

MARK R. THOMPSON
Manager, Rates & Regulatory Affairs
Tel: 503.721-2476
Fax: 503.721.2516
email: mark.thompson@nwnatural.com



October 15, 2013

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
3930 Fairview Industrial Drive SE
Post Office Box 1088
Salem, Oregon 97308-1088

Attn: Filing Center

Re: OPUC Docket UM 1496;
Application for Reauthorization to Defer Certain Expenses or Revenues

Northwest Natural Gas Company, dba NW Natural ("NW Natural" or the "Company"), files herewith the above-referenced Application for Reauthorization to Defer Certain Expenses or Revenues. The Application is filed in order to continue deferrals relative to the Company's purchased gas cost adjustments for later recovery through the annual Purchased Gas Adjustment (PGA) process.

A notice of this Application has been served on all parties who participated in the Company's most recent general rate case, UG 221, and is attached hereto as Exhibit B. A Certificate of Service is attached as Exhibit C.

Please call Jennifer Gross at (503) 226-4211, extension 3590, if you have any questions.

Sincerely,

/s/ Mark R. Thompson

Mark R. Thompson
Manager, Rates & Regulatory Affairs

attachments

1 BEFORE THE PUBLIC UTILITY COMMISSION

2 OF

3 OREGON

4 UM 1496

5 In the Matter of the Application)
6 by NORTHWEST NATURAL GAS COMPANY,)
7 dba NW NATURAL, for Reauthorization)
8 to Defer Certain Expenses or Revenues)
9 Pursuant to ORS 757.259)

10 APPLICATION FOR AUTHORIZATION AND
11 REAUTHORIZATION TO DEFER CERTAIN EXPENSES OR REVENUES

12 Northwest Natural Gas Company, dba NW Natural (NW Natural or Company),
13 hereby files with the Public Utility Commission of Oregon (Commission) this application
14 seeking reauthorization to use deferred accounting pursuant to ORS 757.210 and
15 757.259, and OAR 860-27-300, for the 12-month period beginning November 1, 2013
16 through October 31, 2014 for gas commodity costs and demand costs.

17 NW Natural seeks to defer these expenses or revenues so that they can be
18 recovered or returned to customers through the Company's annual Purchased Gas
19 Adjustment (PGA), pursuant to ORS 757.210(1)(b).

20 In support of this Application, NW Natural states:

21 **A. NW Natural**

22 NW Natural is a public utility in the state of Oregon and is subject to the
23 jurisdiction of the Commission regarding rates, service and accounting practices. NW
24 Natural also provides retail natural gas service in the states of Oregon and Washington.

1 **B. Statutory Authority**

2 This application is filed pursuant to ORS 757.259, which empowers the
3 Commission to authorize the deferral of expenses or revenues of a public utility for later
4 inclusion in rates.

5 **C. Communications**

6 Communications regarding this Application should be addressed to:

7 NW Natural
8 e-filing for Regulatory Affairs
9 220 NW Second Avenue
10 Portland, Oregon 97209-3991
11 Telephone: (503) 226-4211, ext. 3589
12 Facsimile: (503) 721-2516
13 E-mail: eFiling@nwnatural.com

14 and

15
16
17 Jennifer Gross
18 Tariff and Regulatory Affairs Consultant
19 NW Natural
20 220 NW Second Avenue
21 Portland, Oregon 97209-3991
22 Telephone: (503) 226-4211, ext. 3590
23 Facsimile: (503) 721-2516
24 E-mail: jennifer.gross@nwnatural.com
25

26 **D. Description of Expenses or Revenues for which Deferred Accounting is**

27 **Requested - OAR 860-027-300(3)(a)**

28 NW Natural hereby requests the authorization to use deferred accounting for the
29 following:

- 30 1) Demand and other fixed gas costs to be recovered or refunded at one
31 hundred percent (100%) of the difference between the actual cost
32 experienced and the amount collected from rates pursuant to Tariff P.U.C.

