

Project Name

PNGTS

DATA INPUT

Remianing Life for Depreciation

50

Ad Valorem

6,200

O & M

7,013

Capital Structure:

Equity

39.91%

Debt

60.09%

Equity Rate

12.50%

Debt Rate

6.54%

Overall Return

8.92%

State Income Tax Rate (%)

8.17%

Federal Income Tax Rate (%)

35.00%

Composite Tax Rate

40.59%

Pretax Return

12.33%

Debt Outstanding - 2002

256,100

Beginning Balances End of 2001:

Accumulated DD&A

63,479

Accumulated ADIT, Including ADIT on Reg Asset (end of Yr. 3)

39,450

Regulatory Asset

68,339

Plant Investment

Organization

433

Transmission Plant

489,812

General Plant

1,633

Land Rights

60

Working Capital

1,280

Equity AFUDC

23,929

DETERMINATION OF COST OF SERVICE TARIFF RATE

Model Reflects PNGTS as Filed Position

LEVELIZED COST OF SERVICE

Year	Cost of Service	NPV for Rev Stream over 17 Years	Levelized Cost of Service Over 17 Years	NPV for Levelized Rev Stream
		\$511,236		\$511,236

2002	75,261	63,733
2003	73,048	63,733
2004	70,937	63,733
2005	68,855	63,733
2006	66,775	63,733
2007	64,701	63,733
2008	62,634	63,733
2009	60,573	63,733
2010	58,519	63,733
2011	56,473	63,733
2012	54,433	63,733
2013	52,829	63,733
2014	51,902	63,733
2015	51,205	63,733
2016	50,498	63,733
2017	49,797	63,733
2018	49,495	63,733

63,740

PORTLAND NATURAL GAS TRANSMISSION SYSTEM
OVERALL COST OF SERVICE

COST OF SERVICE

All figures in thousands

Line No.	Description	Year 1st	Year 2nd	Year 3rd	Fouth Year COS 4th	Year 5th	Year 6th	Year 7th	Year 8th	Year 9th	Year 10th	Year 11th	Year 12th	Year 13th	Year 14th	Year 15th	Year 16th	Year 17th	Year 18th	Year 19th	Year 20th
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1	Operation & Maintenance Expense				7,013	7,013	7,013	7,013	7,013	7,013	7,013	7,013	7,013	7,013	7,013	7,013	7,013	7,013	7,013	7,013	7,013
2	Depreciation and Amortization Expense				10,132	10,132	10,132	10,132	10,132	10,132	10,132	10,132	10,132	10,132	10,132	10,132	10,132	10,132	10,132	10,132	10,132
3	Other Taxes				6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
4	Pretax Return				52,162	49,874	47,692	45,539	43,386	41,232	39,079	36,926	34,773	32,620	30,465	28,740	27,698	26,912	26,126	25,340	24,947
5	Income Tax Allowance for Equity AFUDC				(246)	(171)	(100)	(29)	45	125	211	303	402	509	623	745	860	949	1,028	1,113	1,204
7	Other Adjustments				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Total Cost of Service				75,261	73,048	70,937	68,855	66,775	64,701	62,634	60,573	58,519	56,473	54,433	52,829	51,902	51,205	50,498	49,797	49,495