

111 FERC ¶ 61,406
FEDERAL ENERGY REGULATORY COMMISSION
Washington, D.C. 20426

June 16, 2005

In Reply Refer To:
Northwest Natural Gas Company
Docket No. PR05-8-000

Northwest Natural Gas Company
Attn: Susan B. Bergles
325 Broxton Rd.
Baltimore, MD 21212-3532

Attention: Ms. Susan B. Bergles, Principal Attorney

Reference: Stipulation and Agreement

Dear Ms. Bergles:

1. The Stipulation and Agreement (Settlement) filed by Northwest Natural Gas Company (NW Natural) on May 27, 2005, reasonably resolves all issues in this proceeding, produces fair and equitable storage and transportation rates and, therefore, is approved. This order will benefit NW Natural's current and potential shippers by affording them with storage and transportation services at fair and equitable rates.
2. The following is a summary of the major provisions of the Settlement.
 - a. Effective July 1, 2005, the maximum fair and equitable rate for Natural Gas Policy Act of 1978 section 311 storage and related transmission service on NW Natural's system will be: (a) monthly firm reservation rate: \$5.500 per Dth of a customer's Maximum Daily Withdrawal Quantity (MDWQ); (b) monthly firm capacity rate: \$0.0600 per Dth of a customer's Maximum Storage Capacity (MSC); (c) interruptible service: \$0.0075 per Dth of customer's daily storage inventory balance; (d) Authorized Overrun service for both firm and interruptible service: \$0.1850 per Dth; and (e) two percent fuel-in-kind charge for each Dth injected during the month. With the exception of the fuel charge, all maximum rates may be discounted; and the minimum rate is zero.

- b. The Operating Statement filed by NW Natural is accepted, effective July 1, 2005, as being consistent with the rate structures and services included in its petition for rate approval.
- c. On or before January 18, 2008, NW Natural agrees to make either a petition for rate approval pursuant to section 284.123(b)(2), 18 C.F.R. § 284.123(b)(2) (2004), or a cost and revenue study pursuant to 18 C.F.R. §154.313 (2004).
- d. NW Natural represents that it has not charged rates in excess of those rates specified in 2.a above for section 311 service. Accordingly, no refunds are due. NW Natural will file within 30 days of the effective date of the Settlement to certify that it has not charged or collected any amount in excess of the rates and charges authorized in this Settlement.
- e. The provisions of the Settlement shall not become effective unless and until the Commission issues an order accepting and approving all terms and conditions of the Settlement and such order becomes final and no longer subject to rehearing.
- f. The Settlement represents a negotiated agreement of the issues in this proceeding. Neither the Commission, its staff, nor any other party shall be deemed to have approved, accepted, agreed, or consented to any principle or issue in this proceeding.

3. The Settlement was filed pursuant to Rule 602(f)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602(f)(2) (2004). Pursuant to NW Natural's request, a shortened comment period was established with initial comments to be filed on or before June 3, 2005, and reply comments on or before June 8, 2005. Pursuant to Rule 385.602(d), 18 C.F.R. § 385.602(d) (2004), NW Natural served a copy of the Settlement on all parties. No protests or adverse comments were filed.

4. This letter order does not relieve NW Natural of its obligations to file the required reports under Part 284 of the Commission's regulations. The Commission's approval of this Settlement does not constitute a precedent regarding any principle or issue in this proceeding.

By direction of the Commission.

Linda Mitry,
Deputy Secretary.