- 1 Or. 25 Schedule P, or its successor, and as previously authorized in
2 Commission Order Nos. 89-1046, 99-272, and 99-697;
- 3 2) Commodity gas cost variations to be recovered or refunded as described
4 in NW Natural's Tariff P.U.C. Or. 25 Schedule P, or its successor; and
- 5 3) All previously-authorized account balances related to PGA commodity and
6 capacity costs deferrals not presently authorized for amortization or being
7 proposed for amortization, all as described in NW Natural OPUC Advice
8 No. 13-18B.

9 **E. Reason for Application for Reauthorization of Deferred Accounting - OAR**
10 **860-027-0300(3)(c)**

11 The authorization for deferred accounting treatment as described above can be
12 authorized pursuant to ORS 757.259(2)(d) because the described balances are "utility
13 expenses or revenues, the recovery or refund of which the commission finds should be
14 deferred in order to minimize the frequency of rate changes ... or to match appropriately
15 the costs borne by and benefits received by ratepayers." Additionally, NW Natural's
16 Tariff P.U.C. Or. 25 Schedule P provides for the collection of these costs through
17 deferred accounting treatment and subsequent amortization through the Company's
18 Purchased Gas Adjustment, which is implemented pursuant to ORS 757.210(1)(b).

19 **F. Accounting – OAR 860-027-0300(3)(c)**

20 The charges incurred for gas costs pursuant to the PGA activity and other
21 incurred gas costs, absent the requested account 191 deferral, would be recorded as
22 increases/decreases in the appropriate 80X gas expense subaccounts.

3 - APPLICATION FOR REAUTHORIZATION TO DEFER CERTAIN EXPENSES

1 **G. Estimated Amounts Subject to Deferral – OAR 860-027-0300(3)(d)**

2 NW Natural is unable to estimate the amount to be deferred during the next PGA
3 cycle. Please note that market fluctuations and cyclical collection differences make it
4 impossible to accurately estimate capacity and commodity deferral amounts.

5 **H. Reason for Continuation of Deferred Accounting – OAR 860-027-0300(4)(b)**

6 The continuation of deferred accounting for the matters addressed above is
7 justified because they are continuing in nature.

8 **I. Requirements per Commission Order No. 09-263**

9 Below is the information required per Commission Order No. 09-263, issued in
10 Docket UM-1286, Staff's Investigation into Purchased Gas Adjustment Mechanisms:

11 **1. A completed Summary Sheet, the location in the PGA filing, and an**
12 **account map that highlights the transfer of dollars from one account to**
13 **another**

14 Exhibit A includes the Summary Sheet which shows the amounts
15 deferred and demonstrates the transfer of dollars from one account to
16 another. Exhibit A was attached to our electronic 2013-14 PGA filing as a file
17 entitled, "Proposed Temps Oregon 2013-14 PGA August filing.xlsx."

18 **2. The effective date of the deferral**

19 This application is for the 12-month period beginning November 1,
20 2013 and ending October 31, 2014.

1 **3. Prior year Order Number approving the deferral**

2 Permission to defer PGA-related expenses or revenues was last
3 granted in Commission Order No. 12-412 issued October 31, 2012.

4 **4. The amount deferred last year**

5 See Exhibit A.

6 **5. The amount amortized last year**

7 See Exhibit A.

8 **6. The interest rate that will apply to the accounts**

9 The interest rate for deferral accounts is 7.78%. Monies that have
10 been transferred for amortization accrue interest at the rate of 1.38%.

11 **7. An estimate of the upcoming PGA-period deferral and / or amortization**

12 NW Natural is unable to estimate the amount to be deferred during the
13 next PGA cycle. The Company's intent is to amortize for collection all that is
14 deferred.

15 //

16 //

17 //

18 //

19 //

20 //

21 //

22 //

1 **J. Notification of Filing**

2 A notice of this Application has been served on all parties who participated in the
3 Company's most recent general rate case, UG 221, and is attached to this Application
4 as Exhibit B.

