

e-FILING REPORT COVER SHEET

REPORT NAME: 2011 Annual Report (FERC Form 2)

COMPANY NAME: NW Natural

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: RE (Electric) RG (Gas) RW (Water)
 RO (Other)

Report is required by: OAR 860-027-0070
 Statute
 Order
 Other

Is this report associated with a specific docket/case? No Yes
If Yes, enter docket number: RG 9

Key words: 2011 Annual Report to OPUC for the year ended December 31, 2011, FERC Form 2, NW Natural, RG 9

If known, please select the PUC Section to which the report should be directed:

- Corporate Analysis and Water Regulation
- Economic and Policy Analysis
- Electric and Natural Gas Revenue Requirements
- Electric Rates and Planning
- Natural Gas Rates and Planning
- Utility Safety, Reliability & Security
- Administrative Hearings Division
- Consumer Services Section

PLEASE NOTE: Do NOT use this form or e-filing with the PUC Filing Center for:

- Annual Fee Statement form and payment remittance or
- OUS or RSPF Surcharge form or surcharge remittance or
- Any other Telecommunications Reporting or
- Any daily safety or safety incident reports or
- Accident reports required by ORS 654.715.

MARK R. THOMPSON
Manager, Rates & Regulatory Affairs
Tel: 503.721.2476
Fax: 503.721.2516
email: mark.thompson@nwnatural.com



April 27, 2012

VIA ELECTRONIC FILING AND U.S. MAIL

Public Utility Commission of Oregon
550 Capitol Street, NE Suite 215
Post Office Box 2148
Salem, Oregon 97308-2148

Attn: Filing Center

Re: **RG 9: Annual Report to the Public Utility Commission of Oregon**

In accordance with OAR 860-027-0070, Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), files herewith its Annual Report to the Public Utility Commission of Oregon for the year ended December 31, 2011. The report is submitted on forms (FERC Form 2) provided by the Commission.

As requested by Staff, one paper copy of the report will follow via U.S. Mail along with a copy of the Company's 2011 Annual Report to Shareholders. An electronic copy of the Report to Shareholders can be viewed at the following link:

<https://www.nwnatural.com/Content/AnnualReport/2011/index.html>

Please address any correspondence on this matter to me, with copies to Mr. Stephen P. Feltz, Treasurer & Controller, at this address.

Sincerely,

/s/ Mark R. Thompson

Mark R. Thompson

enclosures

cc: (cover letter only)
G. Kantor
D. Anderson
S. Feltz
C.A. Miller
M. Saathoff
M. Cresalia
O. King
D. McDonell

NATURAL GAS COMPANIES
(Class A and B)

ANNUAL REPORT

OF

NORTHWEST NATURAL GAS COMPANY

(Exact Legal Name of Respondent)

If name was changed during year, show also the previous name and date of change

PORTLAND, OREGON

(Address of Principal Business Office at End of Year)

TO THE

PUBLIC UTILITY COMMISSION OF OREGON

AND

**WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

FOR THE

YEAR ENDED DECEMBER 31, 2011

Name, Title, and address of officer or other person to whom should be addressed any communication concerning this report:

Stephen P. Feltz, Treasurer and Controller
220 N. W. Second Avenue
Portland, Oregon 97209

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THIS FILING IS

Item 1: An Initial (Original) Submission OR Resubmission No. _____

Form 2 Approved
OMB No.1902-0028
(Expires 10/31/2014)

Form 3-Q Approved
OMB No.1902-0205
(Expires 05/31/2014)



FERC FINANCIAL REPORT

FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of a confidential nature.

Exact Legal Name of Respondent (Company)

Year/Period of Report
End of

Blank Page

INSTRUCTIONS FOR FILING FERC FORMS 2, 2-A and 3-Q

GENERAL INFORMATION

I Purpose

FERC Forms 2, 2-A, and 3-Q are designed to collect financial and operational information from natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be a non-confidential public use forms.

II. Who Must Submit

Each natural gas company whose combined gas transported or stored for a fee exceed 50 million dekatherms in each of the previous three years must submit FERC Form 2 and 3-Q.

Each natural gas company not meeting the filing threshold for FERC Form 2, but having total gas sales or volume transactions exceeding 200,000 dekatherms in each of the previous three calendar years must submit FERC Form 2-A and 3-Q.

Newly established entities must use projected data to determine whether they must file the FERC Form 3-Q and FERC Form 2 or 2-A.

III. What and Where to Submit

(a) Submit Forms 2, 2-A and 3-Q electronically through the submission software at <http://www.ferc.gov/docs-filing/eforms/form-2/elec-subm-soft.asp>.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Form 2 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mailing two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Form 2, Page 3, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared. Unless eFiling the Annual Report to Stockholders, mail these reports to the Secretary of the Commission at:

Secretary of the Commission
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(d) For the Annual CPA certification, submit with the original submission of this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984) prepared in conformity with the current standards of reporting which will:

(i) Contain a paragraph attesting to the conformity, in all material respects, of the schedules listed below with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

(ii) be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 158.10-158.12 for specific qualifications.)

Reference	Reference Schedules Pages
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

Filers should state in the letter or report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist

(e) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders" and "CPA Certification Statement," have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission website at <http://www.ferc.gov/help/how-to.asp>

(f) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 2 and 2-A free of charge from: <http://www.ferc.gov/docs-filing/eforms/form-2/form-2.pdf> and <http://www.ferc.gov/docs-filing/eforms/form-2a/form-2a.pdf>, respectively. Copies may also be obtained from the Public Reference and Files Maintenance Branch, Federal Energy Regulatory Commission, 888 First Street, NE, Room 2A, Washington, DC 20426 or by calling (202).502-8371

IV. When to Submit:

FERC Forms 2, 2-A, and 3-Q must be filed by the dates:

- (a) FERC Form 2 and 2-A --- by April 18th of the following year (18 C.F.R. §§ 260.1 and 260.2)
- (b) FERC Form 3-Q --- Natural gas companies that file a FERC Form 2 must file the FERC Form 3-Q within 60 days after the reporting quarter (18 C.F.R. § 260.300), and
- (c) FERC Form 3-Q --- Natural gas companies that file a FERC Form 2-A must file the FERC Form 3-Q within 70 days after the reporting quarter (18 C.F.R. § 260.300).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the Form 2 collection of information is estimated to average 1,623 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the Form 2A collection of information is estimated to average 250 hours per response. The public reporting burden for the Form 3-Q collection of information is estimated to average 165 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

- I. Prepare all reports in conformity with the Uniform System of Accounts (USofA) (18 C.F.R. Part 201). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions.**
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Footnote and further explain accounts or pages as necessary.
- IX. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- X. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.
- XI. Report all gas volumes in Dth unless the schedule specifically requires the reporting in another unit of measurement.

DEFINITIONS

- I. Btu per cubic foot – The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60°F if saturated with water vapor and under a pressure equivalent to that of 30°F, and under standard gravitational force (980.665 cm. per sec) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state (called gross heating value or total heating value).
- II. Commission Authorization -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.
- III. Dekatherm – A unit of heating value equivalent to 10 therms or 1,000,000 Btu.
- IV. Respondent – The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made.

EXCERPTS FROM THE LAW
(Natural Gas Act, 15 U.S.C. 717-717w)

"Sec. 10(a). Every natural-gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest dues and paid, depreciation, amortization, and other reserves, cost of facilities, costs of maintenance and operation of facilities for the production, transportation, delivery, use, or sale of natural gas, costs of renewal and replacement of such facilities, transportation, delivery, use and sale of natural gas..."

"Section 16. The Commission shall have power to perform all and any acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and time within they shall be filed..."

General Penalties

The Commission may assess up to \$1 million per day per violation of its rules and regulations. See NGA § 22(a), 15 U.S.C. § 717t-1(a).

FERC FORM NO. 2:
ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

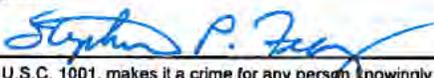
IDENTIFICATION

01 Exact Legal Name of Respondent Northwest Natural Gas Company		02 Year of Report Dec. 31, 2011
03 Previous Name and Date of Change (If name changed during year)		
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 220 N.W. Second Avenue, Portland, Oregon 97209		
05 Name of Contact Person Stephen P. Feltz	06 Title of Contact Person Treasurer and Controller	
07 Address of Contact Person (Street, City, State, Zip Code) 220 N.W. Second Avenue, Portland, Oregon 97209		
08 Telephone of Contact Person, including Area Code (503) 226-4211	09 This Report is <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Day, Yr) April 27, 2012

ATTESTATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

11 Name Stephen P. Feltz	12 Title Treasurer and Controller	
13 Signature 		14 Date Signed (Mo, Day, Yr) April 27, 2012
Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.		

[Next Page is 101]

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
--	--	---	--

List of Schedules (Natural Gas Company)

Enter in Column (d) the terms "none", "not applicable", or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none", "not applicable", or "NA".

Line No.	Title of Schedule (a)	Reference Page Number (b)	Date Revised (c)	Remarks (d)
	GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
1	General Information	101		
2	Control Over Respondent	102		NA
3	Corporations Controlled by Respondent	103		
4	Security Holders and Voting Powers	107		
5	Important Changes During the Year	108		
6	Comparative Balance Sheet	110-113		
7	Statement of Income for the Year	114-116		
8	Statement of Accumulated Comprehensive Income and Hedging Activities	117		
9	Statement of Retained Earnings for the Year	118-119		
10	Statements of Cash Flows	120-121		
11	Notes to Financial Statements	122		
	BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
12	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
13	Gas Plant in Service	204-209		
14	Gas Property and Capacity Leased from Others	212		
15	Gas Property and Capacity Leased to Others	213		
16	Gas Plant Held for Future Use	214		
17	Construction Work in Progress-Gas	216		
18	Non-Traditional Rate Treatment Afforded New Projects	217		NA
19	General Description of Construction Overhead Procedure	218		
20	Accumulated Provision for Depreciation of Gas Utility Plant	219		
21	Gas Stored	220		
22	Investments	222-223		
23	Investments in Subsidiary Companies	224-225		
24	Prepayments	230		
25	Extraordinary Property Losses	230		
26	Unrecovered Plant and Regulatory Study Costs	230		
27	Other Regulatory Assets	232		
28	Miscellaneous Deferred Debits	233		
29	Accumulated Deferred Income Taxes	234-235		
	BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
30	Capital Stock	250-251		
31	Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252		
32	Other Paid-in Capital	253		
33	Discount on Capital Stock	254		NA
34	Capital Stock Expense	254		
35	Securities issued or Assumed and Securities Refunded or Retired During the Year	255		
36	Long-Term Debt	256-257		
37	Unamortized Debt Expense, Premium, and Discount on Long-Term Debt	258-259		

Name of Respondent Northwest Natural Gas Company		This Report is: X An Original A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
List of Schedules (Natural Gas Company)				
Enter in Column (d) the terms "none", "not applicable", or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none", "not applicable", or "NA".				
Line No.	Title of Schedule (a)	Reference Page Number (b)	Date Revised (c)	Remarks (d)
38	Unamortized Loss and Gain on Reacquired Debt 260	260		
39	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261		
40	Taxes Accrued, Prepaid, and Charged During Year	262-263		
41	Miscellaneous Current and Accrued Liabilities	268		
42	Other Deferred Credits	269		
43	Accumulated Deferred Income Taxes-Other Property	274-275		
44	Accumulated Deferred Income Taxes-Other	276-277		
45	Other Regulatory Liabilities	278		
	INCOME ACCOUNT SUPPORTING SCHEDULES			
46	Monthly Quantity & Revenue Data by Rate Schedule	299		
47	Gas Operating Revenues	300-301		
48	Revenues from Transportation of Gas of Others Through Gathering Facilities	302-303		NA
49	Revenues from Transportation of Gas of Others Through Transmission Facilities	304-305		NA
50	Revenues from Storage Gas of Others	306-307		NA
51	Other Gas Revenues	308		
52	Discounted Rate Services and Negotiated Rate Services	313		NA
53	Gas Operation and Maintenance Expenses	317-325		
54	Exchange and Imbalance Transactions	328		NA
55	Gas Used in Utility Operations	331		
56	Transmission and Compression of Gas by Others	332		NA
57	Other Gas Supply Expenses	334		NA
58	Miscellaneous General Expenses-Gas	335		
59	Depreciation, Depletion, and Amortization of Gas Plant	336-338		
60	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340		
	COMMON SECTION			
61	Regulatory Commission Expenses	350-351		
62	Employee Pensions and Benefits (Account 926)	352		
63	Distribution of Salaries and Wages	354-355		
64	Charges for Outside Professional and Other Consultative Services	357		
65	Transactions with Associated (Affiliated) Companies	358		
	GAS PLANT STATISTICAL DATA			
66	Compressor Stations	508-509		
67	Gas Storage Projects	512-513		
68	Transmission Lines	514		
69	Transmission System Peak Deliveries	518		NA
70	Auxiliary Peaking Facilities	519		
71	Gas Account-Natural Gas	520		
72	Shipper Supplied Gas for the Current Quarter	521		NA
73	System Map	522		NA
74	Footnote Reference	551		NA
75	Footnote Text	552		NA
76	Stockholder's Reports (check appropriate box)			
	<input type="checkbox"/> Four copies will be submitted <input type="checkbox"/> No annual report to stockholders is prepared			

Name of Respondent	This Report Is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company			Dec. 31, 2011

CORPORATIONS CONTROLLED BY RESPONDENT

- | | |
|--|--|
| <p>1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.</p> <p>2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.</p> | <p>3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.</p> <p>4. In column (b) designate type of control of the respondent as "D" for direct, an "I" for indirect, or a "J" for joint control.</p> |
|--|--|

DEFINITIONS

- | | |
|--|---|
| <p>1. See the Uniform System of Accounts for a definition of control.</p> <p>2. Direct control is that which is exercised without interposition of an intermediary.</p> <p>3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.</p> <p>4. Joint control is that in which neither interest can effectively control or direct action without the consent</p> | <p>of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.</p> |
|--|---|

LINE NO.	NAME OF COMPANY CONTROLLED (a)	TYPE OF CONTROL (b)	KIND OF BUSINESS (c)	Percent Voting Stock Owned (d)	Footnote Ref. (e)
1	Gill Ranch Storage, LLC	I	Gas storage	100%	1
2	NW Natural Energy, LLC	D	Intermediate holding company	100%	2
3	NW Natural Gas Storage, LLC	I	Gas storage	100%	3
4	NNG Financial Corporation	D	Financing and investments	100%	4
5	Palomar Gas Holdings, LLC	I/J	Holding company	50%	5
6	Palomar Gas Transmission, LLC	I/J	Gas transmission company	*	6
7	BL Credit Holdings, LLC	I/J	Non-operating company	*	7
8	Northwest Biogas, LLC	J	Biodigester company	50%	8
9	KB Pipeline Company	I	Gas transmission company	100%	9
10	Northwest Energy Corporation	D	Non-operating company	100%	10
11	Northwest Energy Sub Corporation	I	Non-operating company	100%	11

- 1 - Gill Ranch Storage, LLC, a wholly-owned subsidiary of NW Natural Gas Storage, LLC, was formed in 2007 as part of a joint project with Pacific Gas & Electric to develop, own and operate an underground natural gas storage facility near Fresno, California. Gill Ranch began commercial operations in 2010.
- 2 - NW Natural Energy, LLC, a wholly-owned subsidiary, is a holding company. Primarily used for gas storage and other non-utility investments.
- 3 - NW Natural Gas Storage, LLC, a wholly-owned subsidiary of NW Natural Energy, LLC, primarily has the operating employees for our gas storage businesses.
- 4 - NNG Financial Corporation, a wholly-owned subsidiary, commenced operations in September 1990. NNG Financial Corporation holds certain non-utility financial investments but its assets primarily consist of an active wholly-owned subsidiary KB Pipeline Company.
- 5 - Palomar Gas Holdings, LLC, a joint venture with TransCanada and a wholly-owned subsidiary of NW Natural Energy, LLC, is designed to be the holding company for Palomar operating companies.
- 6 - Palomar Gas Transmission, LLC, wholly-owned by Palomar Gas Holdings, LLC, was formed in 2007 to develop an interstate gas pipeline.
- 7 - BL Credit Holdings, LLC, wholly-owned by Palomar Gas Transmission, is currently not operating.
- 8 - Northwest Biogas, LLC, an equal joint venture with BEF Renewable Incorporated, was formed in 2008 to develop a biodigester.
- 9 - KB Pipeline company, a wholly-owned subsidiary of NNG Financial Corporation, owns a 10% interest in an interstate natural gas pipeline.
- 10 - Northwest Energy Corporation, is an inactive subsidiary.
- 11 - Northwest Energy Sub Corporation, is an inactive and indirect subsidiary.

* These companies are 100% owned indirectly through our joint venture Palomar Gas Holdings.

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement the circumstances whereby such security became vested with voting rights and give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owed by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertit April 30, 2011 securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.

1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing: 10/31/2011 List of stockholders to whom dividends were paid on 11/15/2011.	2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy. Total: 23,683,715 By proxy: 23,683,715	3. Give the date and place of such meeting: Date: 5/26/2011 Place: Portland, Oregon Location: Oregon Convention Center
---	---	---

VOTING SECURITIES

Line No.	Name (Title) and Address of Security Holder (a)	Number of votes as of (date): 10/31/2011			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities	26,704,134	26,704,134		
5	TOTAL number of security holders	6,771	6,771		
6	TOTAL votes of security holders listed below	23,658,445	23,658,445		
7	See Page 107 (Continued)				
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

Name of Report		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
SECURITY HOLDERS AND VOTING POWERS (Continued)				
Line No.	Name and Address (1a) (a)	Shares of Common Stock (b)	Percentage of Stock Outstanding (Voting Control) (c)	
1	Cede & Company	23,467,695	87.88%	
2	P. O. Box #20			
3	Bowling Green Station			
4	New York, NY 10004-1408			
5				
6	David H. Anderson & ⁽¹⁾	33,524	0.13%	
7	Susan S. Anderson JT TEN			
8	1688 Leslie Ln			
9	Lake Oswego, OR 97034-2179			
10				
11	Wachovia Bank N.A. TTEE ⁽²⁾	32,201	0.12%	
12	Northwest Natural Gas Co Umbrella TR for Directors			
13	DTD 1-1-91 FR Acct-Exec Serv			
14	One West Fourth St NC 6251			
15	Winston-Salem, NC 27101			
16				
17	Rodger P. Shute	25,619	0.10%	
18	5570 - 248th PL SE			
19	Issaquah, WA 98029-7619			
20				
21	Wachovia Bank N.A. TTEE ⁽³⁾	22,812	0.09%	
22	Northwest Natural Gas Co Umbrella TR for Directors			
23	DTD 1-1-91 NEDSCP Acct-Exec Serv			
24	One West Fourth St NC 6251			
25	Winston-Salem, NC 27101			
26				
27	Daniel J. Clement &	16,785	0.06%	
28	Elizabeth J. Clement JT TEN			
29	55 Turtle Creek Rd			
30	Lewisburg, PA 17837-8122			
31				
32	J. Stanley Landau TTEES	16,072	0.06%	
33	5-28-81/JS & PP Landau &			
34	SD Saunders & Al Levitt			
35	3300 Darby Rd #7213			
36	Haverford, PA 19041			
37				
38	Betty Lou Beck	14,925	0.06%	
39	4755 SE Washington Pl			
40	Milwaukie, OR 97222-5363			
41				
42	Louis Berkman TTEE	14,500	0.05%	
43	Louis Berkman TR U/A 7/28/70			
44	PO Box 576			
45	Steubenville, OH 43952-5576			
46				
47	Mervin J. Schafer & Sharan L. Schafer	14,312	0.05%	
48	TTEES Mervin J. & Sharan L. Schafer			
49	Liv. Trust UA DTD Sept. 16, 2011			
50	P.O. Box 3288			
51	Salem, OR 97302-0288			
52				
53	(1) Senior Vice President and Chief Financial Officer			
54	(2) Current, Retired and Former Directors - Timothy Boyle, Martha Byorum, John Carter, Tod R. Hamacheck, Wayne Kuni, Randall C. Papé, & Richard Woolworth			
	(3) Current, Retired and Former Directors - Timothy Boyle, Martha Byorum, John Carter, Thomas Dewey, Scott C. Gibson, Tod R. Hamacheck, Wayne Kuni, Richard Reiten, Robert Ridgley, Melody Teppola, Russell Tromely, & Richard Woolworth			
55				

Name of Report	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2011

SECURITY HOLDERS AND VOTING POWERS (Continued)

Line No.	Name and Address (1a) (a)	Shares of Common Stock (b)	Percentage of Stock Outstanding (Voting Control) (c)
56		<u>Stock Options</u>	
57		<u>for Officers</u>	
58	<u>Officers</u>	<u>as of 12/31/2011</u>	<u>Stock Rights for</u> <u>for Officers</u> <u>as of 12/31/2011</u>
59	David H. Anderson	66,000	16,000 *
60	Lea Anne Doolittle	24,000	7,250 *
61	Stephen P. Feltz	19,000	5,750 *
62	Gregg S. Kantor	103,000	43,000 *
63	Margaret D. Kirkpatrick	33,500	9,700 *
64	C. Alex Miller	9,600	4,250 *
65	MardiLyn Saathoff	12,000	4,500 *
66	J. Keith White	23,000	9,250 *
67	David R. Williams	14,000	5,750 *
68	Grant M. Yoshihara	17,000	5,750 *
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Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report	Year of Report Dec. 31, 2011
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IMPORTANT CHANGES DURING THE YEAR

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.

