

(Continued from front page)

Several issues the UTC will also consider in this General Rate Case are:

- The creation of enhanced energy conservation programs for customers.
- A mechanism that would make NW Natural neutral to increases or decreases in customer use by setting an annual per customer revenue amount. True-ups to the annual amount would be made through a rate credit for years when revenues exceed that amount, or through a rate charge for years when revenues fall below that amount. This is called a partial decoupling mechanism.
- A Weather Adjusted Rate Mechanism (WARM) that would adjust the monthly gas usage charge between December 1 and May 15 based on weather. WARM would increase the rate per therm with warmer weather (times of low use) and decrease the rate per therm with colder weather (times of higher use) in order to stabilize levels of customer revenue.
- An increase in the residential customer charge from \$5.00 to \$12.00 and a decrease in the gas usage charge of 3.281 cents, from \$1.12803 to \$1.09522 per therm of usage.

Customers of NW Natural have the opportunity to comment to the Utilities and Transportation Commission in numerous ways, including in person at a public hearing:

WHEN: November 13, 2008 **WHERE:** Location
TIME: 6:30 pm Room number
 Address
 Address

SUMMARY OF REQUESTED RATE INCREASE

Type of Service	Schedule(s)	Overall Percentage Increase ¹
Residential	2	6.3%
Commercial Sales	3	2.56%
Industrial Firm Sales	42	0.24% ²
Industrial Interruptible Sales	42	0.88% ²

¹ Residential customers will see lower or higher percentage increases to their bill based on actual use. See example below with increase of 4.59% for a customer using 80 therms.

² Actual effect will vary by customer based on customer-specific rate choices

Effects on Residential Customers

The bill effect of the general rate increase for the typical residential customer using 80 therms per month is an increase in the monthly bill of \$4.38 or 4.59%:

	Current Bill	Proposed
Rate per therm	\$1.12803	\$1.09522
Basic Charge per Month	\$5.00	\$12.00
Total bill at 80 therms:	\$95.24	\$99.62

You are invited to comment to the Washington Utilities & Transportation Commission:

- in person at the November 13, 2008 public hearing in Vancouver (see left for details).
- via UTC web form: www.utc.wa.gov/comment
- by email at: comments@utc.wa.gov
- in writing at: Washington Utilities & Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250
- by phone at: 1-800-562-6150
- or by using this detachable form on the other side of this of this notice.

Please reference Docket Number UE-080546

General Rate Case Information

A general rate case is the regulatory proceeding which gives the UTC an opportunity to examine a utility's operations and costs to determine if the proposed rates are fair, just and reasonable. This process lets the UTC conduct a detailed review of a utility's revenues, profits, expenses, and investments in plant and equipment, in order to establish an approved revenue requirement.

The UTC staff, NW Natural, Public Counsel Section of the Attorney General's Office, and other parties will participate in the proceeding. The new rates will become effective upon completion of the UTC's investigation, which may take up to 11 months.

Based on the outcome of its investigation, the UTC has the authority to approve rates that are higher or lower than NW Natural's request.

CONTACT NW NATURAL

You can reach the company in writing at:

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Attn: Regulatory Affairs
220 NW Second Avenue
Portland, OR 97209

or by e-mail at:
efiling@nwnatural.com

For more information call or visit:

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www.nwnatural.com