5 DATED this 15th day of October 2013.

6 Respectfully submitted,

7 NW NATURAL

8 */s/ Mark R. Thompson*

9
10 _____
11 Mark R. Thompson
12 Rates & Regulatory Affairs
13 220 NW Second Avenue
14 Portland, Oregon 97209-3991
15 Phone: (503) 721-2476
Email: mark.thompson@nwnatural.com

Exhibit A

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Amortization of Oregon WACOG Deferral
 Account Number: 191401
 Dockets UM 1496 and UG 239
 Amortization of 11-12 deferral approved in Order No. 12-431

1 Debit (Credit)

2

3

4	Month/Year	Note	Amortization	Transfers	Interest	Interest rate	Activity	Balance
5	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
6								
7	Beginning Balance							
74	Nov-11	old rates	767,242.98		(2,782.43)	2.24%	764,460.55	(1,109,749.89)
75		new rates (1)	803,853.10	(16,767,705.00)	(27,412.68)	2.01%	(15,991,264.58)	(17,101,014.47)
76	Dec-11		2,550,240.22		(26,508.37)	2.01%	2,523,731.85	(14,577,282.62)
77	Jan-12		2,808,350.94		(22,064.95)	2.01%	2,786,285.99	(11,790,996.63)
78	Feb-12		2,326,568.59		(17,801.42)	2.01%	2,308,767.17	(9,482,229.46)
79	Mar-12		2,267,867.79		(13,983.40)	2.01%	2,253,884.39	(7,228,345.08)
80	Apr-12		1,796,983.56		(10,602.50)	2.01%	1,786,381.06	(5,441,964.02)
81	May-12		1,148,448.83		(8,153.46)	2.01%	1,140,295.37	(4,301,668.65)
82	Jun-12	2	32,820,255.02	(34,070,348.00)	(586.42)	2.01%	(1,250,679.40)	(5,552,348.05)
83	Jul-12		2,396,366.90		(7,293.23)	2.01%	2,389,073.67	(3,163,274.38)
84	Aug-12		549,158.81		(4,838.56)	2.01%	544,320.25	(2,618,954.13)
85	Sep-12		579,385.73		(3,901.51)	2.01%	575,484.22	(2,043,469.91)
86	Oct-12		755,944.62		(2,789.71)	2.01%	753,154.91	(1,290,314.99)
87	Nov-12	old rates	628,013.57		(1,635.32)	2.01%	626,378.25	(663,936.74)
88		new rates (1)	262,061.02	(7,971,925.79)	(9,605.10)	1.47%	(7,719,469.87)	(8,383,406.61)
89	Dec-12		851,680.62		(9,748.02)	1.47%	841,932.60	(7,541,474.01)
90	Jan-13		1,235,231.78		(8,481.73)	1.47%	1,226,750.05	(6,314,723.96)
91	Feb-13		1,005,464.64		(7,119.69)	1.47%	998,344.95	(5,316,379.01)
92	Mar-13		798,777.39		(6,023.31)	1.47%	792,754.08	(4,523,624.93)
93	Apr-13		592,671.82		(5,178.43)	1.47%	587,493.39	(3,936,131.54)
94	May-13		402,234.70		(4,575.39)	1.47%	397,659.31	(3,538,472.23)
95	Jun-13		326,904.45		(4,134.40)	1.47%	322,770.05	(3,215,702.18)
96	Jul-13		238,754.84		(3,793.00)	1.47%	234,961.84	(2,980,740.35)
97	Aug-13		216,403.09		(3,518.86)	1.47%	212,884.23	(2,767,856.11)
98	Sep-13		226,534.95		(3,251.87)	1.47%	223,283.08	(2,544,573.03)
99	Oct-13	forecast	475,649.71		(2,825.77)	1.47%	472,823.94	(2,071,749.09)

87

88

89 **History truncated for ease of viewing**

Amount Amortized Nov 12 - Oct 13 with interest:	6,564,113.44
--	---------------------

90

91 **NOTES:**

92 **1** - Transfer in is from the October balances of deferral account 191400.