2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.

3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform Systems of Accounts were submitted to the Commission.

4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.

5. Important extension or reduction or transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.

Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.

6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite commission authorization if any was required.

7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.

8. State the estimated annual effect and nature of any important wage scale changes during the year.

9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or know associate of any of these persons was a party or in which any such person had a material interest.

11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.

12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.

13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

See Page 108 (Continued)

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

IMPORTANT CHANGES DURING THE YEAR (Continued)

1. CHANGES IN AND IMPORTANT ADDITIONS TO FRANCHISE RIGHTS DURING 2011:

	RENEWAL DATE	CITY	EFFECTIVE DATE	EXPIRATION DATE	TERM (YEARS)	RATE
1	07-11	Gresham, OR	07-01-11			5% to 7%
2	07-11	Lake Oswego, OR	07-01-11	07-01-12	1	3% to 5%
3	08-11	Lebanon, OR	08-15-11	08-14-21	10	6%
4	10-11	Camas, WA	10-30-11	10-29-36	25	\$200 per year

1 Change of city of Gresham's Utility License Fee. NWN litigatiing increase.

2 Temporary one year change for City of Lake Oswego's Franchise.

3 Renewal of City of Lebanon's franchise.

4 Ordinance for right & franchise to construct, lay, maintain & operate a gas pipeline upon 4 concrete piers on LaCamas Lake bridge.

2 – 5. See Page 122 Footnote 12 - Gas Reserves for a detailed explanation of the agreement with Encana.

6. **SEE SECTION 122-A**

7. **NONE.**

8. Bargaining unit pay increase of 1.72% effective 6/1/2011. Non-bargaining unit salary increase of 2.00% effective 3/1/2011.

9. **SEE SECTION 122-A**

10. **NONE.**

11. **Increase or decrease in annual revenues caused by important rate changes.**

OREGON

The PGA and other related filings were made in the fall. The combined effects of these filings were approved in Docket UG 220 through OPUC Order 11-454 on 11/10/11. The approval of these filings decreased the Company's annual Oregon revenues by \$20.5 million, or 2.7 percent, passing through certain purchased gas cost adjustments, adjustments made to permanent base rates for certain approved programs, and technical adjustments amortizing the Company's deferred revenue and gas costs accounts. As of June 30, 2011, 605,341 customers were affected.

The Company's requests for reauthorization of deferred accounting in UM 1496 and UM 1027 was granted for one year beginning November 1, 2011 and October 1, 2011, respectively

WASHINGTON

UG-111587 was allowed to go into effect by operation of law, for service on and after November 1, 2011 at the WUTC Open Meeting held on October 27, 2011. The purchased gas adjustment filing revised rates for changes in purchased gas costs and updated temporary rate adjustments to amortize balances in deferred accounts. The filing decreased the Company's annual Washington revenues by \$1.8 million, or 2.3 percent. 69,650 customers, as of June 30, 2011 were affected.

[Next Page is 110]

Name of Respondent		This Report is:		Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission			Dec. 31, 2011
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)					
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
1	UTILITY PLANT				
2	Utility Plant (101-106, 114)	200-201	2,309,399,310	2,233,923,024	
3	Construction Work in Progress (107)	200-201	36,051,431	29,324,343	
4	TOTAL Utility Plant (Total of lines 2 and 3)	-	2,345,450,741	2,263,247,367	
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	200-201	(1,016,119,124)	(962,196,250)	
6	Net Utility Plant (Total of line 4 less 5)	-	1,329,331,617	1,301,051,117	
7	Nuclear Fuel (120.1-120.4, 120.6)	-			
8	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	-			
9	Net Nuclear Fuel (Total of line 7 less 8)	-			
10	Net Utility Plant (Total of lines 6 and 9)	-	1,329,331,617	1,301,051,117	
11	Utility Plant Adjustments (116)	122-123	0	0	
12	Gas Stored-Base Gas (117.1)	220	14,067,641	14,027,191	
13	System Balancing Gas (117.2)	220			
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220			
15	Gas Owned to System Gas (117.4)	220			
16	OTHER PROPERTY AND INVESTMENTS				
17	Nonutility Property (121)	204-209	72,484,925	72,331,687	
18	(Less) Accum. Prov. for Depreciation and Amortization (122)	-	(13,038,843)	(11,932,883)	
19	Investments in Associated Companies (123)	222-223			
20	Investment in Subsidiary Companies (123.1)	224-225	173,376,084	191,702,503	
21	(For Cost of Account 123.1, See Footnote Page 224, line 40)	-			
22	Noncurrent Portion of Allowances	-			
23	Other Investments (124)	222-223	101,224,499	52,963,717	
24	Sinking Funds (125)				
25	Depreciation Fund (126)				
26	Amortization Fund - Federal (127)				
27	Other Special Funds (128)				
28	Long-Term Portion of Derivative Assets (175)	-	0	628,000	
29	Long-Term Portion of Derivative Assets - Hedges (176)	-	0	0	
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)	-	334,046,665	305,693,024	
31	CURRENT AND ACCRUED ASSETS				
32	Cash (131)	-	2,636,062	1,634,981	
33	Special Deposits (132-134)	-	1,134,008	1,136,607	
34	Working Funds (135)	-	189,858	108,697	
35	Temporary Cash Investments (136)	222-223	2,098,391	3,325,506	
36	Notes Receivable (141)	-			
37	Customer Accounts Receivable (142)	-	69,545,532	62,229,703	
38	Other Accounts Receivable (143)	-	7,573,595	4,731,713	
39	(Less) Accum. Prov. for Uncollectible Accounts-Credit (144)	-	(2,894,878)	(2,949,962)	
40	Notes Receivable from Associated Companies (145)	-			
41	Accounts Receivable from Associated Companies (146)	-	164,212	9,304,847	
42	Fuel Stock (151)	-			
43	Fuel Stock Expense Undistributed (152)	-			

Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Balance at End of Previous Year 12/31 (d)
44	Residuals (Elec) and Extracted Products (Gas) (153)	-		
45	Plant Material and Operating Supplies (154)	-	8,249,308	8,495,984
46	Merchandise (155)	-		
47	Other Material and Supplies (156)	-		
48	Nuclear Materials Held for Sale (157)	-		
49	Allowances (158.1 and 158.2)	-		
50	(Less) Noncurrent Portion of Allowances	-		
51	Stores Expenses Undistributed (163)	-	0	0
52	Gas Stored Underground - Current (164.1)	220	55,477,952	59,852,084
53	Liq. Natural Gas Stored and Held for Processing (164.2-164.3)	220	9,843,598	10,793,152
54	Prepayments (165)	230	18,861,802	14,489,056
55	Advances for Gas - Encana (166-167)	-	4,463,000	0
56	Interest and Dividends Receivable (171)	-	0	0
57	Rents Receivable (172)	-	0	0
58	Accrued Utility Revenues (173)	-	61,925,044	64,803,401
59	Miscellaneous Current and Accrued Assets (174)	-	0	0
60	Derivative Instrument Assets (175)	-	3,054,000	2,782,000
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)	-	0	(628,000)
62	Derivative Instrument Assets - Hedges (176)	-	(201,000)	91,000
63	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)	-	0	0
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)	-	242,120,484	240,200,769
65	DEFERRED DEBITS			
66	Unamortized Debt Expense (181)	259	11,408,225	12,281,354
67	Extraordinary Property Losses (182.1)	230		
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230		
69	Other Regulatory Assets (182.3)	232	68,454,812	72,341,399
70	Prelim. Survey and Investigation Charges (Electric) (183)	-		
71	Prelim. Survey and Invest. Charges (Gas) (183.1, 183.2)	-	23,266	144,652
72	Clearing Accounts (184)	-		
73	Temporary Facilities (185)	-		
74	Miscellaneous Deferred Debits (186)	233	387,958,505	331,022,693
75	Def. Losses from Disposition of Utility Plant (187)	-		
76	Research, Devel. and Demonstration Expend. (188)	352-353		
77	Unamortized Loss on Reacquired Debt (189)	260	4,370,078	4,768,130
78	Accumulated Deferred Income Taxes (190)	234-235		
79	Unrecovered Purchased Gas Costs (191)	-	(26,444,885)	(17,880,098)
80	Total Deferred Debits (Total of lines 66 thru 79)		445,770,001	402,678,130
81	Total Assets and Other Debits (Total of lines 10-15, 30,64,and 80)		2,365,336,408	2,263,650,231

Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Balance at End of Previous Year 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	346,708,273	341,334,999
3	Preferred Stock Issued (204)	250-251		
4	Capital Stock Subscribed (202, 205)	252		
5	Stock Liability for Conversion (203, 206)	252		
6	Premium on Capital Stock (207)	252		
7	Other Paid-In Capital (208-211)	253	1,649,864	1,649,864
8	Installments Received on Capital Stock (212)	252	24,455	23,993
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254	0	(30,370)
11	Retained Earnings (215, 215.1, 216)	118-119	378,102,582	360,210,418
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	(4,198,076)	(3,483,381)
13	(Less) Reacquired Capital Stock (217)	250-251		
14	Accumulated Other Comprehensive Income (219)	117	(7,799,650)	(6,603,901)
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)	-	714,487,448	693,101,622
16	LONG-TERM DEBT			
17	Bonds (221)	256-257	641,700,000	601,700,000
18	(Less) Reacquired Bonds (222)	256-257		
19	Advances from Associated Companies (223)	256-257		
20	Other Long-Term Debt (224)	256-257		
21	Unamortized Premium on Long-Term Debt (225)	258-259		
22	(Less) Unamortized Discount on Long-Term Debt-Dr. (226)	222-223,229		
23	(Less) Current Portion of Long-Term Debt	256	(40,000,000)	(10,000,000)
24	TOTAL Long-Term Debt (Total of lines 16 thru 23)	-	601,700,000	591,700,000
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)	-	447,574	507,489
27	Accumulated Provision for Property Insurance (228.1)	-	5,000	95,000
28	Accumulated Provision for Injuries and Damages (228.2)	-	72,816,942	61,197,323
29	Accumulated Provision for Pensions and Benefits (228.3)	-	220,138,191	163,302,422
30	Accumulated Miscellaneous Operating Provisions (228.4)	-		
31	Accumulated Provision for Rate Refunds (229)	-		

Name of Respondent		This Report is:		Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission			Dec. 31, 2011
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)					
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Balance at End of Previous Year 12/31 (d)	
32	Long-Term Portion of Derivative Instrument Liabilities		6,536,000	17,022,000	
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0	
34	Asset Retirement Obligations (230)				
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		299,943,707	242,124,234	
36	CURRENT AND ACCRUED LIABILITIES				
37	Current Portion of Long-term Debt		40,000,000	10,000,000	
38	Notes Payable (231)	-	141,600,036	257,435,000	
39	Accounts Payable (232)	-	84,285,712	82,301,935	
40	Notes Payable to Associated Companies (233)	-			
41	Accounts Payable to Associated Companies (234)	-	7,787	3,544,093	
42	Customer Deposits (235)	-	5,911,340	5,687,078	
43	Taxes Accrued (236)	262-263	3,413,925	(30,623,355)	
44	Interest Accrued (237)	-	5,634,804	5,182,407	
45	Dividends Declared (238)	-	0	0	
46	Matured Long-Term Debt (239)	-			
47	Matured Interest (240)	-			
48	Tax Collections Payable (241)	-	5,679,839	4,619,555	
49	Miscellaneous Current and Accrued Liabilities (242)	268	7,049,846	6,983,437	
50	Obligations Under Capital Leases-Current (243)	-	(469,096)	(289,937)	
51	Derivative Instrument Liabilities (244)		63,853,000	55,459,000	
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		(6,536,000)	(17,022,000)	
53	Derivative Instrument Liabilities - Hedges (245)	-	0	0	
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0	
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		350,431,193	383,277,213	
56	DEFERRED CREDITS				
57	Customer Advances for Construction (252)	-	2,607,079	2,164,274	
58	Accumulated Deferred Investment Tax Credits (255)	-	988,185	1,430,184	
59	Deferred Gains from Disposition of Utility Plant (256)	-	0	0	
60	Other Deferred Credits (253)	269	0	0	
61	Other Regulatory Liabilities (254)		2,853,000	2,873,000	
62	Unamortized Gain on Reacquired Debt (257)	260			
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)				
64	Accumulated Deferred Income Taxes - Other Property (282)				
65	Accumulated Deferred Income Taxes - Other (283)	276-277	392,325,796	346,979,704	
66	TOTAL Deferred Credits (Total of lines 49 thru 55)		398,774,060	353,447,162	
67	TOTAL Liabilities and Other Credits (Total of lines 15, 24, 35, 55 and 66)		2,365,336,408	2,263,650,231	

Name of Respondent	This Report is:	Date of Report	Year/Period of Report	
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011	

STATEMENT OF INCOME FOR THE YEAR

- | | |
|---|---|
| <p>1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i, j) in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.</p> | <p>2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.</p> <p>3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.</p> |
|---|---|

Line No.	Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	822,218,241	790,633,127		
3	Operating Expenses					
4	Operation Expenses (401)	320-325	556,416,049	522,299,610		
5	Maintenance Expenses (402)	320-325	18,323,384	16,887,760		
6	Depreciation Expense (403)	336-338	63,843,420	62,661,458		
7	Depreciation Expense for Asset Retirement Costs (403.1)					
8	Amort. & Depl. of Utility Plant (404-405)	336-338				
9	Amort. of Utility Plant Acu. Adjustment (406)	336-338				
10	Amort of Prop. Losses, Unrecovered Plant and Regulatory Study Costs (407.1)					
11	Amort. of Conversion Expenses (407.2)					
12	Regulatory Debits (407.3)					
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	47,913,695	43,096,437		
15	Income Taxes - Federal (409.1)	262-263	(3,323,493)	(3,375,035)		
16	- Other (409.1)	262-263	(1,183,078)	1,911,914		
17	Provision for Deferred Income Taxes (410.1)	276-277	77,481,410	57,812,635		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	276-277	30,310,846	10,072,470		
19	Investment Tax Credit Adj. - Net (411.4)		(441,999)	(525,000)		
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		728,718,542	690,697,309		
26	Net Utility Operating income (Enter Total of line 2 less 25) (Carry forward to page 116, line 27)		93,499,699	99,935,818		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

STATEMENT OF INCOME FOR THE YEAR (Continued)

4. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

5. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
		822,218,241	790,633,127			2
						3
		556,416,049	522,299,610			4
		18,323,384	16,887,760			5
		63,843,420	62,661,458			6
						7
						8
						9
						10
						11
						12
						13
		47,913,695	43,096,437			14
		(3,323,493)	(3,375,035)			15
		(1,183,078)	1,911,914			16
		77,481,410	57,812,635			17
		30,310,846	10,072,470			18
		(441,999)	(525,000)			19
						20
						21
						22
						23
						24
		728,718,542	690,697,309			25
		93,499,699	99,935,818			26

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)		Year/Period of Report	
Northwest Natural Gas Company		X An Original A Resubmission			Dec. 31, 2011	
STATEMENT OF INCOME FOR THE YEAR (Continued)						
Line No.	Title of Account (a)	Ref. Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)	-	93,499,699	99,935,818		
28	Other Income and Deductions					
29	Other Income	-				
30	Nonutility Operating Income	-				
31	Revenues From Merch, Jobbing and Contract Work (415)	-	3,719,857	3,868,997		
32	(Less) Costs and Exp. of Merch, Job & Contract Work (416)	-	3,879,413	3,995,566		
33	Revenues From Nonutility Operations (417)	-	26,744,605	34,533,813		
34	(Less) Expenses of Nonutility Operations (417.1)	-	12,160,544	15,974,717		
35	Nonoperating Rental Income (418 & 412)	-	464,812	454,695		
36	Equity in Earnings of Subsidiary Companies (418.1)	119	(4,413,858)	(3,620,710)		
37	Interest and Dividend Income (419)	-	6,049,061	6,715,883		
38	Allow. for Other Funds Used During Constr (419.1)	-	0	0		
39	Miscellaneous Nonoperating Income (421)	-	44,774	46,147		
40	Gain on disposition of Property (421.1)	-	(96,206)	222,842		
41	TOTAL Other Income (Total of lines 31 thru 40)		16,473,088	22,251,384		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.4 Amortization)	-				
44	Miscellaneous Amortization (425)	340				
45	Donations (426.1)		1,174,228	1,028,391		
46	Life Insurance (426.2)		(2,246,755)	(2,042,143)		
47	Penalties (426.3)		6,231	20,209		
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		925,709	869,575		
49	Other Deductions (426.5)	340	247,876	659,250		
50	TOTAL Other Income Deductions (Total of Lines 43 thru 49)		107,289	535,282		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	657,401	617,202		
53	Income Taxes - Federal (409.21,24,33)	262-264	1,538,609	3,874,887		
54	Income Taxes - Other (409.22,25,26)	262-265	453,472	574,135		
55	Provision for Deferred Inc. Taxes (410.21,22)	272-277	3,443,296	1,516,249		
56	(Less) Provision for Deferred Inc. Taxes - Cr. (411.21,22,410.33)	272-277	899,299	3,937		
57	Investment Tax Credit Adj. - Net (411.33)	-	0	0		
58	(Less) Investment Tax Credits (420)	-				
59	TOTAL Taxes on Other Inc. and Ded. (Total of 52 thru 58)		5,193,479	6,578,536		
60	Net Other Income and Deductions (Total of Lines 41, 50, 59)		11,172,320	15,137,566		
61	Interest Charges					
62	Interest on Long-Term Debt (427.1,2,6)	256-257	37,262,461	39,197,654		
63	Amortization of Debt Disc. and Expense (428)	258-259	1,331,370	1,346,748		
64	Amortization of Loss on Reacquired Debt (428.1)	260	398,052	419,262		
65	(Less) Amort. of Premium on Debt - Credit (429)	256-257				
66	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	258-259				
67	Interest on Debt to Assoc. Companies (430)	340				

