$12.52
45	8.5635	\$3.11	34.2720	\$14.08
50	9.5150	\$3.46	38.0800	\$15.65

To calculate variations beyond or in-between specified levels, multiply the desired HDD variance by the applicable statistical coefficient, and then multiply that sum by the applicable margin.

To obtain the cent per therm effect of the Warm Adjustment, divide the WARM Adjustment by the number of therms used during the billing month.

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**SCHEDULE 240
WEATHER ADJUSTED RATE MECHANISM
(WARM Program)
(continued)**

WARM BILL EFFECTS: (continued)

Example Bill Calculation:

Here is the how the WARM adjustment is calculated for a residential **RATE SCHEDULE 2** customer where the base billing rate is \$1.09522 cents per therm, the HDD variance is 50 HDDs colder than normal, and the monthly therm usage is 129 therms:

HDD Differential:	Normal HDDs:	600 HDDs
	Actual HDDs:	650 HDDs
	HDD variance:	600 – 650 = -50 HDDs
Equivalent Therms:	HDD variance:	-50 HDDs
	Statistical coefficient:	.1903
	Equivalent therms:	-50 x .1903 = -9.515 therms
Total Warm Adjustment:	Equivalent therms:	-9.515 therms
	Margin Rate:	\$0.36119
	Total WARM Adj.:	-9.515 x \$0.36119= -\$3.43672
Total WARM Adjustment converted to cents per therm:	Total WARM Adj.	-\$3.43672
	Monthly usage:	129 therms
	Cent/therm Adj.:	-\$3.43672 ÷ 129 = -\$0.02664
Billing Rate per therm:	Current Rate/therm:	\$1.09522
	WARM cent/therm Adj.	-\$0.02664
	WARM Billing Rate:	\$1.095222 + -\$0.02664= \$1.06858
Total WARM Bill:	Customer Charge:	\$12.00
	Usage Charge:	\$1.06858
	Total	(129 x \$1.06858) + \$12.00 = \$149.85

GENERAL TERMS:

This Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this Tariff and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

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