Exhibit A

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Amortization of Oregon Demand Deferral
 Account Number: 191411
 Dockets UM 1496 and UG 239
 Amortization of 11-12 deferral approved in Order No. 12-431

1	Debit	(Credit)						
2								
3								
4	Month/Year	Note	Amortization	Transfers	Interest	Interest Rate	Activity	Balance
5	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
6								
7	Beginning Balance							
74	Nov-11	old rates	(183,138.89)		2,917.18	2.24%	(180,221.71)	1,474,120.23
75		new rates (1)	(13,569.86)	(543,953.70)	(922.49)	2.01%	(558,446.05)	915,674.18
76	Dec-11		(47,316.76)		1,494.13	2.01%	(45,822.63)	869,851.55
77	Jan-12		(52,292.30)		1,413.21	2.01%	(50,879.09)	818,972.46
78	Feb-12		(43,074.73)		1,335.70	2.01%	(41,739.03)	777,233.43
79	Mar-12		(41,730.68)		1,266.92	2.01%	(40,463.76)	736,769.67
80	Apr-12		(32,886.66)		1,206.55	2.01%	(31,680.11)	705,089.56
81	May-12		(20,395.06)		1,163.94	2.01%	(19,231.12)	685,858.44
82	Jun-12		(14,802.50)		1,136.42	2.01%	(13,666.08)	672,192.36
83	Jul-12		(10,766.67)		1,116.91	2.01%	(9,649.76)	662,542.60
84	Aug-12		(8,920.73)		1,102.29	2.01%	(7,818.44)	654,724.16
85	Sep-12		(9,595.48)		1,088.63	2.01%	(8,506.85)	646,217.32
86	Oct-12		(12,583.35)		1,071.88	2.01%	(11,511.47)	634,705.85
87	Nov-12	old rates	(11,462.26)		1,053.53	2.01%	(10,408.73)	624,297.12
88		new rates (1)	53,275.52	(1,792,770.34)	(2,163.51)	1.47%	(1,741,658.33)	(1,117,361.21)
89	Dec-12		193,999.80		(1,249.94)	1.47%	192,749.86	(924,611.36)
90	Jan-13		285,352.11		(957.87)	1.47%	284,394.24	(640,217.12)
91	Feb-13		231,812.17		(642.28)	1.47%	231,169.89	(409,047.23)
92	Mar-13		181,444.26		(389.95)	1.47%	181,054.31	(227,992.92)
93	Apr-13		132,467.38		(198.16)	1.47%	132,269.22	(95,723.70)
94	May-13		88,329.55		(63.16)	1.47%	88,266.39	(7,457.31)
95	Jun-13		69,694.09		33.55	1.47%	69,727.64	62,270.33
96	Jul-13		49,289.48		106.47	1.47%	49,395.95	111,666.28
97	Aug-13		43,866.75		163.66	1.47%	44,030.41	155,696.68
98	Sep-13		45,928.01		218.86	1.47%	46,146.87	201,843.55
99	Oct-13	forecast	105,249.62		311.72	1.47%	105,561.34	307,404.89

100

101

102 **History truncated for ease of viewing**

Amount Amortized Nov 12 - Oct 13 with interest:	1,475,878.12
--	---------------------

103

104 **NOTES:**

105 **1** - Transfer in is from the October balances of deferral accounts 191410, 191450, 191417

Exhibit A

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Core Market Commodity gas cost deferral
 Account Number: 191400
 Current docket is UM 1496
 Current reauthorization to defer was granted in Order No. 12-412

Narrative: Deferral of customer's share of the difference between actual core commodity cost incurred and the Annual Sales WACOG embedded as defined in the related annual PGA. From Nov 09 forward the deferral election is 90%.

