

Portland Natural Gas Transmission System  
Comparative Balance Sheet

| Line No.                               | Title of Account   | Balance as at<br>December 31,<br>2007 | Balance as at<br>December 31,<br>2006 |
|--|--|---------------------------------------|---------------------------------------|
|  | (a)  | (b)                                   | (c)                                   |
| <b>Assets and Other Debits</b>         |  |                                       |                                       |
| <b>UTILITY PLANT</b>                   |  |                                       |                                       |
| 1                                      | Utility Plant (101-106, 114)                                 | 493,088,229                           | 493,030,549                           |
| 2                                      | Construction Work in Progress (107)                          | 465,727                               | 292,779                               |
| 3                                      | Total Utility Plant  | 493,553,956                           | 493,323,328                           |
| 4                                      | (Less) Accum Provision for Depr, Amort, Depl.(108,111,115)   | (111,123,286)                         | (101,186,383)                         |
| 5                                      | Net Utility Plant  | 382,430,670                           | 392,136,945                           |
| <b>CURRENT AND ACCRUED ASSETS</b>      |  |                                       |                                       |
| 6                                      | Cash (131)   | 11,406,096                            | 6,354,718                             |
| 7                                      | Special Deposits (132-134)                                   | 23,053                                | 23,053                                |
| 8                                      | Working Funds (135)  | 188                                   | 188                                   |
| 9                                      | Customer Accounts Receivable (142)                           | 33,605,645                            | 18,512,360                            |
| 10                                     | (Less) Accum. Provision for Uncollectible Accts-Credit (144) | (26,075,089)                          | (11,540,932)                          |
| 11                                     | Plant Materials and Operating Supplies (154)                 | 55,759                                | 55,759                                |
| 12                                     | Prepayments (165)  | 1,211,597                             | 1,047,936                             |
| 13                                     | Interest and Dividends Receivable (171)                      | 32,635                                | 31,952                                |
| 14                                     | Total Current and Accrued Assets                             | 20,259,884                            | 14,485,034                            |
| <b>DEFERRED DEBITS</b>                 |  |                                       |                                       |
| 15                                     | Unamortized Debt Expense (181)                               | 2,916,837                             | 3,114,195                             |
| 16                                     | Other Regulatory Assets (182.3)                              | 106,343,169                           | 100,934,984                           |
| 17                                     | Accum Deferred Income Taxes (190)                            | 9,953,043                             | -                                     |
| 18                                     | Total Deferred Debits  | 119,213,049                           | 104,049,179                           |
| 19                                     | Total Assets & Other Debits                                  | 521,903,603                           | 510,671,158                           |
| <b>Liabilities and Other Credits</b>   |  |                                       |                                       |
| <b>PROPRIETARY CAPITAL</b>             |  |                                       |                                       |
| 20                                     | Other Paid-In Capital (208-211)                              | 155,378,563                           | 146,922,865                           |
| 21                                     | Retained Earnings (215, 215.1, 216)                          | 41,169,481                            | 39,098,747                            |
| 22                                     | Accumulated Other Comprehensive Income (219)                 | (14,173,781)                          | (15,462,307)                          |
| 23                                     | Total Proprietary Capital                                    | 182,374,263                           | 170,559,305                           |
| <b>LONG TERM DEBT</b>                  |  |                                       |                                       |
| 24                                     | Bonds (221)  | 210,945,000                           | 226,225,000                           |
| 25                                     | (Less) Current Portion of Long-Term Debt                     | (15,232,000)                          | (15,280,000)                          |
| 26                                     | Total Long-Term Debt   | 195,713,000                           | 210,945,000                           |
| <b>CURRENT AND ACCRUED LIABILITIES</b> |  |                                       |                                       |
| 27                                     | Current Portion of Long-Term Debt                            | 15,232,000                            | 15,280,000                            |
| 28                                     | Accounts Payable (232)                                       | 887,974                               | 261,310                               |
| 29                                     | Customer Deposits (235)                                      | 1,539,359                             | 1,539,359                             |
| 30                                     | Taxes Accrued (236)  | 3,626,279                             | 1,730,400                             |
| 31                                     | Interest Accrued (237)                                       | 554,485                               | 171,366                               |
| 32                                     | Miscellaneous Current and Accrued Liabilities (242)          | 136,615                               | 136,537                               |
| 33                                     | Total Current and Accrued Liabilities                        | 21,976,712                            | 19,118,972                            |
| <b>DEFERRED CREDITS</b>                |  |                                       |                                       |
| 34                                     | Accum Deferred Income Taxes -Other Property (282)            | 70,734,164                            | 60,948,546                            |
| 35                                     | Accumulated Deferred Income Taxes -Other (283)               | 51,105,465                            | 49,099,335                            |
| 36                                     | Total Deferred Credits                                       | 121,839,629                           | 110,047,881                           |
| 37                                     | Total Liabilities and Other Credits                          | 521,903,604                           | 510,671,158                           |