

1 A. Mist storage plant attributable to the utility operation provides the system with gas supply
2 support during the heating season. Because of the seasonal nature of the service provided,
3 the costs are allocated based on incremental seasonal load, which is the seasonal firm and
4 interruptible sales load less the average non-seasonal load. The portion of the Company's
5 two LNG facilities attributable to the Washington jurisdiction were allocated to the firm
6 sales customers based on their contribution to the design day allocation factor.

7 **Q. How were Distribution Mains allocated in the COSS?**

8 A. Distribution mains were allocated to the firm and interruptible sales and transportation
9 classes under the P&A method. A special study using Geographic Information System
10 ("GIS") data was performed to determine the specific pipe size distribution main to which
11 each of the Rate Schedule 41, Non-Residential Sales & Transport Service, and Rate
12 Schedule 42, Large Volume Non-Residential Sales & Transport Service, were attached.
13 For those customers in these classes that are attached to distribution mains of 4 inches
14 diameter or greater, the respective customers' P&A load characteristics were only
15 included in the allocation of that portion of the distribution mains investment of equal or
16 greater pipe size than the 4-inch main. Interruptible sales and interruptible transportation
17 customers only received the *average* portion of the P&A allocation. The remaining firm
18 sales service classes received a full allocation of all distribution mains regardless of pipe
19 size.

20 **Q. Please describe the special studies conducted for purposes of allocating other**
21 **distribution plant investment.**

22 A. Regarding NW Natural's major plant accounts, current cost factors were developed to
23 allocate the following FERC accounts: Services – Account No. 380, and Meters –