Name of Respondent		This Report is:		Date of Report (Mo, Da, Yr)		Year/Period of Report	
Northwest Natural Gas Company		X An Original A Resubmission				Dec. 31, 2011	
STATEMENT OF INCOME FOR THE YEAR (Continued)							
Line No.	Title of Account (a)	Ref. Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)	
67	Interest on Debt to Assoc. Companies (430)	340					
68	Other Interest Expense (431)	340	1,915,861	1,586,525			
69	(Less) Allow. for Borrowed Funds Used During Const.-Cr. (432.1)	-	133,772	144,123			
70	Net Interest Charges (Total of lines 62 thru 69)		40,773,972	42,406,066			
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		63,898,047	72,667,318			
72	Extraordinary Items						
73	Extraordinary Income (434)	-					
74	(Less) Extraordinary Deductions (435)	-					
75	Net Extraordinary Items (Total of line 73 less 74)			0			
76	Income Taxes - Federal and Other (409.3)	262-263					
77	Extraordinary Items After Taxes (Total of line 75 less line 76)			0			
78	Net Income (Total of lines 71 and 77)		63,898,047	72,667,318			

Name of Respondent	This Report is:	Date of Report
Northwest Natural Gas Company	<input checked="" type="checkbox"/> An Original	Dec. 31, 2011
	<input type="checkbox"/> A Resubmission	

Statement of Accumulated Comprehensive Income and Hedging Activities

1. Report the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.		
1	Beginning AOCI Balance	(6,603,901)
2	Unrealized Gains/losses on available-for-sale securities, net of tax	
3	Pension liability adjustment, net of tax	(1,779,420)
4	Amortization of pension liabilities, net of tax	583,671
5	Foreign currency hedges, net of tax	
6	Change in unrealized loss from hedging, net of tax	
7	Cash flow hedges, net of tax	
8	Other adjustments, net of tax	
9	Ending Balance of AOCI	(7,799,650)

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A resubmission		Dec. 31, 2011
STATEMENT OF RETAINED EARNINGS FOR THE YEAR				
1. Report all Changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.		3. State the purpose and amount for each reservation or appropriation of retained earnings.		
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).		4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.		
		5. Show dividends for each class and series of capital stock.		
Line No.	Item (a)	Contra Primary Account Affected (b)	Current Year Amount (in dollars) (c)	Previous Year Amount (in dollars) (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance - Beginning of Year		360,210,418	326,250,020
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
3.01	Credit:			
3.02	Credit: Other Comprehensive Income			
3.03	Credit:			
4	TOTAL Credits to Retained Earnings (Account 439) (Total of lines 3.01 thru 3.?)		0	0
4.01	Debit: Capital Stock Expense		(30,369)	0
4.02	Debit: Stock Repurchase		0	0
4.03	Debit: Other Comprehensive Income		0	0
4.04	Debit: Unearned Compensation		0	0
5	TOTAL Debits to Retained Earnings (Account 439) (Total of lines 4.01 thru 4.?)		(30,369)	0
6	Balance Transferred from Income (Account 433 less Account 418.1)		68,311,905	76,288,028
7	Appropriations of Retained Earnings (Account 436)			
7.01				
7.02				
8	TOTAL Appropriations of Retained Earnings (Account 436) (Total of lines 7.01 thru 7.?)		0	0
9	Dividends Declared - Preferred and Preference Stock (Account 437))			
9.01	Preferred Stock			0
10	TOTAL Dividends Declared - Preferred Stock (Account 437) (Total of lines 9.01 thru 9.?)		0	0
11	Dividends Declared - Common Stock (Account 438)			
11.01	Common Stock Cash Dividends		(46,690,209)	(44,653,046)
11.02	Stock Dividends			0
12	TOTAL Dividends Declared - Common Stock (Account 438) (Total of lines 11.01 thru 11.?)		(46,690,209)	(44,653,046)
13	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		(3,699,163)	2,325,416
14	Balance - End of Year (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		378,102,582	360,210,418

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Northwest Natural Gas Company		X An Original A resubmission		(Mo, Da, Yr)		Dec. 31, 2011	
STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)							
6. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.				7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservations or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.			
				8. At lines 3, 4, 7, 9, 11, and 15, add rows as necessary to report all data. When rows are added, the additional row numbers should follow in sequence, e.g., 3.01, 3.02, etc.			
Line No.	Item			Current Year Amount		Previous Year Amount	
	(a)			(in dollars)		(in dollars)	
	(b)			(c)			
APPROPRIATED RETAINED EARNINGS (Account 215)							
State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.							
15.01							
15.02							
15.03							
15.04							
15.05							
15.06							
15.07							
16	TOTAL Appropriated Retained Earnings (Account 215)						
APPROPRIATED RETAINED EARNINGS - AMORTIZATION RESERVE, FEDERAL (Account 215.1) State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.							
17	TOTAL Appropriated Retained Earnings - Amortization Reserve, Federal (Account 215.1)						
18	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines 16 and 17)			0		0	
19	TOTAL Retained Earnings (Account 215, 215.1, 216) (Total of lines 14 and 18)			378,102,582		360,210,418	
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (ACCOUNT 216.1)							
20	Balance - Beginning of Year (Debit or Credit)			(3,483,381)		2,462,745	
21	Equity in Earnings for Year (Credit) (Account 418.1)			(4,413,858)		(3,620,710)	
22	(Less) Dividends Received (Debit)			-		100,000	
23	Other Changes (Explain) (see Note below)			3,699,163		(2,225,416)	
24	Balance - End of year (Total of lines 20 thru 23)			(4,198,076)		(3,483,381)	
Note>	NW Natural's investment in Gill Ranch was transferred to its indirectly owned subsidiary, NW Natural Gas Storage, LLC, in exchange for stock.						

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2011
STATEMENT OF CASH FLOWS			
1. Information about noncash investing and financing activities should be provided on page 122. Provide also on page 122 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.		3. Operating Activities-Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 122 the amounts of interest paid (net of amounts capitalized) and income taxes paid.	
2. Under "Other" specify significant amounts and group others.			
Line No.	DESCRIPTION (See Instructions for Explanation of Codes) (a)	Current Year Amount (b)	Previous Year Amount (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 72(c) on page 116)	63,898,047	72,667,318
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	65,170,762	64,001,881
5	Amortization of (Specify)		
5.01	FAS 109 Deferred Taxes	(3,886,587)	(3,898,942)
5.02	FAS 109 Regulatory Asset	3,886,587	3,898,942
6	Deferred Income Taxes (Net)	49,232,679	51,509,129
7	Investment Tax Credit Adjustments (Net)	(441,999)	(525,000)
8	Net (Increase) Decrease in Receivables	(1,072,160)	(3,962,285)
9	Net (Increase) Decrease in Inventory	5,323,686	1,026,986
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	32,937,148	(60,399,689)
12	Pension Liability Adjustment, net of tax	(1,195,749)	(635,846)
13	Unrealized loss from price risk management activities	8,394,000	32,623,000
14	(Less) Allowance for Other Funds Used During Construction	(133,772)	(144,123)
15	(Less) Undistributed Earnings from Subsidiary Companies	4,413,858	3,620,710
16	Other: Net (Increase) Decrease in Unbilled Revenues	2,878,357	6,426,894
16.01	Deferred Debits - Net	(98,471,740)	(97,411,519)
16.02	Net (Increase) Decrease in Other Current Assets & Liab.	(2,775,115)	(3,262,213)
16.03	Other - Noncurrent Liab., Deferred Credits, & Other Invest.	118,054,720	21,205,239
16.04	Unearned Compensation	799,864	648,390
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of lines 2 thru 16.04)	247,012,586	87,388,872
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(92,164,370)	(81,687,793)
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant		
25	Gross Additions to Nonutility Plant	(374,620)	(2,795,071)
26	(Less) Allowance for Other Funds Used During Constr.	133,772	144,123
27	Other: (1)	(51,600,534)	705,809
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(144,005,752)	(83,632,932)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)	1,123,507	170,192
32			
33	Investments in & Advances to Assoc. & Sub. Companies		
34	Contributions & Advances from Assoc. & Sub. Companies	13,912,561	(125,080,050)
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies		
37			
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		
(1) Includes Investment in Gas Reserves			

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
STATEMENT OF CASH FLOWS (Continued)				
Line No.	Instructions for explanation of codes (a)		Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
40	Loans Made or Purchased			
40	Collections on Loans			
42				
43	Net (Increase) Decrease in Receivables			
44	Net (Increase) Decrease in Inventory			
45	Net (Increase) Decrease in Allowances Held for Speculation			
46	Net Increase (Decrease) in Payables and Accrued Expenses			
47				
48	Net Cash Provided by (Used in) Investing Activities			
49	(Total of lines 28 thru 47)		(128,969,684)	(208,542,790)
50				
51	Cash Flows from Financing Activities:			
52	Proceeds from Issuance of:			
53	Long-Term Debt (b)		50,000,000	0
54	Preferred Stock			
55	Common Stock		4,573,873	4,970,411
56	Other: Capital Leases		(239,074)	(595,780)
57	Net Increase in Short-Term Debt (c)			
58				
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)		54,334,799	4,374,631
60				
61	Payments for Retirement of:			
62	Long-Term Debt (b)		(10,000,000)	(35,000,000)
63	Preferred Stock			
64	Common Stock		0	0
65	Other: Conversion of Preference Stock to Common Stock			
66	Net Decrease in Short-Term Debt (c)		(115,834,964)	187,655,000
67				
67	Capital Stock Expense			
68	Dividends on Preferred Stock			
69	Dividends on Common Stock		(46,690,209)	(44,653,046)
70	Net Cash Provided by (Used in) Financing Activities			
71	(Total of lines 59 thru 69)		(118,190,374)	112,376,585
72				
73	Net Increase (Decrease) in Cash and Cash Equivalents			
74	(Total of lines 18, 49, and 71)		(147,472)	(8,777,333)
75				
76	Cash and Cash Equivalents at Beginning of Period		6,205,791	14,983,124
77				
78	Cash and Cash Equivalents at End of Period		6,058,319	6,205,791

Name of Respondent Northwest Natural Gas Company	This Report is:	Date of Report	Year of Report
	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Dec. 31, 2011

NOTES TO FINANCIAL STATEMENTS

1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets.
4. Furnish details on the respondent's asset retirement obligations (ARO) as required by instruction no. 1 and, in addition, disclose the amounts recovered through rates to settle such obligations. Identify any mechanism or account in which recovered funds are being placed (i.e. trust funds, insurance policies, surety bonds). Furnish details on the accounting for the asset retirement obligations and any changes in the measurement of method of accounting for the obligations. Include details on the accounting for settlement of the obligations and any gains or losses expected or incurred on the settlement.
5. Provide a list of all environmental credits received during the reporting period.
6. Provide a summary of revenues and expenses for each tracked cost and special surcharge.
7. Where Account 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these item. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However where material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

See Page 122-A

NORTHWEST NATURAL GAS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Principles of Consolidation

The accompanying consolidated financial statements represent the consolidation of Northwest Natural Gas Company (NW Natural) and all companies that we directly or indirectly control, either through majority ownership or otherwise. Our direct and indirect wholly-owned subsidiaries include Gill Ranch Storage, LLC (Gill Ranch), NW Natural Energy, LLC (NWN Energy), NW Natural Gas Storage, LLC (NWN Gas Storage), and NNG Financial Corporation (NNG Financial). Investments in corporate joint ventures and partnerships that we do not directly or indirectly control, and for which we are not the primary beneficiary, are accounted for under the equity method or the cost method, which includes NWN Energy's investment in Palomar Gas Holdings, LLC (PGH). NW Natural and its affiliated companies are collectively referred to herein as "NW Natural." The consolidated financial statements are presented after elimination of all significant intercompany balances and transactions, except for amounts required to be included under regulatory accounting standards to reflect the effect of such regulation. In this report, the term "utility" is used to describe our regulated gas distribution business, and the term "non-utility" is used to describe our gas storage business and other non-utility investments and business activities.

Certain prior year balances in our consolidated financial statements have been combined to conform with the current presentation. These changes had no impact on our prior year's consolidated results of operations, financial condition or cash flows.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect reported amounts in the consolidated financial statements and accompanying notes. Actual amounts could differ from those estimates, and changes would most likely be reported in future periods. Management believes that the estimates and assumptions used are reasonable.

Industry Regulation

Our principal businesses are the distribution of natural gas, which is regulated by the Public Utility Commission of Oregon (OPUC) and Washington Utilities and Transportation Commission (WUTC), and natural gas storage services, which are regulated by either the Federal Energy Regulatory Commission (FERC) or the California Public Utilities Commission (CPUC), and to a certain extent by the OPUC. Accounting records and practices of our regulated businesses conform to the requirements and uniform system of accounts prescribed by these regulatory authorities in accordance with U.S. GAAP. Our businesses regulated by the OPUC, WUTC and FERC earn a reasonable return on invested capital from approved cost-based rates, while our business regulated by the CPUC earns a return to the extent we are able to charge competitive prices above our costs (i.e. market-based rates).

In applying regulatory accounting principles, we capitalize or defer certain costs and revenues as regulatory assets and liabilities pursuant to orders of the OPUC or WUTC, which provides for the recovery of revenues or expenses from, or refunds to, utility customers in future periods, including a return or a carrying charge in most cases.

At December 31, 2011 and 2010, the amounts deferred as regulatory assets and liabilities were as follows:

<u>Thousands</u>	Regulatory Assets	
	2011	2010
Current:		
Unrealized loss on derivatives ⁽¹⁾	\$ 57,317	\$ 38,437
Pension and other postretirement benefit liabilities ⁽²⁾	15,491	10,988
Other ⁽³⁾	21,865	3,289
Total current	<u>\$ 94,673</u>	<u>\$ 52,714</u>
Non-current:		
Unrealized loss on derivatives ⁽¹⁾	\$ 6,536	\$ 17,022
Income tax asset	65,264	72,341
Pension and other postretirement benefit liabilities ⁽²⁾	170,512	118,248
Environmental costs ⁽⁴⁾	105,670	114,311
Other ⁽³⁾	23,410	26,975
Total non-current	<u>\$ 371,392</u>	<u>\$ 348,897</u>
<u>Thousands</u>	Regulatory Liabilities	
	2011	2010
Current:		
Gas costs	\$ 17,994	\$ 15,583
Unrealized gain on derivatives ⁽¹⁾	2,853	2,245
Other ⁽³⁾	10,199	-
Total current	<u>\$ 31,046</u>	<u>\$ 17,828</u>
Non-current:		
Gas costs	\$ 8,420	\$ 2,297
Unrealized gain on derivatives ⁽¹⁾	-	628
Accrued asset removal costs	267,355	252,941
Other ⁽³⁾	2,607	2,165
Total non-current	<u>\$ 278,382</u>	<u>\$ 258,031</u>

(1) An unrealized gain or loss on derivatives does not earn a rate of return or a carrying charge. These amounts are recoverable through utility rates as part of the annual Purchased Gas Adjustment mechanism when realized at settlement.

(2) Certain pension and other postretirement benefit liabilities of the utility are approved for regulatory deferral, including amounts recorded to the pension cost balancing account to defer the effects of higher and lower pension expenses. Such amounts include an interest component when recognized in net periodic benefit costs or earn a rate of return or carrying charge (see Note 9).

(3) Other primarily consists of deferrals and amortizations under other approved regulatory mechanisms. The accounts being amortized typically earn a rate of return or carrying charge.

(4) Environmental costs are related to those sites that are approved for regulatory deferral. In Oregon, we earn a rate of return on amounts paid, whereas amounts accrued but not yet paid do not earn a rate of return or a carrying charge until expended. Environmental costs related to Washington were deferred beginning in 2011, with cost recovery and carrying charge to be determined in a future proceeding.

The amortization period for our regulatory assets and liabilities ranges from less than one year to an undeterminable period. Our regulatory deferrals for gas costs payable are generally amortized over 12 months beginning each November 1 following the gas contract year during which the deferred gas costs are realized. Similarly, most of our

regulatory deferred accounts are amortized over 12 months. However, certain regulatory account balances, such as income taxes, environmental costs, pension liabilities and accrued asset removal costs, are large and tend to be amortized over longer periods once we have agreed upon an amortization period with the respective regulatory agency.

We believe that continued application of regulatory accounting for these activities is appropriate and consistent with the current regulatory environment, and that all regulated assets and liabilities at December 31, 2011 and 2010 will be recoverable or refundable through future rate making decisions. We annually review all regulatory assets and liabilities for recoverability and more often if circumstances warrant. If we should determine that all or a portion of these regulatory assets or liabilities no longer meet the criteria for continued application of regulatory accounting, then we would be required to write off the net unrecoverable balances against earnings.

New Accounting Standards

Adopted Standards

Fair Value Disclosures. In January 2011, the Financial Accounting Standards Board (FASB) issued authoritative guidance on new fair value measurements and disclosures. This guidance requires additional disclosures for fair value measurements that use significant assumptions not observable in active markets (i.e. level 3 valuations), including a roll-forward schedule. These changes were effective for periods beginning after December 15, 2010; however, we elected to early adopt these disclosure requirements, as shown in Note 9. The adoption of this standard did not have a material effect on our financial statement disclosures.

Comprehensive Income. In June 2011, the FASB issued authoritative guidance on the presentation of comprehensive income within the financial statements. An entity can elect to present items of net income and other comprehensive income in one continuous statement — referred to as the statement of comprehensive income — or in two separate, but consecutive, statements. These changes are effective for periods beginning after December 15, 2011. We have elected to early adopt this standard and present net income and other comprehensive income in one continuous statement.

Multiemployer Pension Plans. In September 2011, the FASB issued authoritative guidance regarding multiemployer pension plan disclosures. The revised standard is intended to provide more information about an employer's financial obligations to a multiemployer pension plan and, therefore, help financial statement users better understand the financial health of all significant plans in which the employer participates. This standard has been adopted as shown in Note 9.

Recent Accounting Pronouncements

Fair Value Measurement. In May 2011, the FASB issued amendments to the authoritative guidance on fair value measurement. The amendments are primarily related to disclosure requirements, which go into effect for periods beginning after December 15, 2011. Early implementation is not allowed, and we are currently assessing the impact on our financial statement disclosures.