1	Debit (Credit)										Deferral			Adjusted GL
2			Commodity				Storage	Hedge			Plus Int.			Balance
3	Month/Year	Note	Deferral	Interest	Interest Rate	Adjustment	Adjustment	Transfer	Activity	GL Balance	Adjustment (4)	Balance		
4	(a)	(b)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)		
68	Nov-11	1	(3,122,887.00)	(11,288.46)	8.618%	(20,801.00)	0.00	1,146,528.07	(2,008,448.39)	(3,154,976.46)				
69	Dec-11		(5,972,328.00)	(44,202.32)	8.618%	(27,485.00)	0.00		(6,044,015.32)	(9,198,991.78)		(9,198,991.78)		
70	Jan-12		(7,866,051.00)	(94,407.41)	8.618%	(27,190.00)	0.00		(7,987,648.41)	(17,186,640.19)		(17,186,640.19)		
71	Feb-12		(8,777,427.00)	(155,027.76)	8.618%	(22,490.00)	0.00		(8,954,944.76)	(26,141,584.95)		(26,141,584.95)		
72	Mar-12		(7,649,612.00)	(215,288.76)	8.618%	(22,314.00)	0.00		(7,887,214.76)	(34,028,799.71)		(34,028,799.71)		
73	Apr-12		(10,979.00)	(244,471.03)	8.618%	(13,398.00)	0.00		(268,848.03)	(34,297,647.74)		(34,297,647.74)		
74	May-12	2	(2,246,908.00)	(254,416.88)	8.618%	(9,680.00)	0.00	59.28	(2,510,945.60)	(36,808,593.34)		(36,808,593.34)		
75	Jun-12	3	(1,648,781.00)	(25,610.36)	8.618%	(6,879.00)	0.00	34,070,348.00	32,389,077.64	(4,419,515.70)		(4,419,515.70)		
76	Jul-12		(1,513,032.00)	(37,195.71)	8.618%	(6,455.00)	0.00		(1,556,682.71)	(5,976,198.41)		(5,976,198.41)		
77	Aug-12		713,928.00	(40,370.97)	8.618%	(4,316.00)	0.00		669,241.03	(5,306,957.38)		(5,306,957.38)		
78	Sep-12		(387,003.00)	(39,523.29)	8.618%	(5,799.00)	0.00		(432,325.29)	(5,739,282.67)		(5,739,282.67)		
79	Oct-12	2	(2,172,596.00)	(49,058.51)	8.618%	(10,988.00)	0.00	(0.61)	(2,232,643.12)	(7,971,925.79)		(7,971,925.79)		
80	Nov-12	1	(386,011.00)	(1,296.73)	7.78%	(14,009.00)	0.00	7,971,925.79	7,570,609.06	(401,316.73)		(401,316.73)		
81	Dec-12		(1,027,354.00)	(5,995.04)	7.78%	(19,382.00)	0.00		(1,052,731.04)	(1,454,047.77)		(1,454,047.77)		
82	Jan-13		(1,871,064.00)	(15,572.15)	7.78%	(24,590.00)	0.00		(1,911,226.15)	(3,365,273.92)		(3,365,273.92)		
83	Feb-13		(2,797,663.00)	(30,944.16)	7.78%	(17,545.00)	0.00		(2,846,152.16)	(6,211,426.08)		(6,211,426.08)		
84	Mar-13		1,152,120.00	(36,579.27)	7.78%	(13,360.00)	0.00		1,102,180.73	(5,109,245.35)	464,114.00	(4,645,131.35)		
85	Apr-13		(1,032,846.00)	(36,507.67)	7.78%	(10,669.00)	0.00		(1,080,022.67)	(6,189,268.02)		(5,725,154.02)		
86	May-13		(255,205.00)	(40,978.94)	7.78%	(7,578.00)	0.00		(303,761.94)	(6,493,029.96)		(6,028,915.96)		
87	Jun-13		1,566,769.00	(37,032.25)	7.78%	(4,538.00)	0.00		1,525,198.75	(4,967,831.21)		(4,503,717.21)		
88	Jul-13		875,140.00	(29,384.04)	7.78%	(3,964.00)	0.00		841,791.96	(4,126,039.25)		(3,661,925.25)		
89	Aug-13		797,688.00	(24,177.60)	7.78%	(3,995.00)	0.00		769,515.40	(3,356,523.85)		(2,892,409.85)		
90	Sep-13		(130,324.00)	(22,201.37)	7.78%	(5,380.00)	0.00		(157,905.37)	(3,514,429.22)		(3,050,315.22)		
91	Oct-13			(22,785.22)	7.78%				(22,785.22)	(3,537,214.44)		(3,073,100.44)		

