

Portland Natural Gas Transmission System
Income Statement for the Base Period Ended December 31, 2007

Line No.	Description	Base Period Ended December 31, 2007
	(a)	(b)
	UTILITY OPERATING INCOME	
1	Gas Operating Revenues (400)	<u>74,260,653</u>
	OPERATING EXPENSES	
2	Operation Expenses (401)	22,415,599
3	Maintenance Expenses (402)	201,218
4	Depreciation Expense (403)	9,912,133
5	Amortization and Depletion of Utility Plant (404-405)	19,403
6	Regulatory Credit (407.3)	(5,731,915)
7	Taxes Other than Income Taxes (408.1)	5,711,536
8	Income Taxes-Federal (409.1)	7,597,942
9	Income Taxes-State (409.1)	2,059,479
10	Provision of Deferred Income Taxes (410.1)	3,262,309
11	Total Operating Expenses	<u>45,447,704</u>
12	Net Utility Operating income	<u>28,812,949</u>
	OTHER INCOME AND DEDUCTIONS	
13	Interest and Dividend Income (419)	1,462,403
14	Miscellaneous Nonoperating Income (421)	2,388,835
15	Total Other Income	<u>3,851,238</u>
	Other Income Deductions	
16	Other Deductions (426.5)	<u>477</u>
17	Total Other Income Deductions	<u>477</u>
18	Net Other Income and Deductions	<u>3,850,761</u>
	INTEREST CHARGES	
19	Interest on Long-Term Debt (427)	13,009,205
20	Amortization of Debt Disc. and Expense (428)	1,485,884
21	Interest on Debt to Associated Companies (430)	0
22	Other Interest Expense (431)	97,884
23	Total Interest Charges	<u>14,592,973</u>
24	Net Income	<u><u>18,070,737</u></u>