

**Portland Natural Gas Transmission System
Cost of Service**

Line No.	Description (a)	Statement or Schedule Reference (b)	Base Period (c)	Test Period Adjustments (d)	Test Period (e)
1	Operation & Maintenance Exp.	Schedule H-1	22,616,817	(14,344,592)	8,272,225
2	Depreciation Expense	Statement H-2	109,617	(25,850)	83,766
3	Return Allowance	Statement B	234,802	(9,487)	225,315
4	Federal and State Income Tax Allowance	Statement H-3	111,015	(4,486)	106,529
5	Taxes Other Than Income	Statement H-4	5,711,536	227,826	5,939,362
6	Levelized Cost of Service	Exhibit No. PNG-20	54,701,248	0	54,701,248
7	Total Cost of Service		83,485,035	(14,156,589)	69,328,446