History truncated for ease of viewing

Amount Deferred Nov 12 - Oct 13 with interest:	(3,073,100.44)
---	-----------------------

NOTES:

- 1 - October balance transferred to account 191401 for amortization.
- 2 - Transfer represents a true-up the balance with actual results.
- 3 - Transfer out represents an early WACOG refund to customers in June as approved by the PUC. The balance was transferred to account 191401 for amortization.

Exhibit A

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Core Market Demand cost deferral
 Account Number: 191410
 Current docket is UM 1496
 Current reauthorization to defer was granted in Order No. 12-412

Narrative: Deferral of 100% of the Difference between actual demand cost incurred and the demand cost embedded as defined in the related state's annual PGA.

1	Debit (Credit)								Deferral
2			Demand						
3	Month/Year	Note	Deferral (2)	Interest	Interest Rate	Adjustment	Transfer	Activity	GL Balance
4	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(I)
68	Nov-11	1	282,842.83	1,015.64	8.618%		(2,242,176.89)	(1,958,318.33)	283,858.56
69	Dec-11		(30,701.00)	1,928.34	8.618%			(28,772.57)	255,085.98
70	Jan-12		(153,865.00)	1,279.44	8.618%			(152,585.47)	102,500.51
71	Feb-12		(149,737.00)	198.44	8.618%			(149,538.47)	(47,037.97)
72	Mar-12		(145,546.00)	(860.44)	8.618%			(146,406.35)	(193,444.32)
73	Apr-12		(67,346.00)	(1,631.08)	8.618%			(68,976.99)	(262,421.31)
74	May-12		(167,088.00)	(2,484.61)	8.618%			(169,572.52)	(431,993.84)
75	Jun-12		(97,373.00)	(3,452.09)	8.618%			(100,825.00)	(532,818.84)
76	Jul-12		(150,394.00)	(4,366.57)	8.618%			(154,760.48)	(687,579.32)
77	Aug-12		(130,708.00)	(5,407.32)	8.618%			(136,115.23)	(823,694.56)
78	Sep-12		(149,983.00)	(6,454.06)	8.618%			(156,436.97)	(980,131.53)
79	Oct-12		(131,855.00)	(7,512.45)	8.618%			(139,367.36)	(1,119,498.90)
80	Nov-12	1	(115,017.21)	(372.85)	7.78%		1,119,498.90	1,004,108.91	(115,389.98)
81	Dec-12		(193,047.44)	(1,373.91)	7.78%			(194,421.27)	(309,811.25)
82	Jan-13		(288,605.00)	(2,944.17)	7.78%			(291,549.09)	(601,360.35)
83	Feb-13		(332,975.00)	(4,978.21)	7.78%			(337,953.13)	(939,313.48)
84	Mar-13		(246,181.00)	(6,887.92)	7.78%			(253,068.84)	(1,192,382.32)
85	Apr-13		(132,044.00)	(8,158.65)	7.78%			(140,202.57)	(1,332,584.89)
86	May-13		(180,185.00)	(9,223.69)	7.78%			(189,408.61)	(1,521,993.51)
87	Jun-13		(148,977.00)	(10,350.53)	7.78%			(159,327.45)	(1,681,320.96)
88	Jul-13		(81,905.00)	(11,166.07)	7.78%			(93,070.99)	(1,774,391.95)
89	Aug-13		(153,043.00)	(12,000.09)	7.78%			(165,043.01)	(1,939,434.96)
90	Sep-13		(39,795.00)	(12,703.01)	7.78%			(52,497.93)	(1,991,932.89)
91	Oct-13			(12,914.36)	7.78%			(12,914.28)	(2,004,847.18)