Balance Sheet Offsetting. In December 2011, the FASB issued authoritative guidance regarding the offsetting of assets and liabilities on the balance sheet. The revised standard is intended to provide more comparable guidance between the U.S. GAAP and international accounting standards by requiring entities to disclose both gross and net amounts for assets and liabilities offset on the balance sheet as well as other disclosures concerning their enforceable master netting arrangements. This guidance is effective for annual reporting periods beginning after January 1, 2013 and we are currently assessing the impact on our financial statement disclosures.

Plant, Property and Accrued Asset Removal Costs

Plant and property are stated at cost, including capitalized labor, materials and overhead (see Note 11). In accordance with regulatory accounting standards, the cost of acquiring and constructing long-lived plant and property generally includes an allowance for funds used during construction (AFUDC) or capitalized interest. AFUDC represents the regulatory financing cost incurred when debt and equity funds are used for construction (see “Allowance for Funds Used During Construction,” below). When constructed assets are subject to market-based rates rather than cost-based rates, then the financing cost incurred during construction are included in capitalized interest in accordance with U.S. GAAP, not regulatory financing cost under AFUDC.

In accordance with long-standing regulatory treatment, our depreciation rates are comprised of three components: one based on the average service life of the asset, a second based on the estimated salvage value of the asset, and a third based on the asset’s cost of removal. We collect, through rates, the estimated cost of removal on certain regulated properties through depreciation expense, with a corresponding offset to accumulated depreciation. These removal costs are non-legal obligations as defined by regulatory accounting guidance. Therefore, we have included these costs in non-current regulatory liabilities on our consolidated balance sheets. In the rate setting process, the liability for the removal costs is treated as a reduction to the net rate base upon which the regulated utility has the opportunity to earn its allowed rate of return.

Our provision for depreciation of utility plant and property is computed under the straight-line method in accordance with engineering studies approved by regulatory authorities. The weighted average depreciation rate for utility assets in service was approximately 2.8 percent in 2011 and 2010, and 2.9 percent in 2009 reflecting the approximate average economic life of the property. This includes 2011 weighted average depreciation rates for the following asset categories: 2.7 percent for transmission and distribution plant, 2.2 percent for gas storage facilities, 4.6 percent for general plant, and 5.1 percent for intangible and other fixed assets.

Allowance for Funds Used During Construction

Certain additions to utility plant include AFUDC, which represents the net cost of debt and equity funds used during construction. AFUDC is calculated using actual interest rates for debt and authorized rates for return on equity, if applicable. If short-term debt balances are less than the total balance of construction work in progress, then a composite AFUDC rate is used to represent interest on all debt funds, shown as a reduction to interest charges, and a return on equity funds, shown as other income. While cash is not immediately recognized from recording AFUDC, it is realized in future years through rate recovery resulting from the higher utility cost of service. Our composite AFUDC rates were 0.5 percent in 2011, 0.6 percent in 2010 and 1.0 percent in 2009.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand plus highly liquid investment accounts with maturity dates of three months or less. At December 31, 2011, outstanding checks of approximately \$3.9 million were included in accounts payable.

Revenue Recognition and Accrued Unbilled Revenues

Utility revenues, derived primarily from the sale and transportation of natural gas, are recognized upon delivery of gas commodity or service to customers. Revenues include accruals for gas delivered but not yet billed to customers based on estimates of deliveries from meter reading dates to month end (accrued unbilled revenues). Accrued unbilled revenues are dependent upon a number of factors that require management’s judgment, including total gas receipts and deliveries, customer use by billing cycle and weather factors. Accrued unbilled revenues are reversed the following month when actual billings occur. Our accrued unbilled revenues at December 31, 2011 and 2010 were \$61.9 million and \$64.8 million, respectively.

From 2007 through 2010, utility net operating revenues also included the recognition of a regulatory adjustment for income taxes paid pursuant to a legislative rule (commonly referred to as SB 408) in effect for certain gas and electric

utilities in Oregon. Under SB 408, we were required to automatically implement a rate refund, or a rate surcharge, to utility customers on an annual basis. The refund or surcharge amount was based on the difference between income taxes paid and income taxes authorized to be collected in customer rates. We recorded the refund, or surcharge, each quarter based on estimates of the annual amount to be recognized. On May 24, 2011, SB 408 was repealed and replaced by Senate Bill 967. SB 967 required utilities to eliminate amounts accrued under SB 408 for the 2010 and 2011 tax years, thereby denying recovery by NW Natural of the surcharge accrued for 2010, which resulted in a one-time pre-tax charge of \$7.4 million in the second quarter of 2011. Pursuant to SB 967, we changed our revenue recognition policy effective January 1, 2011 and no longer recognize a regulatory adjustment for income taxes for SB 408.

Non-utility revenues are derived primarily from the gas storage business segment. At Mist, revenues are recognized upon delivery of services to customers. Revenues from our asset management partner are recognized over the life of the asset management contract for guaranteed amounts, if any, and are recognized as earned for amounts above the guaranteed amount. At Gill Ranch, firm storage services resulting from short-term and long-term contracts are typically recognized in revenue ratably over the term of the contract regardless of the actual storage capacity utilized. Asset management revenue is recognized using a straight-line, pro rata methodology over the term of each contract and provides us with 80 percent of the pre-tax income from our independent energy marketing company. See Note 4.

Accounts Receivable and Allowance for Uncollectible Accounts

Accounts receivable consist primarily of amounts due for natural gas sales and transportation services to core utility customers, plus amounts due for gas storage services. With respect to these trade receivables, including accrued unbilled revenues, we establish an allowance for uncollectible accounts (allowance) based on the aging of receivables, collection experience of past due account balances including payment plans, and historical trends of write-offs as a percent of revenues. With respect to large individual customer receivables, a specific allowance is established and added to the general allowance when amounts are identified as unlikely to be partially or fully recovered. Inactive accounts are written-off against the allowance after they are 120 days past due or when deemed to be uncollectible. Differences between our estimated allowance and actual write-offs will occur based on a number of factors, including changes in economic conditions, customer credit worthiness and the level of natural gas prices. Each quarter the allowance for uncollectible accounts is adjusted, as necessary, based on information currently available.

Inventories

Utility gas inventories, which consist of natural gas in storage for the utility, are generally stated at the lower of average cost or net realizable value. The regulatory treatment of utility gas inventories provides for cost recovery in customer rates. Utility gas inventories that are injected into storage are priced into inventory based on actual purchase costs. Utility gas inventories that are withdrawn from storage are charged to cost of gas during the current period at the weighted average inventory cost.

Gas Storage inventories, which primarily represent inventories at Gill Ranch, exclude cushion gas and consist of natural gas that we received as fuel-in-kind from storage customers. Gas Storage inventories are valued at the lower of average cost or net realizable value. Cushion gas is recorded at original cost and classified as long-term assets.

Material and supplies inventories, which consist of both utility and non-utility inventories, are stated at the lower of average cost or net realizable value.

Our utility and gas storage inventories totaled \$65.6 million and \$70.7 million at December 31, 2011 and 2010, respectively, and our materials and supplies inventories totaled \$8.8 million and \$9.7 million at December 31, 2011 and 2010, respectively.

Gas Reserves

Our gas reserves are stated at cost, adjusted for regulatory amortization, with the associated deferred tax benefits recorded as liabilities on the balance sheet. Transactional costs to enter into the agreement (see Note 12) and payments by NW Natural to Encana Oil & Gas (USA) Inc. (Encana) are recognized as gas reserves on the balance sheet. The current portion is calculated based on expected gas deliveries within the next fiscal year. We recognize regulatory amortization of this asset on a volumetric basis and calculate using the proven reserves and the therms extracted and sold each month. The amortization of gas reserves is recorded as an adjustment to the cost of gas.

Derivatives

In accordance with accounting for derivatives and hedges, we measure derivatives at fair value and recognize them as either assets or liabilities on the balance sheet. Accounting for derivatives requires that changes in the fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Accounting for derivatives and hedges provides an exception for contracts intended for normal purchases and normal sales for which physical delivery is probable. In addition, certain derivative contracts are approved by regulatory authorities for recovery or refund through customer rates. Accordingly, the changes in fair value of these approved contracts are deferred as regulatory assets or liabilities pursuant to regulatory accounting principles. Derivative contracts entered into for core utility customer requirements after the annual purchased gas adjustment (PGA) rate has been set are subject to the PGA incentive sharing mechanism. Effective November 1, 2008, Oregon approved a PGA sharing mechanism under which we are required to select either an 80 percent deferral or 90 percent deferral of higher or lower gas costs such that the impact on current earnings from the gas cost sharing is either 20 percent or 10 percent of gas cost differences compared to PGA prices, respectively. For the PGA years in Oregon beginning November 1, 2011, 2010 and 2009, we selected a 90 percent deferral of gas cost differences. In Washington, 100 percent of our gas cost differences are deferred. See Note 13.

Our financial derivatives policy sets forth the guidelines for using selected derivative products to support prudent risk management strategies within designated parameters. Our objective for using derivatives is to decrease the volatility of gas prices, earnings and cash flows and to prevent speculative risk. The use of derivatives is permitted only after the risk exposures have been identified, are determined to exceed acceptable tolerance levels and are necessary to support normal business activities. We do not enter into derivative instruments for trading purposes and we believe that any increase in market risk created by holding derivatives should be offset by the exposures they modify.

Fair Value

In accordance with fair value accounting, we use the following fair value hierarchy for determining inputs for our debt, pension plan assets and our derivative fair value measurements:

- Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets;
- Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market; and
- Level 3: Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our own estimates of assumptions that market participants would use in valuing the asset or liability.

When developing fair value measurements, it is our policy to use quoted market prices whenever available, or to maximize the use of observable inputs and minimize the use of unobservable inputs when quoted market prices are not available. Fair values are primarily developed using industry-standard models that consider various inputs including: (a) quoted future prices for commodities; (b) forward currency prices; (c) time value; (d) volatility factors; (e) current market and contractual prices for underlying instruments; (f) market interest rates and yield curves; and (g) credit spreads; (h) and other relevant economic measures.

Revenue Taxes

We account for revenue-based taxes as a separate cost item collected from customers. Therefore, revenue taxes are accounted for as a cost of sale and presented separately on the income statement.

Income Tax Expense

NW Natural and its wholly-owned subsidiaries file consolidated federal and state income tax returns. Current income taxes are allocated based on each entity's respective taxable income or loss and tax credits as if each entity filed a separate return. We account for income taxes in accordance with accounting standards for income taxes. Accounting for income taxes requires recognition of deferred tax liabilities and assets for the future tax consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse (see Note 10).

Accounting for income taxes also requires recognition of deferred income tax assets and liabilities for temporary differences where regulators prohibit deferred income tax treatment for ratemaking purposes. We have recorded a deferred tax liability equivalent of \$68.5 million and \$72.3 million at December 31, 2011 and 2010, respectively, to recognize future taxes payable resulting from transactions that have previously been reflected in the financial statements for these temporary differences. Regulatory assets or liabilities corresponding to such additional deferred income tax assets or liabilities may be recorded to the extent we believe they will be recoverable from or payable to customers through the ratemaking process. Pursuant to regulatory accounting principles, a corresponding regulatory asset has been recorded which represents the probable future revenue that will result from inclusion in rates charged to customers of taxes which will be paid in the future. The probable future revenue to be recorded takes into consideration the additional future taxes which will be generated by that revenue. Amounts applicable to income taxes due from customers primarily represent differences between the book and tax basis of net utility plant in service and actual removal costs incurred.

Deferred investment tax credits on utility plant additions, which reduce income taxes payable, are deferred for financial statement purposes and amortized over the life of the related plant or lease.

Subsequent Events

We monitor significant events occurring after the balance sheet date and prior to the issuance of the financial statements to determine the impacts, if any, of events on the financial statements to be issued. We do not have any subsequent events to report.

3. Earnings Per Share

Basic earnings per share are computed using net income and the weighted average number of common shares outstanding for each period presented. Diluted earnings per share are computed in the same manner, except it uses the weighted average number of common shares outstanding plus the effects of the assumed exercise of stock options and the payment of estimated stock awards from other stock-based compensation plans that are outstanding at the end of each period presented. Diluted earnings per share are calculated as follows:

<u>Thousands, except per share amounts</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net income	\$ 63,898	\$ 72,667	\$ 75,122
Average common shares outstanding - basic	26,687	26,589	26,511
Additional shares for stock-based compensation plans	57	68	65
Average common shares outstanding - diluted	<u>26,744</u>	<u>26,657</u>	<u>26,576</u>
Earnings per share of common stock - basic	\$ 2.39	\$ 2.73	\$ 2.83
Earnings per share of common stock - diluted	<u>\$ 2.39</u>	<u>\$ 2.73</u>	<u>\$ 2.83</u>
Additional information:			
Antidilutive shares not included in net income per diluted common share calculation	2,101	743	2,142

4. Segment Information

We operate in two primary reportable business segments, local gas distribution and gas storage. We also have other investments and business activities not specifically related to one of these two reporting segments, which we aggregate and report as “other.” We refer to our local gas distribution business as the “utility,” and our “gas storage” and “other” business segments as “non-utility.” Our gas storage segment includes NWN Gas Storage, which is a wholly-owned subsidiary of NWN Energy, Gill Ranch, which is a wholly-owned subsidiary of NWN Gas Storage, the non-utility portion of our Mist underground storage facility in Oregon (Mist) and third-party asset management services. Our “other” segment includes NNG Financial and our equity investment in PGH, which is pursuing development of the Palomar pipeline project (see Other, below).

Local Gas Distribution

Our local gas distribution segment is a regulated utility principally engaged in the purchase, sale and delivery of natural gas and related services to customers in Oregon and southwest Washington. As a regulated utility, we are responsible for building and maintaining a safe and reliable pipeline distribution system, purchasing sufficient gas supplies from producers and marketers, contracting for firm and interruptible transportation of gas over interstate pipelines to bring gas from the supply basins into our service territory, and re-selling the gas to customers subject to rates, terms and conditions approved by the OPUC or WUTC. Gas distribution also includes taking customer-owned gas and transporting it from interstate pipeline connections, or city gates, to the customers’ end-use facilities for a fee, which is approved by the OPUC or WUTC. Approximately 90 percent of our customers are located in Oregon and 10 percent in Washington. On an annual basis, residential and commercial customers typically account for 50 to 60 percent of our utility’s total volumes delivered and 80 to 90 percent of our utility’s margin. Industrial customers account for the remaining 40 to 50 percent of volumes and 5 to 15 percent of margin. The remaining 10 percent or less of margin is derived from miscellaneous services, gains or losses from an incentive gas cost sharing mechanism and other fees.

Industrial customers we serve include: pulp, paper and other forest products; the manufacture of electronic, electrochemical and electrometallurgical products; the processing of farm and food products; the production of various mineral products; metal fabrication and casting; the production of machine tools, machinery and textiles; the manufacture of asphalt, concrete and rubber; printing and publishing; nurseries; government and educational institutions; and electric generation. No individual customer or industry group accounts for a significant portion of our utility revenues or margins.

Gas Storage

Our gas storage business segment includes natural gas storage services provided to customers primarily from two underground natural gas storage facilities, our Gill Ranch gas storage facility, which commenced commercial operations in October 2010, and the non-utility portion of our Mist gas storage facility. In addition to earning revenue from customer storage contracts, we also use an independent energy marketing company to provide asset management services for utility and non-utility capacity under contractual arrangement, the results of which are included in this business segment. For the years ended December 31, 2011, 2010 and 2009, this business segment derived a majority of its revenues from asset management services and from firm and interruptible gas storage contracts.

Mist Gas Storage Facility. Earnings from non-utility assets at the Mist facility are primarily related to firm storage capacity revenues. Earnings for the gas storage segment include revenues, net of amounts shared with core utility customers, from management of utility assets at Mist and upstream capacity when not needed to serve core utility customers. In Oregon, the gas storage segment retains 80 percent of the pre-tax income from these services when the costs of the capacity have not been included in utility rates, or 33 percent of the pre-tax income when the costs have been included in utility rates. The remaining 20 percent and 67 percent, respectively, are credited to a deferred regulatory account for crediting back to core utility customers. We have a similar sharing mechanism in Washington for revenue derived from storage and third party asset management services.

Gill Ranch Gas Storage Facility. Gill Ranch has a joint project agreement with Pacific Gas and Electric Company (PG&E) to own the Gill Ranch underground natural gas storage facility near Fresno, California. Gill Ranch has a 75 percent undivided ownership interest in the facility, which offers storage services to the California market at market-based rates, subject to CPUC regulation including, but not limited to, service terms and conditions and tariff regulations.

Other

We have non-utility investments and other business activities which are aggregated and reported as a business segment called "other." Although in the aggregate these investments and activities are currently not material to consolidated operations, we identify and report them as a stand-alone segment based on our organizational structure and decision-making process because these business investments and activities are not specifically related to our utility or gas storage segments. This segment primarily consists of an equity method investment in a joint venture to build and operate an interstate gas transmission pipeline in Oregon (Palomar) and other pipeline assets in NNG Financial. For more on information on Palomar, see Note 12. This segment also includes some operating and non-operating revenues and expenses of the parent company that cannot be allocated to utility operations.

NNG Financial holds certain non-utility financial investments, but its assets primarily consist of an active, wholly-owned subsidiary which owns a 10 percent interest in an 18-mile interstate natural gas pipeline. NNG Financial's total assets were \$1.1 million at both December 31, 2011 and 2010.

Segment Information Summary

The following table presents summary financial information about the reportable segments for the years ended 2011, 2010 and 2009. Inter-segment transactions are insignificant.

<u>Thousands</u>	<u>Utility</u>	<u>Gas Storage</u>	<u>Other</u>	<u>Total</u>
<u>2011</u>				
Net operating revenues	\$ 342,970	\$ 26,354	\$ 109	\$ 369,433
Depreciation and amortization	63,843	6,161	-	70,004
Income from operations	135,722	9,090	33	144,845
Net income	60,527	4,101	(730)	63,898
Total assets at December 31, 2011	2,435,888	294,637	16,049	2,746,574
<u>2010</u>				
Net operating revenues	\$ 346,148	\$ 21,249	\$ 184	\$ 367,581
Depreciation and amortization	62,661	2,463	-	65,124
Income from operations	145,688	11,855	62	157,605
Net income	66,262	6,110	295	72,667
Total assets at December 31, 2010	2,310,388	282,945	23,283	2,616,616
<u>2009</u>				
Net operating revenues	\$ 357,005	\$ 19,738	\$ 144	\$ 376,887
Depreciation and amortization	61,472	1,342	-	62,814
Income from operations	142,228	16,442	46	158,716
Net income	65,960	8,923	239	75,122

5. Common Stock

Common Stock

As of December 31, 2011 and 2010, our common shares authorized were 100,000,000. As of December 31, 2011, we had reserved for issuances 155,955 shares of common stock under the Employee Stock Purchase Plan (ESPP), 293,246 shares under our Dividend Reinvestment and Direct Stock Purchase Plan and 1,159,875 shares under our Restated Stock Option Plan (Restated SOP).

Stock Repurchase Program

We have a share repurchase program for our common stock under which we purchase shares on the open market or through privately negotiated transactions. We currently have Board authorization through May 2012 to repurchase up to an aggregate of 2.8 million shares, or up to \$100 million. No shares of common stock were repurchased pursuant to this program in 2011, 2010 or 2009. Since inception in 2000, a total of 2.1 million shares have been repurchased at a total cost of \$83.3 million.

