

**Portland Natural Gas Transmission System
Analysis of Rents- Account No. 931
12 Month Period Ended December 31, 2007, As Adjusted
Schedule H-1(2)(k)**

PNGTS does not directly incur lease expense in its own name.

Such services are covered by the annual charges under the Service Agreements.

More detail concerning lease expense is contained in Schedule H-1(2)(k) supplemental.