94 History truncated for ease of viewing

Amount Deferred Nov 12 - Oct 13 with interest: (2,004,847.18)

96 **NOTES**

97 **1** - October balance transferred to account 191411 for amortization

Exhibit A

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Core Market Demand Collection Deferral
 Account Number: 191450
 Current docket is UM 1496
 Current reauthorization to defer was granted in Order No. 12-412

Narrative: Deferral of 100% of the difference between actual demand costs collected and the seasonalized imbedded demand costs as defined in the state's annual PGA.

1	Debit (Credit)							Deferral
2			Demand				Plus Int.	
3	Month/Year	Note	Deferral (2)	Interest	Interest Rate	Transfer	Activity	GL Balance
4	(a)	(b)	(d)	(e)	(f)	(g)	(i)	(j)
56	Nov-10	1	(494,180.00)	(1,774.52)	8.618%	(1,783,173.77)	(2,279,128.20)	(495,954.43)
57	Dec-10		173,974.00	(2,937.07)	8.618%		171,037.02	(324,917.42)
58	Jan-11		(68,566.47)	(2,579.66)	8.618%		(71,146.04)	(396,063.46)
59	Feb-11		89,238.00	(2,523.96)	8.618%		86,714.13	(309,349.34)
60	Mar-11		(1,273,785.91)	(6,795.60)	8.618%		(1,280,581.42)	(1,589,930.76)
61	Apr-11		484,476.53	(9,678.68)	8.618%		474,797.94	(1,115,132.82)
62	May-11		(133,736.13)	(8,488.74)	8.618%		(142,224.78)	(1,257,357.61)
63	Jun-11		(255,555.00)	(9,947.58)	8.618%		(265,502.49)	(1,522,860.10)
64	Jul-11		(438,583.82)	(12,511.00)	8.618%	77.71	(451,017.02)	(1,973,877.12)
65	Aug-11		741,490.53	(11,513.16)	8.618%		729,977.46	(1,243,899.67)
66	Sep-11		69,969.35	(8,682.02)	8.618%		61,287.42	(1,182,612.25)
67	Oct-11	2	468,337.49	(6,811.41)	8.618%	(1.33)	461,524.84	(721,087.42)
68	Nov-11	1	523,677.67	1,697.59	7.78%	721,087.42	1,246,462.75	525,375.34
69	Dec-11		1,558,865.19	8,459.50	7.78%		1,567,324.77	2,092,700.11
70	Jan-12		(2,331,403.91)	6,010.04	7.78%		(2,325,393.79)	(232,693.69)
71	Feb-12		(165,824.33)	(2,046.18)	7.78%		(167,870.43)	(400,564.12)
72	Mar-12		1,241,932.74	1,428.94	7.78%		1,243,361.76	842,797.64
73	Apr-12		427,841.00	6,851.06	7.78%		434,692.14	1,277,489.78
74	May-12		(363,508.78)	7,104.02	7.78%		(356,404.68)	921,085.09
75	Jun-12		205,622.29	6,638.26	7.78%		212,260.63	1,133,345.72
76	Jul-12		152,372.72	7,841.80	7.78%		160,214.60	1,293,560.32
77	Aug-12		173,890.82	8,950.28	7.78%		182,841.18	1,476,401.50
78	Sep-12		(693,682.78)	7,323.31	7.78%		(686,359.39)	790,042.11
79	Oct-12			5,122.11	7.78%		5,122.19	795,164.29

82 History truncated for ease of viewing

Amount Deferred Nov 12 - Oct 13 with interest:	795,164.29
---	-------------------

84 **NOTES**

- 85 **1** - October balance transferred to account 191411 for amortization
 86 **2** - Adjustment was made to true-up the balance with actual results.



