

Docket No. RP08-____

Portland Natural Gas Transmission System
Functionalization of Cost of Service

COST OF SERVICE FUNCTIONALIZATION			Notes
TRANSMISSION (FIXED)	\$	69,328,446	- See Note 1
TOTAL ANNUAL COST OF SERVICE	\$	69,328,446	- See Statement A

Note 1: All of PNGTS' costs are functionalized as transmission and classified as fixed. (See Prepared Direct Testimony of C. Scott Sieppert).

PNGTS derives its recourse rates using only the Total Annual Cost of Service reported on Statement A, and the total current firm system capacity of 210,840 Dth/day.
All other rates are derived from this recourse rate.