Summary of Changes in Common Stock

The following table shows the changes in the number of shares of our common stock issued and outstanding for the years 2011, 2010 and 2009:

Thousands	Shares
Balance, December 31, 2008	26,501
Sales to employees under ESPP	9
Exercise of stock options under Restated SOP - net	23
Balance, December 31, 2009	26,533
Sales to employees under ESPP	24
Exercise of stock options under Restated SOP - net	111
Balance, December 31, 2010	26,668
Sales to employees under ESPP	15
Exercise of stock options under Restated SOP - net	24
Sales to shareholders under DRPP	49
Balance, December 31, 2011	26,756

6. Stock-Based Compensation

We have several stock-based compensation plans, including the Long-Term Incentive Plan (LTIP), the Restated SOP and the ESPP. These plans are designed to promote stock ownership in NW Natural by employees and officers.

Long-Term Incentive Plan

The LTIP is intended to provide a flexible, competitive compensation program for eligible officers and key employees. An aggregate of 600,000 shares of common stock was authorized for grants under the LTIP as stock bonus, restricted stock or performance-based stock awards. Shares awarded under the LTIP may be purchased on the open market or issued as new shares.

At December 31, 2011, 337,788 shares of common stock were available for award under the LTIP, assuming that performance based grants currently outstanding are awarded at the target level. The LTIP stock awards are compensatory awards for which compensation expense is based on the fair value of stock awards, with expense being recognized over the performance and vesting period for the outstanding awards.

Performance-based Stock Awards. Since the LTIP's inception in 2001, performance-based stock awards have been granted annually based on three-year performance periods. At December 31, 2011, certain performance-based stock award measures had been achieved for the 2009-11 award period. Accordingly, participants are estimated to receive 8,428 shares of common stock and a dividend equivalent cash payment equal to the number of shares of common stock received on the award payout multiplied by the aggregate cash dividends paid per share during the performance period. At December 31, 2010 and 2009, we awarded 8,007 and 15,900 shares of common stock, respectively, for the 2008-10 and 2007-09 award periods, plus a dividend equivalent cash payment equal to the number of shares of common stock received on the award payout multiplied by the aggregate cash dividends paid per share during the performance period. In 2010 and 2009, we expensed \$0.2 million and \$0.5 million respectively for both the 2008-10 and 2007-09 performance-based stock award periods, and on a cumulative basis we accrued a total of \$0.7 million and \$1.5 million, respectively, related to the 2008-10 and 2007-09 performance periods.

At December 31, 2011, the aggregate number of performance-based shares granted and outstanding at the threshold, target and maximum levels were as follows:

Performance Period	Performance Share Awards Outstanding			2011	Cumulative Expense
	Threshold	Target	Maximum	Expense	At Dec. 31, 2011
2009-11	7,410	39,000	78,000	\$ 353	\$ 763
2010-12	n/a ⁽¹⁾	41,500	83,000	430	718
2011-13	n/a ⁽¹⁾	37,950	75,900	276	\$ 276
Total		118,450	236,900	\$ 1,059	

⁽¹⁾The threshold requirement was modified and is no longer applicable beginning in the 2010-12 performance period.

The threshold level estimates future payout assuming the minimum award payable is achieved for each component of the formula in the LTIP. For each of these performance periods, awards will be based on total shareholder return relative to a peer group of gas distribution companies over the three-year performance period and on performance results achieved relative to specific core and non-core strategies. Compensation expense is recognized in accordance with the accounting standard for stock compensation based on performance levels achieved and an estimated fair value using a Black-Scholes or binomial model. The weighted-average grant date fair value of unvested shares at December 31, 2011 and 2010 was \$25.06 and \$23.10 per share, respectively. The weighted-average grant date fair value of shares vested during the year was \$22.35 per share and granted during the year was \$19.38 per share.

Restricted Stock Units. A new form of restricted stock awards was approved by the Board in 2011. Restricted Stock Units (RSUs) are expected to be used instead of the Restated SOP starting in February of 2012. The LTIP plan was amended to allow RSUs to be granted under the plan. RSUs are expected to include a performance based threshold and a vesting period of four years from the grant date. An RSU obligates the Company upon vesting to issue the RSU holder one share of common stock plus a cash payment equal to the total amount of dividends paid per share between the grant date and vesting date of the RSU.

Restated Stock Option Plan

A total of 2,400,000 shares of common stock were reserved for issuance under the Restated SOP with 580,650 available for grant as of December 31, 2011. Options under the Restated SOP may be granted only to officers and key employees designated by a committee of our Board of Directors. All options are granted at an option price equal to the closing market price on the date of grant and may be exercised for a period up to 10 years and 7 days from the date of grant. Option holders may exchange shares they have owned for at least six months, at the current market price, to purchase shares at the option price.

The fair value of each stock option is estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions and outcomes:

	2011	2010	2009
Risk-free interest rate	2.0%	2.3%	2.0%
Expected life (in years)	4.5	4.7	4.7
Expected market price volatility factor	24.5%	23.2%	22.5%
Expected dividend yield	3.8%	3.8%	3.8%
Forfeiture rate	3.1%	3.2%	3.7%
Weighted average grant date fair value	\$ 6.73	\$ 6.36	\$ 5.46

The expected life of our grants was calculated based on our actual experience with previously exercised option grants. The risk-free interest rate was based on the implied yield currently available on U.S. Treasury zero-coupon issues with a life equal to the expected life of the options. Historical data was used to estimate the volatility factor, measured on a daily basis, for a period equal to the duration of the expected life of the option awards. The dividend yield was based on

management's current estimate for future dividend payouts at the time of grant. We expense the total cost of stock option awards granted to retirement eligible employees at the date of grant in accordance with stock option accounting guidance and the retirement vesting provisions of our option agreements.

Information regarding the Restated SOP activity for the three years ended December 31, 2011 is summarized as follows:

	Option Shares	Weighted - Average Price Per Share	Intrinsic Value (In millions)
Balance outstanding, Dec. 31, 2008	396,410	\$ 38.62	\$ 2.3
Granted	111,750	41.15	n/a
Exercised	(23,225)	30.92	0.3
Balance outstanding, Dec. 31, 2009	484,935	39.57	2.7
Granted	119,750	44.25	n/a
Exercised	(111,525)	39.01	0.9
Forfeited	(2,700)	43.00	n/a
Balance outstanding, Dec. 31, 2010	490,460	40.82	2.8
Granted	122,700	45.74	n/a
Exercised	(24,185)	33.88	0.3
Forfeited	(9,750)	44.38	n/a
Balance outstanding, Dec. 31, 2011	579,225	\$ 42.09	\$ 3.4
Exercisable, Dec. 31, 2011	311,951	\$ 40.20	\$ 2.4

In the year ended December 31, 2011, cash of \$0.8 million was received for option shares exercised and a \$26,000 thousand related tax benefit was realized. For the 12 months ended December 31, 2011, 2010 and 2009, the total fair value of options that vested was \$0.6 million, \$0.5 million and \$0.4 million, respectively. The weighted average remaining life of options exercisable and outstanding at December 31, 2011 was 5.5 years and 6.8 years, respectively. As of December 31, 2011, there was \$1.0 million of unrecognized compensation cost related to the unvested portion of outstanding stock option awards expected to be recognized over a period extending through 2014.

Employee Stock Purchase Plan

The ESPP allows employees to purchase common stock at 85 percent of the closing price on the trading day immediately preceding the initial offering date, which is set annually. Each eligible employee may purchase up to \$21,210 worth of stock through payroll deductions over a 12-month period.

In accordance with accounting for stock compensation, stock-based compensation expense is recognized as operations and maintenance expense or is capitalized as part of construction overhead. The following table summarizes the financial statement impact of stock-based compensation under our LTIP, Restated SOP and ESPP:

Thousands	2011	2010	2009
Operations and maintenance expense, for stock-based compensation	\$ 1,477	\$ 1,032	\$ 1,434
Income tax benefit	(597)	(418)	(559)
Net stock-based compensation effect on net income	\$ 880	\$ 614	\$ 875
Amounts capitalized for stock-based compensation	\$ 261	\$ 182	\$ 229

7. Cost and Fair Value Basis of Long-Term Debt

Cost of Long-Term Debt

The issuance of first mortgage debt, including secured medium-term notes (MTNs), under the Mortgage and Deed of Trust (Mortgage) is limited by eligible property, adjusted net earnings and other provisions of the Mortgage. The Mortgage constitutes a first mortgage lien on substantially all of our utility property. In addition, our Gill Ranch subsidiary senior secured notes are secured by all of the membership interests in Gill Ranch Storage, LLC as well as Gill Ranch's debt service reserve account.

The maturities on the long-term debt outstanding for each of the 12-month periods through December 31, 2016 amount to: \$40 million in 2012; none in 2013; \$60 million in 2014; \$40 million in 2015; and \$65 million in 2016.

<u>Thousands</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Utility Medium-Term Notes:</u>			
First Mortgage Bonds:			
4.11 % Series B due 2010	\$ -	\$ -	\$ 10,000
7.45 % Series B due 2010	-	-	25,000
6.665% Series B due 2011	-	10,000	10,000
7.13 % Series B due 2012	40,000	40,000	40,000
8.26 % Series B due 2014	10,000	10,000	10,000
3.95 % Series B due 2014	50,000	50,000	50,000
4.70 % Series B due 2015	40,000	40,000	40,000
5.15 % Series B due 2016	25,000	25,000	25,000
7.00 % Series B due 2017	40,000	40,000	40,000
6.60 % Series B due 2018	22,000	22,000	22,000
8.31 % Series B due 2019	10,000	10,000	10,000
7.63 % Series B due 2019	20,000	20,000	20,000
5.37 % Series B due 2020	75,000	75,000	75,000
9.05 % Series A due 2021	10,000	10,000	10,000
3.176 % Series A due 2021	50,000	-	-
5.62 % Series B due 2023	40,000	40,000	40,000
7.72 % Series B due 2025	20,000	20,000	20,000
6.52 % Series B due 2025	10,000	10,000	10,000
7.05 % Series B due 2026	20,000	20,000	20,000
7.00 % Series B due 2027	20,000	20,000	20,000
6.65 % Series B due 2027	19,700	19,700	19,700
6.65 % Series B due 2028	10,000	10,000	10,000
7.74 % Series B due 2030	20,000	20,000	20,000
7.85 % Series B due 2030	10,000	10,000	10,000
5.82 % Series B due 2032	30,000	30,000	30,000
5.66 % Series B due 2033	40,000	40,000	40,000
5.25 % Series B due 2035	10,000	10,000	10,000
	<u>641,700</u>	<u>601,700</u>	<u>636,700</u>
<u>Subsidiary Senior Secured Notes:</u>			
Gill Ranch Notes due 2016 ⁽¹⁾	40,000	-	-
	<u>681,700</u>	<u>601,700</u>	<u>636,700</u>
Less current maturities of long-term debt	40,000	10,000	35,000
Total long-term debt	<u>\$ 641,700</u>	<u>\$ 591,700</u>	<u>\$ 601,700</u>

⁽¹⁾ In November 2011, Gill Ranch issued senior secured notes consisting of \$20 million of fixed rate notes with an interest rate of 7.75 percent and \$20 million of variable interest rate notes with an interest rate of LIBOR plus 5.50, or a minimum of 7.00 percent. Currently, the variable interest rate is 7.00 percent.

Utility Medium-Term Notes

In March 2009, the utility issued \$75 million of 5.37 percent secured MTNs due February 1, 2020, and in July 2009 issued another \$50 million of 3.95 percent secured MTNs due July 15, 2014. The utility also issued \$50 million of MTNs in September 2011 with an interest rate of 3.176 percent and a maturity date of September 15, 2021.

Subsidiary Senior Secured Notes

In November 2011, Gill Ranch issued \$40 million of subsidiary senior secured notes with an interest rate of 7.75 percent on the fixed portion and a 7.00 percent interest rate currently on the variable portion. The notes are secured by all of the membership interests in Gill Ranch Storage, LLC, and are nonrecourse notes to NW Natural. The maturity date of these notes is November 30, 2016.

Under the note agreements, Gill Ranch is subject to certain covenants and restrictions, including but not limited to, a financial covenant that requires Gill Ranch to maintain minimum adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) at various levels over the term of the notes. The minimum adjusted EBITDA increases incrementally over the first few years, reaching its highest level in the 12-month period beginning April 1, 2015. Under the note agreements, Gill Ranch is also subject to a debt service reserve requirement of 10 percent of the outstanding principal amount, initially \$4 million, certain prepayment penalties, restrictions on dividends out of Gill Ranch unless certain earnings ratios are met, and restrictions on incurrence of additional debt.

Fair Value of Long-Term Debt

The following table provides an estimate of the fair value of our long-term debt including current maturities of long-term debt, using market prices in effect on the valuation date. Because our debt outstanding does not trade in active markets, we used interest rates for outstanding debt issues that actively trade and have similar characteristics such as size, credit ratings, financial terms and remaining maturities to estimate fair value for our long-term debt issues.

Thousands	December 31,	
	2011	2010
Carrying amount	\$ 681,700	\$ 601,700
Estimated fair value	\$ 808,724	\$ 690,126

8. Short-term Debt and Credit Facilities

Our primary source of short-term funds is from the sale of commercial paper and bank loans. In addition to issuing commercial paper or bank loans to meet seasonal working capital requirements, short-term debt is used temporarily to fund capital requirements. Commercial paper and bank loans are periodically refinanced through the sale of long-term debt or equity securities. Our commercial paper program is supported by one or more committed credit facilities. At December 31, 2011 and 2010, the amounts and average interest rates of commercial paper debt outstanding were \$141.6 million at 0.3 percent and \$257.4 million at 0.4 percent, respectively. There were no bank loans outstanding at December 31, 2011 or 2010.

At NW Natural, we have a multi-year \$250 million syndicated credit agreement, pursuant to which we may extend commitments for additional one-year periods subject to lender approval. We extended commitments under this syndicated agreement to May 31, 2013. The syndicated agreement allows us to request increases in the total commitment amount from time to time, up to a maximum amount of \$400 million, and to replace any lenders who decline to extend the terms of the agreement. The syndicated agreement also permits the issuance of letters of credit in an aggregate amount up to the applicable total borrowing commitment. Any principal and unpaid interest owed on borrowings under the syndicated agreement are due and payable on or before the expiration date. There were no outstanding balances under the syndicated credit agreement and no letters of credit issued or outstanding at December 31, 2011 and 2010.

The syndicated credit agreement requires that we maintain credit ratings with Standard & Poor's (S&P) and Moody's Investors Service, Inc. (Moody's) and notify the lenders of any change in our senior unsecured debt ratings by such rating agencies. A change in our debt ratings is not an event of default, nor is the maintenance of a specific minimum level of debt rating a condition of drawing upon the credit facility. However, interest rates on any loans outstanding under the credit facility are tied to debt ratings, which would increase or decrease the cost of any loans under the credit facility when ratings are changed. There were no changes in our credit ratings during 2011.

The syndicated credit agreement also requires us to maintain a consolidated indebtedness to total capitalization ratio of 70 percent or less. Failure to comply with this covenant would entitle the lenders to terminate their lending commitments and accelerate the maturity of all amounts outstanding. We were in compliance with this covenant at December 31, 2011 and 2010.

9. Pension and Other Postretirement Benefits

We maintain two qualified non-contributory defined benefit pension plans covering a majority of our regular NW Natural employees with more than one year of service, several non-qualified supplemental pension plans for eligible executive officers and certain key employees and other postretirement employee benefit plans. We also have a qualified defined contribution plan (Retirement K Savings Plan) for all eligible employees. Only the two qualified defined benefit pension plans and Retirement K Savings Plan have plan assets, which are held in a qualified trust to fund retirement benefits. Effective January 1, 2007 and 2010, the qualified defined benefit retirement plans and postretirement benefits for non-union employees and for union employees, respectively, were closed to new participants. These plans were not available to employees of our NW Natural subsidiaries. Non-union and union employees hired or re-hired after December 31, 2006 and 2009, respectively, and employees of NW Natural subsidiaries are provided an enhanced Retirement K Savings Plan benefit. Also, effective January 1, 2007, the postretirement Welfare Benefit Plan for Non-Bargaining Unit Employees was closed to new participants after December 31, 2006.

The following table provides a reconciliation of the changes in benefit obligations and fair value of plan assets, as applicable, for the pension and other postretirement benefit plans, excluding the Retirement K Savings Plan, for the years ended December 31, 2011, 2010, and 2009, and a summary of the funded status and amounts recognized in the consolidated balance sheets using measurement dates as of December 31, 2011, 2010 and 2009:

Thousands	Postretirement Benefit Plans					
	Pension Benefits			Other Benefits		
	2011	2010	2009	2011	2010	2009
Reconciliation of change in benefit obligation:						
Obligation at January 1	\$ 339,338	\$ 307,991	\$ 281,127	\$ 27,676	\$ 24,741	\$ 23,863
Service cost	7,122	6,688	6,402	614	588	522
Interest cost	18,134	18,029	17,948	1,404	1,436	1,568
Net actuarial (gain) or loss	44,802	25,275	23,584	2,225	2,387	216
Benefits paid	(18,269)	(18,645)	(17,149)	(1,870)	(1,476)	(1,428)
Plan amendments	-	-	(3,921)	-	-	-
Obligation at December 31	<u>\$ 391,127</u>	<u>\$ 339,338</u>	<u>\$ 307,991</u>	<u>\$ 30,049</u>	<u>\$ 27,676</u>	<u>\$ 24,741</u>
Reconciliation of change in plan assets:						
Fair value of plan assets at January 1	\$ 219,014	\$ 201,312	\$ 163,115	\$ -	\$ -	\$ -
Actual return on plan assets	(6,684)	24,651	28,641	-	-	-
Employer contributions	21,909	11,696	26,705	1,870	1,476	1,428
Benefits paid	(18,269)	(18,645)	(17,149)	(1,870)	(1,476)	(1,428)
Fair value of plan assets at December 31	<u>\$ 215,970</u>	<u>\$ 219,014</u>	<u>\$ 201,312</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funded status at December 31	\$ (175,157)	\$ (120,324)	\$ (106,679)	\$ (30,049)	\$ (27,676)	\$ (24,741)

Our qualified defined benefit pension plans had an aggregate projected benefit obligation of \$362.9 million, \$314.5 million and \$285.2 million at December 31, 2011, 2010, and 2009, respectively, and the fair value of plan assets was \$216.0 million, \$219.0 million and \$201.3 million, respectively. Changes in certain pension assumptions impact our projected benefit obligations. Benefit obligations at December 31, 2011 increased \$40.3 million due to decreases in our discount rate assumptions and increased by \$0.9 million due to changes in other assumptions. The projected benefit

obligations at December 31, 2010 increased \$17.9 million over the prior year due to decreases in our discount rate assumptions and increased by \$6.5 million due to changes in other assumptions.

