

**SCHEDULE 183
SITE REMEDIATION RECOVERY MECHANISM (SRRM)**

PURPOSE:

The purpose of this Schedule is to identify adjustments to rates in the Rate Schedules listed below for the amortization of balances in the Site Remediation Recovery Mechanism account ("SRRM Account") related to Environmental Site Remediation Costs, including past manufactured gas plant (MGP) operations pursuant to Commission Order 12-408, in Docket UG 221 and Commission Order 15-049 in Dockets UM 1635 and UM 1706.

TERM:

Adjustments under this Schedule shall continue for a period of five (5) years following the date that the last remediation expenses are incurred, or such other date as the Commission may approve.

APPLICABLE:

To Sales and Transportation Service Customers served under the following Rate Schedules of this Tariff:

Rate Schedule 2	Rate Schedule 27	Rate Schedule 32
Rate Schedule 3	Rate Schedule 31	Rate Schedule 33

DEFINITIONS:

The following definitions apply to this Schedule:

Collection Period is the 12-month period November 1 through October 31 coincident with the Purchased Gas Adjustment (PGA) Year in which amounts in the SRRM Account will be amortized. Any future change in the PGA Year will automatically carry to the Collection Period under this Schedule.

Environmental Site Remediation Costs are all costs that relate to environmental remediation, including for past manufactured gas plant (MGP) operations. Environmental Site Remediation Costs include investigation, testing, sampling, monitoring, removal, disposal, storage, remediation or other treatment of residues, land acquisition if appropriate, litigation costs/expenses or other liabilities excluding personal injury claims relating to MGP sites, disposal sites, sites that otherwise contain contamination that requires remediation for which the Company is responsible, or sites to which material may have migrated.

SPECIAL CONDITIONS – SRRM ADJUSTMENTS:

1. All Environmental Site Remediation Costs, including all amounts deferred under UM 1078 through September 30, 2012, and any proceeds from insurance companies or other third-parties, will be held in a deferral account. The balance in the deferral account that has not been reviewed for prudence shall accrue interest at the authorized rate of return approved in the Company's most recent general rate case.

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(continued)**SPECIAL CONDITIONS – SRRM ADJUSTMENTS: (continued)**

2. Subject first to the earnings test established in Commission Order 15-049, one-fifth of the Oregon Customer's share of the deferral account balance will be transferred to an SRRM Account for amortization in each Collection Period.
3. In the event that the amount in the SRRM Account in any Collection Period is negative (a refund), the Company, subject to approval by the Commission, will determine if the refund should be applied to Customer bills, or if the credit balance should carry to the next Collection Period. A credit balance may be carried to the next Collection Period if it is determined by the Commission that the credit balance is best used to offset future expected Environmental Site Remediation Costs not yet recorded in the deferral account, or for such other reasons as the Commission may approve.
4. The amounts in the SRRM Account will be amortized and applied to Customer bills based on equal percent of margin by Rate Schedule and Customer class.
5. The SRRM Account balance shall accrue interest at the modified blended treasury rate prescribed by the Commission in OPUC Order No. 08-263.
6. Any deferral account amounts that have been reviewed for prudence but have not been moved to the SRRM Account will be transferred to the SRRM Post-Prudence Account, which will accrue interest at the average of the five-year Treasury rates used in the calculation of the modified blended treasury rate for the applicable year, plus 100 basis points.
7. Any over- or under- collection of the balance in the SRRM Account at the end of a 12-month Collection Period will be retained in the SRRM Account and used to adjust the amount amortized into rates for the subsequent Collection Period.
8. By May 15, 2015 the Company will request Commission review and determination of prudence of Environmental Site Remediation Costs for the April 1, 2014 through December 31, 2014 time frame. The request for prudence review will include a report of all activity associated with Environmental Site Remediation Costs, including insurance or other third-party proceeds related to remediation activities recorded in the deferral account. By March 15, 2016, and each year thereafter, the Company will request Commission review and determination of prudence for all prior calendar year Environmental Site Remediation Costs, that will include a report detailing all activity associated with Environmental Site Remediation Costs, including insurance or other third-party proceeds related to remediation activities recorded in the deferral account. year

GENERAL TERMS:

This Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this Tariff, any other schedules that by their terms or by the terms of this Schedule apply to service under this Schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

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