October 15, 2013

**NOTICE OF APPLICATION FOR REAUTHORIZATION TO
DEFER CERTAIN EXPENSES OR REVENUES**

To All Parties Who Participated in UG 221:

Please be advised that today Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), applied for reauthorization to continue deferrals relative to the Company's purchased gas adjustments, pursuant to the provisions of ORS 757.259(2)(e). Copies of the Company's application are available for inspection at its main office.

This is not a rate case. The purpose of this Notice is to inform parties that participated in the Company's most recent general rate case, UG 221, that the Application was filed.

Parties who desire more information or who wish to obtain a copy of the filing, or notice of the time and place of any hearing, if scheduled, should contact the Company or the Public Utility Commission of Oregon as follows:

NW Natural
Attn: Jennifer Gross
220 NW Second Ave
Portland, Oregon 97209-3991
Telephone: (503) 226-4211 x3590

Public Utility Commission
of Oregon
Attn: Filing Center
3930 Fairview Industrial Drive SE
P O Box 1088
Salem, Oregon 97308-1088
Telephone: (503) 373-0886

Any person may submit to the Commission written comments on this matter no sooner than 25 days from the date of this Application. The granting of this Application will not authorize a change in rates, but will permit the Company to defer amounts in rates to a subsequent proceeding.

* * * * *

EXHIBIT C



CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing NOTICE OF APPLICATION FOR DEFERRED ACCOUNTING ORDER FOR THE COMPANY'S PURCHASED GAS ADJUSTMENTS, upon all parties of record in the UG 221 proceeding, which is the Company's most recent general rate case, by electronic mail.

*G. CATRIONA MCCRACKEN W
CITIZENS' UTILITY BOARD OF OREGON
catriona@oregoncub.org*

*ROBERT JENKS W
CITIZENS' UTILITY BOARD OF OREGON
bob@oregoncub.org*

*OPUC DOCKETS W
CITIZENS' UTILITY BOARD OF OREGON
dockets@oregoncub.org*

*CHAD M. STOKES W
CABLE HUSTON BENEDICT
HAAGENSEN & LLOYD LLP
cstokes@cablehuston.com*

*TOMMY BROOKS W
CABLE HUSTON BENEDICT
HAAGENSEN & LLOYD LLP
tbrooks@cablehuston.com*

*ED FINKLEA W
NORTHWEST INDUSTRIAL GAS USERS
efinklea@nwigu.org*

*JASON W. JONES W
PUC STAFF-DEPARTMENT OF
JUSTICE
jason.w.jones@state.or.us*

*JESS KINCAID W
COMMUNITY ACTION PARTNERSHIP
OF OREGON
jess@caporegon.org*

*WENDY GERLITZ W
NW ENERGY COALITION
wendy@nwenergy.org*

*JUDY JOHNSON W
PUBLIC UTILITY COMMISSION
OF OREGON
judy.johnson@state.or.us*

*TERESA HAGINS W
NORTHWEST PIPELINE GP
teresa.l.hagins@williams.com*

*STEWART MERRICK W
NORTHWEST PIPELINE GP
stewart.merrick@williams.com*

*RANDY DAHLGREN W
PORTLAND GENERAL ELECTRIC
pge.opuc.filings@pgn.com*

*DOUGLAS C TINGEY W
PORTLAND GENERAL ELECTRIC
doug.tingey@pgn.com*

*LISA F RACKNER W
MCDOWELL RACKNER & GIBSON PC
dockets@mcd-law.com*

DATED at Portland, Oregon, this 15th of October 2013

/s/ Kelley C. Miller
Kelley C. Miller
Rates & Regulatory Affairs
NW NATURAL
220 NW Second Avenue
Portland, Oregon 97209-3991
1.503.226.4211, extension 3589
kelley.miller@nwnatural.com