The following table provides amounts amortized from accumulated other comprehensive income (AOCI) or regulatory assets to net periodic benefit cost during 2011, 2010, and 2009:

Thousands	Regulatory Asset Amortization						AOCI Amortization		
	Pension Benefits			Other Postretirement Benefits			Pension Benefits		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
Net periodic benefit costs:									
Actuarial loss	\$ 10,731	\$ 6,740	\$ 6,189	\$ 289	\$ 131	\$ 17	\$ 854	\$ 707	\$ 449
Prior service cost	230	230	1,260	197	197	197	122	(43)	(37)
Transition obligation	-	-	-	411	411	411	-	-	-
Total	<u>\$ 10,961</u>	<u>\$ 6,970</u>	<u>\$ 7,449</u>	<u>\$ 897</u>	<u>\$ 739</u>	<u>\$ 625</u>	<u>\$ 976</u>	<u>\$ 664</u>	<u>\$ 412</u>

In 2012, an estimated \$15.5 million will be amortized from regulatory assets to net periodic benefit costs, consisting of \$14.7 million of actuarial losses, \$0.4 million of prior service costs and \$0.4 million of transition obligations, and \$1.0 million will be amortized from AOCI to earnings related to actuarial losses.

Our assumed discount rate was determined independently for each pension plan and other postretirement benefit plan based on the Citigroup Above Median Curve (discount rate curve) using high quality bonds (i.e. rated AA- or higher by S&P or Aa3 or higher by Moody's). The discount rate curve was then applied to match the estimated cash flows in each plan to reflect the timing and amount of expected future benefit payments for these plans.

The assumption for expected long-term rate of return on plan assets was developed as a weighted average of the expected earnings for the target asset portfolio. In developing the expected long-term rate of return assumption, consideration was given to the historical performance of each asset class in which the plans' assets are invested and the target asset allocation for plan assets.

Our investment strategy and policies for the qualified pension plan assets held in the Retirement Trust Fund were approved by our retirement committee, which is composed of senior management employees with the assistance of an investment consultant. The policies set forth the guidelines and objectives governing the investment of plan assets. Plan assets are invested for total return with appropriate consideration for liquidity and portfolio risk. All investments are expected to satisfy the requirements of the rule of prudent investments as set forth under the Employee Retirement Income Security Act of 1974. The approved asset classes include cash and short-term investments, fixed income, common stock and convertible securities, absolute and real return strategies, real estate and investments in our common stock. Plan assets may be invested in separately managed accounts or in commingled or mutual funds. Investment re-balancing takes place periodically as needed, or when significant cash flows occur, in order to maintain the allocation of assets within the stated target ranges. Our expected long-term rate of return is based upon historical index returns by asset class, adjusted by a factor based on our historical return experience, diversified asset allocation and active portfolio management by professional investment managers. The Retirement Trust Fund is not currently invested in any NW Natural securities.

The following is our pension plan asset target allocation at December 31, 2011:

Asset Category	Target Allocation
U.S. large cap equity	15.0%
U.S. small/mid cap equity	10.0%
Non-U.S. equity	14.5%
Emerging markets equity	3.5%
Long government/credit	24.0%
High yield	5.0%
Emerging market debt	5.0%
Real estate funds	5.8%
Absolute return strategy	12.0%
Real return strategy	5.2%

Our non-qualified supplemental defined benefit pension benefit obligations were \$28.2 million, \$24.9 million and \$22.8 million at December 31, 2011, 2010 and 2009, respectively. These plans are not subject to regulatory deferral and the changes in actuarial gains and losses, prior service costs and transition assets or obligations are recognized in AOCI under common stock equity, net of tax, until they are amortized as a component of net periodic benefit cost. Although these are unfunded plans with no plan assets due to their nature as non-qualified plans, we indirectly fund a portion of our obligations with company- and trust-owned life insurance.

Our plans for providing postretirement benefits other than pensions also are unfunded plans, but are subject to regulatory deferral. The gains and losses, prior service costs and transition assets or obligations for these plans were recognized as a regulatory asset.

Net periodic benefit cost consists of service costs, interest costs, the amortization of actuarial gains and losses, the expected returns on plan assets and, in part, on a market-related valuation of assets. The market-related valuation reflects differences between expected returns and actual investment returns, which are recognized over a three-year period or less from the year in which they occur, thereby reducing year-to-year net periodic benefit cost volatility.

The following tables provide the components of net periodic benefit cost for the qualified and non-qualified pension and other postretirement benefit plans for the years ended December 31, 2011, 2010 and 2009 and the assumptions used in measuring these costs and benefit obligations:

Thousands	Pension Benefits			Other Postretirement Benefits		
	2011	2010	2009	2011	2010	2009
Service cost	\$ 7,122	\$ 6,688	\$ 6,402	\$ 614	\$ 588	\$ 522
Interest cost	18,134	18,029	17,948	1,404	1,436	1,568
Expected return on plan assets	(17,867)	(18,207)	(15,696)	-	-	-
Amortization of transition obligations	-	-	-	411	411	411
Amortization of prior service costs	352	187	1,223	197	197	197
Amortization of net actuarial loss	11,584	7,447	6,810	289	131	-
Net periodic benefit cost	19,325	14,144	16,687	2,915	2,763	2,698
Amount allocated to construction	(4,905)	(3,729)	(4,636)	(878)	(904)	(858)
Amount deferred to regulatory balancing account	(6,008)	-	-	-	-	-
Net amount charged to expense	\$ 8,412	\$ 10,415	\$ 12,051	\$ 2,037	\$ 1,859	\$ 1,840

	Pension Benefits			Other Postretirement Benefits		
	2011	2010	2009	2011	2010	2009
<u>Assumptions for net periodic benefit cost:</u>						
Weighted-average discount rate	5.49%	6.01%	6.60%	5.16%	5.78%	7.12%
Rate of increase in compensation	3.25-5.0%	3.25-5.0%	3.25-5.0%	n/a	n/a	n/a
Expected long-term rate of return	8.25%	8.25%	8.25%	n/a	n/a	n/a
<u>Assumptions for funded status:</u>						
Weighted-average discount rate	4.51%	5.49%	6.01%	4.33%	5.16%	5.78%
Rate of increase in compensation	3.25-5.0%	3.25-5.0%	3.25-5.0%	n/a	n/a	n/a
Expected long-term rate of return	8.00%	8.25%	8.25%	n/a	n/a	n/a

The assumed annual increase in health care cost trend rates used in measuring other postretirement benefits as of December 31, 2011 were 8.0 percent for medical and 10.0 percent for prescription drugs. Medical costs and prescription drugs are assumed to decrease gradually each year to a rate of 5.0 percent by 2021.

Assumed health care cost trend rates can have a significant effect on the amounts reported for the health care plans. A one percentage point change in assumed health care cost trend rates would have the following effects:

Thousands	1% Increase	1% Decrease
Effect on net periodic postretirement health care benefit cost	\$ 67	\$ (60)
Effect on the accumulated postretirement benefit obligation	\$ 678	\$ (613)

The impact of a change in retirement benefit costs on operating results would be less than the amounts shown above because 30 to 40 percent of these amounts would be capitalized to construction accounts as payroll overhead and included in utility plant, and a certain amount of increases or decreases could be recorded to the regulatory balancing account for pensions, with the remaining amount recognized in current earnings.

The following table provides information regarding employer contributions and benefit payments for the two qualified pension plans, non-qualified pension plans and other postretirement benefit plans for the years ended December 31, 2011 and 2010, and estimated future contributions and payments:

Thousands

<u>Employer Contributions</u>	<u>Pension Benefits</u>	<u>Other Benefits</u>
2010	\$ 12,088	\$ 1,476
2011	22,325	1,870
2012 (estimated)	30,109	2,056
<u>Benefit Payments</u>		
2009	17,149	1,428
2010	18,645	1,476
2011	18,269	1,870
<u>Estimated Future Payments</u>		
2012	19,374	2,056
2013	19,620	2,083
2014	20,107	2,138
2015	20,640	2,149
2016	21,284	2,198
2017-2021	122,680	11,298

We make contributions to our qualified defined benefit pension plans based on actuarial assumptions and estimates, tax regulations and funding requirements under federal law. The Pension Protection Act of 2006 (the Act) established new funding requirements for defined benefit plans. The Act establishes a 100 percent funding target over seven years for plan years beginning after December 31, 2008. Our qualified defined benefit pension plans are currently underfunded by \$146.9 million at December 31, 2011, and we expect to make contributions during 2012 of approximately \$28 million.

The Retirement K Savings Plan provided to our employees is a qualified defined contribution plan under Internal Revenue Code Section 401(k). Our contributions to this plan totaled \$2.4 million 2011 and \$2.1 million in 2010 and 2009. The Retirement K Savings Plan includes an Employee Stock Ownership Plan.

The supplemental deferred compensation plans for eligible officers and senior managers are non-qualified plans. These plans are designed to enhance the retirement savings of employees and to assist them in strengthening their financial security by providing an incentive to save and invest regularly.

In addition to the company-sponsored defined benefit plans referred to above, we contribute to a multiemployer pension plan for our bargaining unit employees known as the Western States Office and Professional Employees International Union Pension Fund (Western States Plan) in accordance with our collective bargaining agreement. The employer identification number of the plan is 94-6076144. The cost of this plan is in addition to pension expense in the table above. The Western States Plan is managed by a board of trustees that includes equal representation from participating employers and labor unions. Contribution rates are established by collective bargaining agreements, and benefit levels are set by the board of trustees based on the advice of an independent actuary regarding the level of benefits that agreed-upon contributions are expected to support. The Western States Plan has reported an accumulated funding deficit for the current plan year and remains in critical status. A plan is considered to be in critical status if its funded status is 65 percent or less. Federal law requires pension plans in critical status to adopt a rehabilitation plan designed to restore the financial health of the plan. Rehabilitation plans may specify benefit reductions, contribution surcharges, or a combination of the two. The Western States Plan trustees adopted a rehabilitation plan that reduced benefit accrual rates and adjustable benefits for active employee participants and increased future employer contribution rates. These changes are expected to improve the funded status of the plan. Our contributions to the Western States Plan amounted to \$0.4 million in 2011, 2010 and 2009 which is greater than 5 percent of the total contributions to the plan by all participants.

This amount includes the 10 percent contribution surcharge. Contribution surcharges above the current 10 percent rate will be assessed to employer participants, but these higher surcharges will not go into effect for NW Natural until its next collective bargaining agreement, which is expected to be no earlier than June 1, 2014. Under the terms of our current collective bargaining agreement, which became effective in July 2009, we can withdraw from the Western States Plan at any time. However, if we withdraw and the plan is underfunded, we could be assessed a withdrawal liability. In accordance with accounting rules for multiemployer plans, we have not currently recognized these potential withdrawal liabilities on the balance sheet. Currently, we have no intent to withdraw from the plan, so we have not recorded a withdrawal liability.

Fair Value

Following is a description of the valuation methodologies used for assets measured at fair value. In cases where the pension plan is invested through a collective trust fund or mutual fund, our custodian uses the fund's market value. The custodian also provides the market values for investments directly owned.

U.S. large cap equity: These are level 1 assets valued at the closing price reported on the active market on which the individual security is traded. This asset class includes investments primarily in U.S. common stocks.

U.S. small/mid cap equity: These are level 2 assets valued based on information provided by the plan's investment custodians. The financial statements of the commingled fund are audited annually by independent accountants. Values for such funds are stated at estimated fair values, which have been determined based on the unit values of the funds. Unit values are determined by the bank sponsoring such funds by dividing the fund's net assets at fair value by its units outstanding at the valuation date. This asset class includes investments primarily in U.S. common stocks.

Non-U.S. equity: These are level 1 and 2 assets. Level 1 assets are valued at the closing price reported on the active market on which the individual security is traded. Level 2 assets are valued based on information provided by the plan's investment custodians. The financial statements of the commingled fund are audited annually by independent accountants. Values for such funds are stated at estimated fair values, which have been determined based on the unit values of the funds. Unit values are determined by the bank sponsoring such funds by dividing the fund's net assets at fair value by its units outstanding at the valuation date. This asset class includes investments primarily in foreign equity common stocks.

Emerging market equity: These are level 1 assets valued at the net asset value of the shares held by the plan at the valuation date. This asset class includes investments primarily in common stocks in emerging markets.

Fixed income: These are level 1 assets valued at the net asset value of the shares held by the plan at the valuation date. This asset class includes investments primarily in investment grade debt and fixed income securities.

Long Government/Credit: These are level 2 assets whose values are determined by closing values if available and by matrix pricing for illiquid securities. This asset class includes long duration fixed income investments primarily in U.S. treasuries, U.S. government agencies, municipal securities, mortgage-backed securities, asset-backed securities, as well as U.S. and international investment-grade corporate bonds.

Real estate funds: These are level 3 assets valued based on the interest held by the plan, for which fair values of the underlying investments are subject to appraisal as directed by the funds' management. This asset class includes a real estate fund that invests directly in real estate. The underlying properties held in the funds are appraised utilizing the following approaches: the cost approach (the current cost of replacing the real estate less deterioration and functional and economic obsolescence); the income approach (the ability of the underlying properties to generate net rental income); and the comparable sales approach (recent sales of comparable real estate in the same market). The plan's ability to redeem these investments is subject to certain restrictions and cash availability.

Absolute return strategy: These are level 2 assets valued based on information provided by the plan's investment custodians. The financial statements of the partnerships are audited annually by independent accountants, with the value of the underlying investments based on the estimated fair value of the various holdings in the portfolio as

reported in the financial statements at net asset value. This asset class includes a hedge fund. Our investment normally provides for a quarterly distribution subject to 95 days advance notice of withdrawal. Currently there are no restrictions on withdrawal requests, and as of December 31, 2011 we have not submitted a withdrawal request.

Real return strategy: These are level 1 assets valued at the net asset value of the shares held by the plan at the valuation date. This asset class includes an investment in a broad range of assets and strategies primarily including fixed income and equity securities, along with commodities.

Cash and cash equivalents: These are level 2 assets valued at the net asset value of the shares held by the plan at the valuation date. This asset class primarily includes a money market mutual fund.

The preceding valuation methods may produce a fair value calculation that is not indicative of net realizable value or reflective of future fair values. Furthermore, although we believe these valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investment securities are exposed to various financial risks including interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of our investment securities will occur in the near term and that such changes could materially affect our investment account balances and the amounts reported as plan assets available for benefits payments.

The following table presents the fair value of plan assets, including outstanding receivables and liabilities, of the Retirement Trust Fund as of December 31, 2011 and 2010:

<u>Investments, in thousands</u>	December 31, 2011			
	Level 1	Level 2	Level 3	Total
U.S. large cap equity	\$ 36,236	\$ -	\$ -	\$ 36,236
U.S. small/mid cap equity	-	27,310	-	27,310
Non-U.S. equity	22,158	11,587	-	33,745
Emerging markets equity	10,208	-	-	10,208
Fixed income	19,121	-	-	19,121
Long government/credit	-	18,897	-	18,897
Real estate funds	-	-	15,317	15,317
Absolute return strategy	-	30,475	-	30,475
Real return strategy	15,475	-	-	15,475
Cash and cash equivalents	-	9,290	-	9,290
Total investments	<u>\$ 103,198</u>	<u>\$ 97,559</u>	<u>\$ 15,317</u>	<u>\$ 216,074</u>

<u>Investments, in thousands</u>	December 31, 2010			
	Level 1	Level 2	Level 3	Total
U.S. large cap equity	\$ 37,231	\$ -	\$ -	\$ 37,231
U.S. small/mid cap equity	-	27,864	-	27,864
Non-U.S. equity	24,630	14,549	-	39,179
Emerging markets equity	11,476	-	-	11,476
Fixed income	36,429	-	-	36,429
Real estate funds	-	-	14,721	14,721
Absolute return strategy	-	32,378	-	32,378
Real return strategy	15,452	-	-	15,452
Cash and cash equivalents	-	3,629	-	3,629
Total investments	<u>\$ 125,218</u>	<u>\$ 78,420</u>	<u>\$ 14,721</u>	<u>\$ 218,359</u>

<u>Receivables</u>	December 31,	
	2011	2010
Accrued interest and dividend income	\$ 414	\$ 249
Due from broker for securities sold	321	448
Total receivables	<u>\$ 735</u>	<u>\$ 697</u>

<u>Liabilities</u>	December 31,	
	2011	2010
Due to broker for securities purchased	\$ 839	\$ 42
Total investment in retirement trust	<u>\$ 215,970</u>	<u>\$ 219,014</u>

Level 3 Investments

The following table presents the beginning balance, activity and ending balance of Level 3 investments that have their fair values established using significant unobservable inputs as of December 31, 2011:

Thousands	Level 3 Assets Real estate Funds
January 1, 2011 balance	\$ 14,721
Total gains or (losses):	
Included in earnings (or changes in net assets)	596
December 31, 2011 balance	<u>\$ 15,317</u>

10. Income Tax

A reconciliation between income taxes calculated at the statutory federal tax rate and the provision for income taxes reflected in the consolidated financial statements is as follows:

Thousands, except percentages	2011	2010	2009
Income taxes at federal statutory rate	\$ 37,550	\$ 42,745	\$ 42,627
Increase (decrease):			
Current state income tax, net of federal tax benefit	4,945	5,803	5,568
Amortization of investment and energy tax credits	(442)	(525)	(593)
Differences required to be flowed-through by regulatory commissions	1,647	1,647	(116)
Gains on company and trust-owned life insurance	(786)	(715)	(1,195)
Other - net	468	507	380
Total provision for income taxes	<u>\$ 43,382</u>	<u>\$ 49,462</u>	<u>\$ 46,671</u>
Effective tax rate	<u>40.4%</u>	<u>40.5%</u>	<u>38.3%</u>

The provision (benefit) for current and deferred income taxes consists of the following:

Thousands	2011	2010	2009
Current			
Federal	\$ 130	\$ (28,592)	\$ 6,221
State	(929)	1,441	2,300
	<u>(799)</u>	<u>(27,151)</u>	<u>8,521</u>
Deferred			
Federal	35,481	69,159	31,937
State	8,700	7,454	6,213
	<u>44,181</u>	<u>76,613</u>	<u>38,150</u>
Total provision for income taxes	<u>\$ 43,382</u>	<u>\$ 49,462</u>	<u>\$ 46,671</u>
Total income taxes paid	<u>\$ 1,756</u>	<u>\$ 22,600</u>	<u>\$ 10,000</u>

The following table summarizes the total provision (benefit) for income taxes for the regulated utility and non-utility business segments for the three years ended December 31:

Thousands	2011	2010	2009
Regulated utility:			
Current	\$ (4,646)	\$ (1,464)	\$ 871
Deferred	50,152	47,741	40,829
Deferred investment and energy tax credits	(422)	(525)	(593)
	<u>45,084</u>	<u>45,752</u>	<u>41,107</u>
Non-utility business segments:			
Current	3,846	(25,687)	7,650
Deferred	(5,548)	29,397	(2,086)
	<u>(1,702)</u>	<u>3,710</u>	<u>5,564</u>
Total provision for income taxes	<u>\$ 43,382</u>	<u>\$ 49,462</u>	<u>\$ 46,671</u>

The following table summarizes the tax effect of significant items comprising our deferred income tax accounts for the two years ended December 31:

Thousands	2011	2010
Deferred tax liabilities:		
Plant and property	\$ 292,235	\$ 255,471
Regulatory adjustment for income taxes paid	2,106	5,272
Regulatory income tax assets	65,755	68,822
Regulatory liabilities	35,638	23,159
Non-regulated deferred tax liabilities	43,373	34,544
Total	<u>\$ 439,107</u>	<u>\$ 387,268</u>
Deferred tax assets:		
Regulatory assets	(4,727)	(1,402)
Unfunded pension and postretirement obligations	(5,119)	(4,342)
Non-regulated deferred tax assets	(1,161)	(772)
Alternative minimum tax credit carryforward	(1,626)	(1,702)
Loss and credit carryforwards	(14,255)	(7,071)
Total	<u>(26,888)</u>	<u>(15,289)</u>
Deferred income tax liabilities - net	412,219	371,979
Deferred investment tax credits	990	1,430
Deferred income taxes and investment tax credits	<u>\$ 413,209</u>	<u>\$ 373,409</u>

We have determined that we are more likely than not to realize all recorded deferred tax assets as of December 31, 2011.

