

**Portland Natural Gas Transmission System  
Total Operations and Maintenance Expenses  
For the Twelve Months Ended December 31, 2007, As Adjusted**

(In Dollars)

| Line No.  | Description (a)                       | FERC Acct (b) | Jan-07 (c)       | Feb-07 (d)       | Mar-07 (e)       | Apr-07 (f)       | May-07 (g)       | Jun-07 (h)       | Jul-07 (i)       | Aug-07 (j)       | Sep-07 (k)       | Oct-07 (l)       | Nov-07 (m)       | Dec-07 (n)       | Total (o)         | Adjustments (p)     | Total, As Adjusted (q) |
|---|---------------------------------------|---------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|---------------------|------------------------|
| <b>1 Transmission Expenses</b>                      |                                       |               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |                     |                        |
| <b>2 Operation</b>                                  |                                       |               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |                     |                        |
| 3   | Operation Supervision and Engineering | 850           | 32,931           | 26,032           | 24,893           | 40,529           | 75,999           | 39,224           | 47,670           | 38,028           | 28,321           | 37,404           | 54,979           | 49,859           | 495,869           | 9,079               | 504,948                |
| 4   | System Control and Load Dispatching   | 851           | 50,265           | 50,288           | 52,240           | 58,278           | 61,710           | 94,315           | 73,894           | 62,922           | 60,552           | 72,262           | 74,141           | 80,181           | 791,048           | 14,484              | 805,532                |
| 5   | Mains Expenses                        | 856           | 13,336           | 8,997            | 8,508            | 35,561           | 11,118           | 11,671           | 18,366           | 12,915           | 14,050           | 9,983            | 11,855           | 37,726           | 194,087           | 3,553               | 197,640                |
| 6   | Measuring and Reg. sta. Expenses      | 857           | 16,839           | 6,726            | (20,795)         | 12,476           | 6,401            | 9,977            | 5,152            | 5,959            | 6,707            | 3,205            | 30,786           | 6,210            | 89,643            | 1,641               | 91,284                 |
| <b>7 Maintenance</b>                                |                                       |               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |                     |                        |
| 8   | Maint. of Mains                       | 863           | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | 201,218          | 201,218           | 948,000             | 1,149,218              |
| <b>9 Total Transmission Expenses</b>                |                                       |               | <b>113,371</b>   | <b>92,043</b>    | <b>64,846</b>    | <b>146,843</b>   | <b>155,228</b>   | <b>155,187</b>   | <b>145,082</b>   | <b>119,824</b>   | <b>109,630</b>   | <b>122,854</b>   | <b>171,762</b>   | <b>375,194</b>   | <b>1,771,865</b>  | <b>976,757</b>      | <b>2,748,622</b>       |
| <b>10 Administrative and General Expenses</b>       |                                       |               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |                     |                        |
| 11  | Uncollectible Accounts                | 904           | 1,110,820        | 1,183,826        | 1,183,556        | 1,196,882        | 1,203,906        | 1,214,708        | 1,218,720        | 1,230,527        | 1,238,310        | 1,241,568        | 1,254,136        | 1,257,198        | 14,534,157        | (14,534,157)        | -                      |
| 12  | Administrative and General Salaries   | 920           | 46,703           | 44,600           | 46,050           | 53,263           | 57,837           | 57,826           | 57,332           | 60,091           | 64,303           | 61,217           | 59,794           | 57,203           | 666,219           | 12,198              | 678,417                |
| 13  | Office Supplies and Expenses          | 921           | 49,421           | 35,048           | 40,557           | 65,837           | 42,373           | 23,000           | 30,324           | 24,744           | 66,781           | 38,216           | 65,030           | 59,944           | 541,275           | 9,910               | 551,185                |
| 14  | Outside Services Employed             | 923           | 186,256          | 216,952          | 250,515          | 192,163          | 96,955           | 135,283          | (1,281)          | 401,910          | 73,031           | 287,294          | 200,991          | 817,368          | 2,857,436         | (1,191,215)         | 1,666,221              |
| 15  | Property Insurance                    | 924           | -                | -                | 47,508           | -                | -                | -                | 129,692          | -                | (1,169)          | -                | (421)            | -                | 175,610           | 3,215               | 178,825                |
| 16  | Injuries and Damages                  | 925           | -                | 19,420           | -                | -                | 89,286           | 45,738           | -                | 1,885            | 93,577           | (40,093)         | 1,885            | -                | 211,699           | 3,876               | 215,575                |
| 17  | Employee Pensions and Benefits        | 926           | 101,379          | 97,085           | 82,365           | 112,734          | 121,153          | 126,792          | 135,991          | 107,173          | 125,681          | 123,995          | 122,741          | 123,495          | 1,380,583         | 25,278              | 1,405,861              |
| 18  | Regulatory Commission Expenses        | 928           | -                | -                | -                | -                | -                | -                | -                | 99,247           | -                | -                | -                | 84,183           | 183,430           | 344,153             | 527,583                |
| 19  | Miscellaneous General Expenses        | 930.2         | 429              | 27,892           | 1,200            | 100              | 1,249            | 4,062            | 79,959           | 1,585            | -                | 3,364            | 1,917            | 11,291           | 133,050           | 2,436               | 135,486                |
| 20  | Rents                                 | 931           | 12,442           | 11,959           | 11,959           | 14,953           | 12,905           | 13,342           | 13,287           | 13,166           | 13,166           | 13,166           | 17,955           | 13,194           | 161,493           | 2,957               | 164,450                |
| <b>21 Total Administrative and General Expenses</b> |                                       |               | <b>1,507,449</b> | <b>1,636,782</b> | <b>1,663,710</b> | <b>1,635,931</b> | <b>1,625,664</b> | <b>1,620,752</b> | <b>1,664,024</b> | <b>1,940,328</b> | <b>1,673,680</b> | <b>1,728,728</b> | <b>1,724,028</b> | <b>2,423,876</b> | <b>20,844,952</b> | <b>(15,321,349)</b> | <b>5,523,602</b>       |
| <b>22 Total Operation and Maintenance Expenses</b>  |                                       |               | <b>1,620,820</b> | <b>1,728,826</b> | <b>1,728,556</b> | <b>1,782,773</b> | <b>1,780,892</b> | <b>1,775,940</b> | <b>1,809,106</b> | <b>2,060,153</b> | <b>1,783,310</b> | <b>1,851,581</b> | <b>1,895,790</b> | <b>2,799,070</b> | <b>22,616,817</b> | <b>(14,344,592)</b> | <b>8,272,225</b>       |