We calculate our deferred tax assets and liabilities according to accounting guidance on income taxes, whereby deferred income taxes are generally determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. Deferred tax provisions are not recorded in the income statement for certain temporary differences where regulators require that we flow through deferred income tax benefits or expenses in the utility ratemaking process.

In September 2010, Congress passed the Unemployment Insurance, Reauthorization and Job Creation Act of 2010 (the Act) and the legislation was signed into law by President Obama. The Act extended for one year the temporary bonus depreciation rules first enacted in the Economic Stimulus Act of 2008 and subsequently renewed in the American Recovery and Reinvestment Act of 2009. Under the bonus depreciation provision, an additional first-year tax deduction was allowed for depreciation equal to 50 percent of the adjusted basis of qualified property through September 8, 2010, in the year the property was placed in service, with the remaining percentage recovered under the normal depreciation rules. In addition, on December 17, 2010, President Barack Obama signed into law the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (Tax Relief Act), which allows 100 percent bonus depreciation for qualified property placed in service between September 9, 2010 through December 31, 2011. It also extended the 50% bonus depreciation deduction to qualifying property placed in service through 2012.

In 2011 the Company received a tax refund of \$14.4 million for tax year 2010. In addition, the company carried back a portion of its 2010 net operating loss to tax year 2009 and received a refund of \$22.3 million. In 2011 we filed an amended federal income tax return for 2009, primarily to report a deduction for repairs expense consistent with a change in accounting method approved by the IRS and in conformity with the deduction allowed by the IRS in its examination of years 2006-2008. The Company then amended its net operating loss carryback to tax year 2009. The result of the amended federal tax return for tax year 2009 and the amended net operating loss carryback is a federal income tax refund receivable of \$3.5 million at December 31, 2011. The company estimates that it has a consolidated net operating loss carryforward to 2012 of \$33.7 million. The net operating loss carryforward will be carried forward to reduce our current tax liability in future years. We anticipate that we will be able to utilize the entire net operating loss carryforward before its expiration in twenty years.

For the year ended December 31, 2010, we reported taxable income for Oregon purposes due to lack of federal-state conformity with respect to the accelerated depreciation effects cited above. The Company recorded a current receivable of \$3.5 million to reflect the excess of payments applied to year 2010 over the amount owed. The Company received this refund in the first quarter of 2012. As of January 1, 2011, Oregon conformed to federal rules including bonus depreciation. As a result, we anticipate generating an NOL for state purposes in 2011. Oregon does not allow NOL carrybacks, but allows NOLs to be carried forward for fifteen years. We expect to fully utilize the estimated NOL generated in 2011.

Uncertain tax positions are accounted for in accordance with accounting standards that require management's assessment of the expected treatment of a tax position taken in a filed tax return, or planned to be taken in a future tax return, that has not been reflected in measuring income tax expense for financial reporting purposes. Until such positions are sustained by the taxing authorities, we would not recognize the tax benefits resulting from such positions and would report the tax effect as a liability in the Company's consolidated balance sheet. As of December 31, 2011, we had no uncertain tax positions.

The IRS completed its examination of the 2006 through 2008 tax years in 2011. The examination resulted in payments of \$1.5 million of tax and \$0.2 million of interest. The Oregon Department of Revenue (ODOR) completed its field examination of our 2006 through 2009 consolidated Oregon income tax returns and issued preliminary assessments. If sustained by the ODOR, these assessments would result in an additional state tax liability of approximately \$0.8 million, including interest and penalties. The Company is engaged in discussions with ODOR to resolve these issues; however, uncertainty exists with respect to the outcome of the audit as a result of information not yet fully considered by the ODOR. Resolution is expected to be reached within the next 12 months, and we have determined that it is more-likely-than-not that we will prevail on these issues. As such, no amounts have been recorded in our financial statements as of December 31, 2011 related to this matter.

Interest and penalties related to any future income tax deficiencies are recorded within income tax expense in the consolidated statements of income.

11. Property, Plant and Equipment

The following table sets forth the major classifications of our property, plant and equipment and accumulated depreciation at December 31:

Thousands	2011	2010
Utility plant in service	\$ 2,323,467	\$ 2,247,952
Utility construction work in progress	36,051	29,324
Less accumulated depreciation	749,603	710,214
Utility plant-net	1,609,915	1,567,062
Non-utility plant in service	293,205	290,038
Non-utility construction work in progress	8,379	9,088
Less accumulated depreciation	17,623	12,025
Non-utility plant-net	283,961	287,101
Total property plant and equipment	\$ 1,893,876	\$ 1,854,163

The weighted average depreciation rate for utility assets was 2.8 percent in 2011 and 2010. The weighted average depreciation rate for non-utility assets was 2.2 percent in 2011 and 2.5 percent in 2010.

Accumulated depreciation does not include the accumulated provision for asset removal costs of \$267.4 million and \$252.9 million at December 31, 2011 and 2010, respectively. These accrued asset removal costs are reflected on the balance sheets as regulatory liabilities (see Note 2, "Plant, Property and Accrued Asset Removal Costs").

12. Gas Reserves and Other Investments

Our gas reserves are stated at cost, net of regulatory amortization, with the associated deferred tax benefits recorded as liabilities on the balance sheet. Other investments include financial investments in life insurance policies, which are accounted for at fair value, and equity investments in certain partnerships and limited liability companies, which are accounted for under the equity or cost methods. The following table summarizes our other investments at December 31:

Thousands	2011	2010
Investments in life insurance policies	\$ 51,911	\$ 51,090
Investments in gas pipeline joint ventures	14,340	15,742
Other	2,012	2,262
Total other investments	\$ 68,263	\$ 69,094

Gas Reserves

We entered into an agreement with Encana to develop physical gas reserves that are expected to supply a portion of NW Natural's utility customers' requirements over the next 30 years. The volume of gas produced and allocated to NW Natural under the agreement will increase in the early years as we continue to invest in drilling, with volumes expected to peak at about 13 percent of our utility's gas supply requirement in gas year 2015-2016. Over the first 10 years of the agreement (2011-2020), volumes are expected to average approximately 8 to 10 percent of the annual gas purchase requirements of our utility customers. Under the agreement, we expect to invest approximately \$45 million to \$55 million per year for five years, and our total investment is expected to be approximately \$250 million.

Upon reviewing the transaction, the OPUC determined that our Company's costs under the agreement will be recovered on an ongoing basis through its annual PGA mechanism, including the regulatory deferral and incentive sharing

process for the commodity cost of gas. Annually, a forecast will be established for the amounts related to costs and volumes expected, and any variances between forecasted and actual will be subject to the PGA incentive sharing in Oregon, up to a maximum variance of \$10 million of which 10 percent (or \$1 million maximum) would be recognized in current income. Variances in excess of \$10 million, both negative and positive, will be deferred and passed through to customers in future rates at 100 percent. As part of the decision by the OPUC, we agreed to file a general rate case in Oregon no later than December 31, 2011.

Encana began drilling in May 2011 under the agreements referred to above, and we are currently receiving gas from our interests in a section of the gas field. In 2011, volumes from gas reserves were less than one percent of our total gas purchases. Our net investment at December 31, 2011 is \$36.3 million, including deferred tax liabilities totaling \$15.6 million.

Variable Interest Entity (VIE) Analysis. We concluded that the arrangements with Encana qualify as a VIE, but that we are not the primary beneficiary of these activities as defined by the authoritative guidance related to consolidations due to the fact that our interest represents a minor portion of total extraction activities. We account for our investment in this VIE on the cost basis, and it is included under gas reserves on our balance sheet. Our maximum loss exposure related to this VIE is limited to our investment balance.

Palomar

Palomar, a wholly-owned subsidiary of PGH, is pursuing the development of a new gas transmission pipeline that would provide an interconnection with our utility distribution system. PGH is owned 50 percent by NWN Energy and 50 percent by TransCanada American Investments Ltd., an indirect wholly-owned subsidiary of TransCanada Corporation. PGH is a development stage variable interest entity.

Variable Interest Entity (VIE) Analysis. As of December 31, 2011, we updated our VIE analysis and reconfirmed that we are not the primary beneficiary of PGH's activities as defined by the authoritative guidance related to consolidations due to the fact that we have a 50 percent share and there are no stipulations that allow disproportionate influence over the entity. Therefore, we account for our investment in PGH and the Palomar project under the equity method, which is included in other investments on our balance sheet. Our maximum loss exposure related to PGH is limited to our equity investment balance, less our share of any cash or other assets available to us as a 50 percent owner.

Impairment Analysis. Our investments in nonconsolidated entities accounted for under the equity method are reviewed for impairment at each reporting period, and following updates to our corporate planning assumptions. When it is determined that a loss in value is other than temporary, a charge is recognized for the difference between the investment's carrying value and its estimated fair value. Fair value is based on quoted market prices when available, or on the present value of expected future cash flows. Differing assumptions could affect the timing and amount of a charge recorded in any period.

In 2011, our investment in PGH was reviewed for impairment when Palomar withdrew its original application with the FERC for a proposed natural gas pipeline in Oregon. At the same time, Palomar informed FERC that it intended to re-file an application to reflect changes in the project scope, which was expected to eliminate the western portion of the proposed pipeline and align the revised project with the region's current and future gas infrastructure needs. Palomar is working with customers in the Pacific Northwest to further understand their gas transportation needs and determine the commercial support for a revised pipeline proposal. We expect to file a new FERC certificate application to reflect a revised scope based on regional needs.

The evaluation of assets related to the west portion of the Palomar pipeline determined that these costs were impaired, and as a result we recorded a pre-tax charge of \$0.3 million for our share of the project. An evaluation of the assets related to the east portion was also performed in 2011, and a charge of \$1.0 million was recorded. The east segment charge was related to costs that would potentially be outdated and, if so, would need to be redone for the refiled application. Our remaining investment balance in Palomar was \$13.5 million at December 31, 2011, which consists of costs related to the east segment. We also determined that our remaining equity investment was not impaired because the fair value of expected cash flows from planned development of the eastern portion of the pipeline project exceeds our

equity investment. However, if we learn later that the project is not viable or will not go forward, then we could be required to recognize a maximum charge of up to approximately \$13.2 million based on the current amount of our equity investment net of cash and working capital at Palomar. We will continue to monitor and update our impairment analysis as required.

Investment in Life Insurance Policies

We have invested in key person life insurance contracts to provide an indirect funding vehicle for certain long-term employee and director benefit plan liabilities. The amount in the above table is reported as cash surrender value, net of policy loans.

13. Derivative Instruments

We enter into swap, option and combinations of option contracts for the purpose of hedging natural gas. We primarily use these derivative financial instruments to manage commodity prices related to our natural gas purchase requirements. A small portion of our derivative hedging strategy involves foreign currency exchange transactions related to purchases on natural gas from Canadian suppliers.

In the normal course of business, we enter into indexed-price physical forward natural gas commodity purchase (gas supply) contracts to meet the requirements of core utility customers. We also enter into financial derivatives, up to prescribed limits, to hedge price variability related to these physical gas supply contracts. Derivatives entered into prudently for future gas years prior to our annual PGA filing receive regulatory deferred accounting treatment. Derivative contracts entered into after the annual PGA rate is set for the current gas contract year are subject to our PGA incentive sharing mechanism, which, provides for either an 80 or a 90 percent deferral of any gains and losses as regulatory assets or liabilities, with the remaining 10 or 20 percent recognized in current income. All of our commodity hedging for the 2011-12 gas year was completed prior to the start of the gas year, and these hedge prices were included in our PGA filing.

Certain natural gas purchases from Canadian suppliers are payable in Canadian dollars, including both commodity and demand charges, which expose us to adverse changes in foreign currency rates. Foreign currency forward contracts are used to hedge the fluctuation in foreign currency exchange rates for our commodity and commodity-related demand charges paid in Canadian dollars. Foreign currency contracts for commodity costs are purchased on a month-to-month basis because the Canadian cost is priced at the average noon-day exchange rate for each month. Foreign currency contracts for demand costs have terms ranging up to 12 months. The gains and losses on the shorter-term currency contracts for commodity costs are recognized immediately in cost of gas. The gains and losses on the currency contracts for demand charges are not recognized in current income because they are subject to a regulatory deferral tariff and, as such, are recorded as a regulatory asset or liability. The mark-to-market adjustment at December 31, 2011 was an unrealized loss of \$0.2 million. This unrealized gain is subject to regulatory deferral and, as such, was recorded as a derivative instrument, which is offset by recording a corresponding amount to a regulatory liability account.

Derivative hedge contracts are subject to a hedge effectiveness test to determine the financial statement treatment of each specific derivative. As of December 31, 2011, all of our derivatives were effective economic hedges and either qualified or were expected to qualify for regulatory deferral or hedge accounting treatment. The effectiveness test applied to financial derivatives is dependent on the type of derivative and its use. We use the hypothetical derivative method under accounting standards for derivatives and hedging to determine the hedge effectiveness for our interest rate swaps and the dollar offset method for other derivative contracts under accounting standards for derivatives and hedging. All derivatives were effective as of December 31, 2011.

The following table reflects the income statement presentation for the unrealized gains and losses from our derivative instruments for the year ended December 31, 2011 and 2010. All of our currently outstanding derivative instruments are related to regulated utility operations as illustrated by the derivative gains and losses being deferred to balance sheet accounts in accordance with regulatory accounting standards.

Thousands	2011		2010	
	Natural gas commodity ⁽¹⁾	Foreign exchange ⁽²⁾	Natural gas commodity ⁽¹⁾	Foreign exchange ⁽²⁾
Cost of sales	\$ (60,799)	\$ -	\$ (52,677)	\$ -
Other comprehensive income (loss)	-	(201)	-	91
Less:				
Amounts deferred to regulatory accounts on balance sheet	60,799	201	52,677	(91)
Total impact on earnings	\$ -	\$ -	\$ -	\$ -

⁽¹⁾Unrealized gain (loss) from natural gas commodity hedge contracts is recorded in cost of sales and reclassified to regulatory deferral accounts on the balance sheet.

⁽²⁾Unrealized gain (loss) from foreign exchange forward purchase contracts is recorded in other comprehensive income, and reclassified to regulatory deferral accounts on the balance sheet.

No collateral was posted with or by our counterparties as of December 31, 2011 or 2010. We attempt to minimize the potential exposure to collateral calls by counterparties to manage our liquidity risk. Counterparties generally allow a certain credit limit threshold before requiring us to post collateral against loss positions. Given our counterparty credit limits and diversification, we have not been subject to collateral calls in 2010 or 2011. Our collateral call exposure is set forth under credit support agreements, which generally contain credit limits. We could also be subject to collateral call exposure where we have agreed to provide adequate assurance, which is not specific as to the amount of credit limit allowed, but could potentially require additional collateral in the event of a material adverse change. Based upon current contracts outstanding, which reflect unrealized losses of \$63.5 million at December 31, 2011, we have estimated the level of collateral demands, with and without potential adequate assurance calls, using current gas prices and various downgrade credit rating scenarios for NW Natural as follows:

Thousands	(Current Ratings)	Credit Rating Downgrade Scenarios				
		AAA/A3	BBB+/Baa1	BBB/Baa2	BBB-/Baa3	Speculative
With Adequate Assurance Calls	\$ -	\$ -	\$ 2,013	\$ 9,585	\$ 45,869	
Without Adequate Assurance Calls	\$ -	\$ -	\$ 851	\$ 5,923	\$ 37,206	

As of December 31, 2011 and 2010, we realized net losses of \$56.5 million and \$61.0 million, respectively, from the settlement of natural gas hedge contracts at maturity, which were recorded as increases to the cost of gas. The currency exchange rate in all foreign currency forward purchase contracts is included in our purchased cost of gas at settlement; therefore, no gain or loss is recorded from the settlement of those contracts.

We are exposed to derivative credit risk primarily through securing pay-fixed natural gas commodity swaps to hedge the risk of price increases for our natural gas purchases on behalf of customers. We utilize master netting arrangements through International Swaps and Derivatives Association contracts to minimize this risk along with collateral support agreements with counterparties based on their credit ratings. In certain cases we require guarantees or letters of credit from counterparties in order for them to meet our minimum credit requirement standards.

Our financial derivatives policy requires counterparties to have a certain investment-grade credit rating at the time the derivative instrument is entered into, and the policy specifies limits on the contract amount and duration based on each counterparty's credit rating. We do not speculate on derivatives; instead we utilize derivatives to hedge our exposure above risk tolerance limits. Any increase in market risk created by the use of derivatives should be offset by the exposures they modify.

We actively monitor our derivative credit exposure and place counterparties on hold for trading purposes or require other forms of credit assurance, such as letters of credit, cash collateral or guarantees as circumstances warrant. Our ongoing assessment of counterparty credit risk includes consideration of credit ratings, credit default swap spreads, bond market credit spreads, financial condition, government actions and market news. We utilize a Monte-Carlo simulation model to estimate the change in credit and liquidity risk from the volatility of natural gas prices. We use the results of the model to establish earnings at-risk trading limits. Our credit risk for all outstanding derivatives at December 31, 2011 currently does not extend beyond October 2013.

We could become materially exposed to credit risk with one or more of our counterparties if natural gas prices experience a significant increase. If a counterparty were to become insolvent or fail to perform on its obligations, we could suffer a material loss, but we would expect such loss to be eligible for regulatory deferral and rate recovery, subject to prudence review. All of our existing counterparties currently have investment-grade credit ratings.

Fair Value

In accordance with fair value accounting, we include nonperformance risk in calculating fair value adjustments. This includes a credit risk adjustment based on the credit spreads of our counterparties when we are in an unrealized gain position, or on our own credit spread when we are in an unrealized loss position. Our assessment of non-performance risk is generally derived from the credit default swap market and from bond market credit spreads. The impact of the credit risk adjustments for all outstanding derivatives was immaterial to the fair value calculation at December 31, 2011. As of December 31, 2011 and 2010, the fair value was a liability of \$61.0 million and \$52.6 million, respectively, using significant other observable, or level 2, inputs. We have used no level 3 inputs in our derivative valuations. We also did not have any transfers between level 1 or level 2 during the years ended December 31, 2011 and 2010.

14. Leases

We lease land, buildings and equipment under agreements that expire in various years through 2095. Rental expense under operating leases was \$5.4 million, \$5.1 million and \$5.3 million for the years ended December 31, 2011, 2010 and 2009, respectively. The table below reflects the future minimum lease payments due under non-cancelable leases at December 31, 2011. These commitments relate principally to the lease of our office headquarters, underground gas storage facilities, vehicles and computer equipment.

Thousands	2012	2013	2014	2015	2016	Later years	Total
Operating leases	\$ 4,929	\$ 4,841	\$ 5,078	\$ 5,042	\$ 5,018	\$ 24,659	\$ 49,567
Capital leases	443	313	118	23	-	-	897
Minimum lease payments	<u>\$ 5,372</u>	<u>\$ 5,154</u>	<u>\$ 5,196</u>	<u>\$ 5,065</u>	<u>\$ 5,018</u>	<u>\$ 24,659</u>	<u>\$ 50,464</u>

15. Commitments and Contingencies

Gas Purchase and Pipeline Capacity Purchase and Release Commitments

We have signed agreements providing for the reservation of firm pipeline capacity under which we are required to make fixed monthly payments for contracted capacity. The pricing component of the monthly payment is established, subject to change, by U.S. or Canadian regulatory bodies. In addition, we have entered into long-term sale agreements to release firm pipeline capacity. We also enter into short-term and long-term gas purchase agreements. The aggregate amounts of these agreements were as follows at December 31, 2011:

Thousands	Gas Purchase Agreements	Pipeline Capacity Purchase Agreements	Pipeline Capacity Release Agreements
2012	\$ 98,534	\$ 91,027	\$ 3,464
2013	18,331	87,983	-
2014	15,290	82,898	-
2015	5,651	72,316	-
2016	-	61,358	-
Thereafter	-	287,541	-
Total	137,806	683,123	3,464
Less: Amount representing interest	682	99,252	2
Total at present value	\$ 137,124	\$ 583,871	\$ 3,462

Our total payments for fixed charges under capacity purchase agreements in 2011, 2010 and 2009 were \$94.2 million, \$91.4 million and \$84.6 million, respectively. Included in the amounts were reductions for capacity release sales of \$3.1 million for 2011 and \$4.2 million for 2010 and 2009. In addition, per-unit charges are required to be paid based on the actual quantities shipped under the agreements. In certain take-or-pay purchase commitments, annual deficiencies may be offset by prepayments subject to recovery over a longer term if future purchases exceed the minimum annual requirements.

Environmental Matters

We own, or previously owned, properties that may require environmental remediation or action. We recognize an environmental liability when it is probable the liability exists and the amount is reasonably estimable. We estimate the duration and extent of our remediation obligations based upon reports of outside consultants; internal analyses of clean-up costs and ongoing monitoring costs; communications with regulatory agencies; and changes in environmental law. If we were to determine that our estimates of the duration or extent of our environmental obligations were no longer accurate, we would adjust our environmental liabilities accordingly in the period that such determination is made. Estimated future expenditures for environmental remediation are not discounted to their present value. Accrued environmental liabilities are not reduced by potential insurance reimbursements. We continue to study and evaluate the extent of our potential environmental liabilities, but due to the numerous uncertainties surrounding the course of environmental remediation and the preliminary nature of several site investigations, in some cases, we may not be able to reasonably estimate the high end of the range of possible loss which could be material. In those cases we have disclosed the nature of the potential loss and the fact that the high end of the range cannot be reasonably estimated.

We estimate the range of loss for environmental liabilities using current technology, enacted laws and regulations, industry experience gained at similar sites and an assessment of the probable level of involvement and financial condition of other potentially responsible parties. Unless there is an estimate within this range of possible losses that is more likely than other cost estimates, we record the liability at the lower end of this range. It is likely that changes in these estimates

and ranges will occur throughout the remediation process for each of these sites due to uncertainty concerning our responsibility, the complexity of environmental laws and regulations and the selection of potentially compliant remediation alternatives. The status of each of the sites currently under investigation is provided below.

We regularly review our environmental liability for each site where we may be exposed to remediation responsibilities. The costs of environmental remediation are difficult to estimate. A number of steps are involved in each environmental remediation effort, including site investigations, remediation, operations and maintenance, monitoring and site closure. Each of these steps may, over time, involve a number of alternative actions, each of which can change the course and scope of the effort. Many of these steps are dependent upon the approval and direction of federal and state environmental regulators. The policies, determinations and directions of the regulators may develop and change over time and different regulators may take different positions on the various steps, creating further uncertainty as to the timing and scope of remediation activities. In certain cases, in addition to us, there are a number of other potentially responsible parties, each of which, in proceedings and negotiations with other potentially responsible parties and regulators, may influence the course and scope of the remediation effort. The allocation of liabilities among the potentially responsible parties is often subject to dispute and can be highly uncertain. The events giving rise to environmental liabilities often occurred many decades ago, which complicates the determination of allocating liabilities among potentially responsible parties. Site investigations and remediation efforts often develop slowly over many years. In addition, disputes may arise between potentially responsible parties and regulators as to the severity of particular environmental matters and what remediation efforts are appropriate. These disputes could lead to adversarial administrative proceedings or litigation, with uncertain outcomes.

Gasco site. We own property in Multnomah County, Oregon that is the site of a former gas manufacturing plant that was closed in 1956 (Gasco site). The Gasco site has been under investigation by us for environmental contamination under the Oregon Department of Environmental Quality's (ODEQ) Voluntary Clean-Up Program. In June 2003, we filed a Feasibility Scoping Plan and an Ecological and Human Health Risk Assessment with the ODEQ, which outlined a range of compliant remedial alternatives for the most contaminated portion of the Gasco site. In May 2007, we completed a revised Remediation Investigation Report and submitted it to the ODEQ for review. We also submitted a Focused Feasibility Study (FFS) for the groundwater source control portion of the Gasco site, which ODEQ conditionally approved in March 2008, subject to the submission of additional information. We provided that information to ODEQ and are now working with the agency on the final design of the source control system. Based on the information currently available for groundwater source control at the Gasco site and our current assumptions regarding remediation, we have estimated a range of liability between \$11 million and \$30 million, for which we have recorded an accrued liability of \$12 million at December 31, 2011. The range of liability will be reassessed when ODEQ makes a final source control design decision, expected later this year.

In addition to groundwater source control, we signed a joint Order on Consent with the Environmental Protection Agency (EPA), which requires us to design remedial action for sediments from the Gasco site. This design project is underway. We also have other investigation and clean-up work, including potential work on the uplands portion of the Gasco site. For the sediments project and upland work, we have recorded an additional accrued liability of \$49.2 million, which reflects the low end of the range of potential liability. We have accrued at the low end of the range of potential liability for the work at the Gasco site because no amount within the range is considered to be more likely than another, and the high end of the range cannot reasonably be estimated. However, during 2012, we expect EPA to complete a feasibility study that will provide additional cost information about the sediment cleanup work.

Siltronic site. We previously owned property adjacent to the Gasco site that now is the location of a manufacturing plant owned by Siltronic Corporation (the Siltronic site). We are currently conducting an investigation of manufactured gas plant wastes on the uplands at this site for the ODEQ. The liability accrued at December 31, 2011 for the Siltronic site is \$1.0 million, which is at the low end of the range of potential liability because no amount within the range is considered to be more likely than another, and the high end of the range cannot reasonably be estimated.

Portland Harbor site. In 1998, the ODEQ and the EPA completed a study of sediments in a 5.5-mile segment of the Willamette River (Portland Harbor) that includes an area adjacent to the Gasco and Siltronic sites. The Portland Harbor was listed by the EPA as a Superfund site in 2000 and we were notified that we are a potentially responsible party. We then joined with other potentially responsible parties, referred to as the Lower Willamette Group, to fund

environmental studies in the Portland Harbor to allow the EPA to develop a feasibility study. Subsequently, the EPA approved a Programmatic Work Plan, Field Sampling Plan and Quality Assurance Project Plan for the Portland Harbor Remedial Investigation/Feasibility Study (RI/FS), completion of which is scheduled for 2012. The EPA and the Lower Willamette Group are conducting more focused studies on approximately nine miles of the lower Willamette River, including the 5.5-mile segment previously studied by the EPA. Further, in August 2008, we signed a cooperative agreement with the Portland Harbor Natural Resource Trustee Council to participate in a phased natural resource damage assessment. The NRD assessment is intended to identify additional information necessary to estimate further liabilities to support an early restoration-based settlement of natural resource damage claims. During 2012, the Lower Willamette Group will submit a draft feasibility study for this site to EPA, resulting in more information regarding the scope of potential costs. We expect that the feasibility study will allow us to estimate a range of potential liability and that the range may include significant estimates of potential liability. However, as of December 31, 2011, we have a liability accrued of \$8.2 million for this site, which is at the low end of the range of the potential liability because no amount within the range is considered to be more likely than another, and the high end of the range cannot reasonably be estimated.

Central Service Center site. In 2006, we received notice from the ODEQ that our Central Service Center in southeast Portland (Central Service Center site) was assigned a high priority for further environmental investigation. Previously there were three manufactured gas storage tanks on the premises. The ODEQ believes there could be site contamination associated with releases of condensate from stored manufactured gas as a result of historic gas handling practices. In the early 1990s, we excavated waste piles and much of the contaminated surface soils and removed accessible waste from some of the abandoned piping. In early 2008, we received notice that this site was added to the ODEQ's list of sites where releases of hazardous substances have been confirmed and to its list where additional investigation or cleanup is necessary. We are currently performing an environmental investigation of the property with the ODEQ's Independent Cleanup Pathway. As of December 31, 2011, we have a liability accrued of \$0.5 million for investigation at this site. The estimate is at the low end of the range of potential liability because no amount within the range is considered to be more likely than another and the high end of the range cannot reasonably be estimated.

Front Street site. The Front Street site was the former location of a gas manufacturing plant we operated. It is near but outside the geographic scope of the current Portland Harbor site sediment studies. The EPA directed the Lower Willamette Group to collect a series of surface and subsurface sediment samples off the river bank adjacent to where that facility was located. Based on the results of that sampling, the EPA notified the Lower Willamette Group that additional sampling would be required. As the Front Street site is upstream from the Portland Harbor site, the EPA agreed that we could manage the site separately from the Portland Harbor site under ODEQ authority. We submitted work plans for source control investigation and a historical report to ODEQ and completed initial studies. In 2010, ODEQ required additional studies which are underway. As of December 31, 2011, we have an estimated liability accrued of \$1.7 million for the study of the sediments and riverbank groundwater and soils at the site. The estimate is at the low end of the range of potential liability because no amount within the range is considered to be more likely than another and the high end of the range cannot reasonably be estimated.

Oregon Steel Mills site. See "Other Legal Proceedings," below.

Accrued Liabilities Relating to Environmental Sites. The following table summarizes the accrued liabilities relating to environmental sites at December 31, 2011 and 2010:

<u>Thousands</u>	<u>Current Liabilities</u>		<u>Non-Current Liabilities</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Gasco site	\$ 16,510	\$ 11,366	\$ 44,697	\$ 38,921
Siltronic site	887	720	128	201
Portland Harbor site	1,089	2,304	7,066	5,784
Central Service Center site	-	5	495	510
Front Street site	1,697	1	-	1,097
Other sites	-	-	120	108
Total	<u>\$ 20,183</u>	<u>\$ 14,396</u>	<u>\$ 52,506</u>	<u>\$ 46,621</u>

Regulatory and Insurance Recovery for Environmental Costs. In May 2003, the OPUC approved our request to defer unreimbursed environmental costs associated with certain named sites, including those described above. Beginning in 2006, the OPUC granted us additional authorization to accrue carrying costs on deferred environmental cost balances, subject to an annual demonstration that we have maximized our insurance recovery or made substantial progress in securing insurance recovery for unrecovered environmental expenses. Through a series of extensions, the authorized cost deferral and carrying cost accrual was extended through January 2012. We have filed a request with the OPUC to reauthorize this deferral and expect reauthorization during the first half of 2012. In addition, we filed a request with the WUTC in January 2011 to defer certain environmental costs associated with services provided to Washington customers. We received an order from the WUTC on June 20, 2011 granting that request. Environmental costs related to Washington are being deferred as of January 26, 2011 with cost recovery to be determined in a future proceeding.

On a cumulative basis, we have recognized a total of \$124.8 million for environmental costs, including legal, investigation, monitoring and remediation costs, including \$4.9 million accrued and paid prior to regulatory deferral order approval. At December 31, 2011, we had a regulatory asset of \$105.7 million for deferred environmental costs.

In December 2010, NW Natural commenced litigation against certain of its historical liability insurers in Multnomah County Circuit Court, State of Oregon (see Item 3. Legal Proceedings). NW Natural seeks damages in excess of \$50 million in losses it has incurred to date, as well as declaratory relief for additional losses it expects to incur in the future. In December 2011, NW Natural reached a settlement with Associated Electric & Gas Insurance Services Limited and dismissed that insurer from the litigation.

Other Legal Proceedings

We are subject to claims and litigation arising in the ordinary course of business. We do not expect that the ultimate disposition of any of these matters, including the matter described below, will have a material effect on our financial condition, results of operations or cash flows.

Oregon Steel Mills site. In 2004, NW Natural was served with a third-party complaint by the Port of Portland (Port) in a Multnomah County Circuit Court case, Oregon Steel Mills, Inc. v. The Port of Portland. The Port alleges that in the 1940s and 1950s petroleum wastes generated by our predecessor, Portland Gas & Coke Company, and 10 other third-party defendants were disposed of in a waste oil disposal facility operated by the United States or Shaver Transportation Company on property then owned by the Port and now owned by Oregon Steel Mills. The complaint seeks contribution for unspecified past remedial action costs incurred by the Port regarding the former waste oil disposal facility as well as a declaratory judgment allocating liability for future remedial action costs. No date has been set for trial. Although the final outcome of this proceeding cannot be predicted with certainty, we do not expect that the ultimate disposition of this matter will have a material effect on our financial condition, results of operations or cash flows.

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
Line No.	Item (a)	Total (b)		
1	UTILITY PLANT			
2	In Service			
3	Plant in Service (Classified)	2,048,760,597		
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified	260,374,072		
7	Experimental Plant Unclassified			
8	TOTAL Utility Plant (Total of lines 3 thru 7)	2,309,134,669		
9	Leased to Others			
10	Held for Future Use	264,641		
11	Construction Work in Progress	36,051,431		
12	Acquisition Adjustments			
13	TOTAL Utility Plant (Total of lines 8 thru 12)	2,345,450,741		
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,016,119,124		
15	Net Utility Plant (Enter Total of line 13 less 14)	1,329,331,617		
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation	951,296,122		
19	Amortization and Depl. of Producing Natural Gas Land and Land Rights			
20	Amortization. of Underground Storage Land and Land Rights	18,040		
21	Amortization. of Other Utility Plant	75,414,165		
22	Salvage Work In Progress	0		
23	Less Removal Work In Progress	10,609,203		
24	TOTAL In Service (Total of lines 18 thru 23)	1,016,119,124		
25	Leased to Others			
26	Depreciation			
27	Amortization and Depletion			
28	TOTAL Leased to Others (Total of lines 25 and 26)			
29	Held for Future Use			
30	Depreciation			
31	Amortization			
32	TOTAL Held for Future Use (Total of lines 30 and 31)			
33	Abandonment of Leases (Natural Gas)			
34	Amortization of Plant Acquisition Adjustment			
35	TOTAL Accumulated Provisions (Should agree with line 14 above) (Total of lines 24, 28, 32, 33, and 34)	1,016,119,124		

Name of Respondent	This Report Is:	Date of Report	Year of Report	
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011	
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)				
Electric (c)	Gas (d)	Other (Specify) (e)	Common (f)	Line No.
				1
				2
	2,048,760,597			3
				4
				5
	260,374,072			6
				7
	2,309,134,669			8
				9
	264,641			10
	36,051,431			11
				12
	2,345,450,741			13
	1,016,119,124			14
	1,329,331,617			15
				16
				17
	951,296,122			18
				19
	18,040			20
	75,414,165			21
	0			22
	10,609,203			23
	1,016,119,124			24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
	1,016,119,124			35

[Next page is 204]

ACCOUNT SUMMARY BY FUNTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
Intangible Plant						
301 ORGANIZATION	\$1,174	\$0	\$0	\$0	\$0	\$1,174
302 FRANCHISES & CONSENTS	83,621	0	0	0	0	83,621
303.1 COMPUTER SOFTWARE	47,684,904	6,397,233	0	0	0	54,082,137
303.2 CUSTOMER INFORMATION SYSTEM	31,199,981	231,622	0	0	0	31,431,602
303.3 INDUSTRIAL & COMMERCIAL BIL	4,146,951	0	0	0	0	4,146,951
303.4 CRMS	1,401,734	0	0	0	0	1,401,734
303.5 POWERPLANT SOFTWARE	0	0	0	0	0	0
Intangible Plant Subtotal	84,518,366	6,628,854	0	0	0	91,147,220
Production Plant - Oil Gas						
304.1 LAND	24,998	0	0	0	0	24,998
305.2 P P O G STRU & IMPR-SEWER S	0	0	0	0	0	0
305.5 P P O G STRU & IMPR-OTHER Y	13,156	0	0	0	0	13,156
312.3 P P O G FUEL HANDLING AND S	0	0	0	0	0	0
318.3 P P O G LIGHT OIL REFINING	144,896	0	0	0	0	144,896
318.5 P P O G TAR PROCESSING	243,551	0	0	0	0	243,551
325 NATURAL GAS PROD AND GATHER	0	0	0	0	0	0
327 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
328 NATURAL GAS PROD AND GATHER	0	0	0	0	0	0
331 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
332 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
333 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
334 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
Production Plant - Oil Gas Subtotal	426,601	0	0	0	0	426,601
Production Plant - Other						
305.11 GAS PRODUCTION - COTTAGE G	8,320	0	0	0	0	8,320
305.17 STRUCTURES MIXING STATION	46,587	0	0	0	0	46,587
311 P P OTHER-LIQUEFIED PETROLE	0	0	0	0	0	0
311.4 P P OTHER-L P G GRANGER	0	0	0	0	0	0
311.7 LIQUIFIED GAS EQUIPMENT COO	4,033	0	0	0	0	4,033
311.8 LIQUIFIED GAS EQUIPMENT LIN	4,209	0	0	0	0	4,209
319 GAS MIXING EQUIPMENT GASCO	185,448	0	0	0	0	185,448
Production Plant - Other Subtotal	248,597	0	0	0	0	248,597

ACCOUNT SUMMARY BY FUNTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
 Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
Natural Gas Underground Storage						
350.1 LAND	106,549	0	0	0	0	106,549
350.2 RIGHTS-OF-WAY	109,625	0	0	0	0	109,625
351 STRUCTURES AND IMPROVEMENTS	6,555,425	0	0	0	0	6,555,425
352 WELLS	20,047,076	0	0	0	0	20,047,076
352.1 STORAGE LEASEHOLD & RIGHTS	3,538,491	0	0	0	0	3,538,491
352.2 RESERVOIRS	4,654,246	0	0	476,149	0	5,130,395
352.3 NON-RECOVERABLE NATURAL GAS	6,440,890	0	0	0	0	6,440,890
353 LINES	6,552,220	0	0	0	0	6,552,220
354 COMPRESSOR STATION EQUIPMENT	27,431,454	0	0	526,206	0	27,957,660
355 MEASURING / REGULATING EQUIPM	6,318,797	0	0	152,838	0	6,471,635
356 PURIFICATION EQUIPMENT	297,363	0	0	0	0	297,363
357 OTHER EQUIPMENT	1,331,924	0	0	0	0	1,331,924
Natural Gas Underground Storage Subtotal	83,384,061	0	0	1,155,193	0	84,539,254
Local Storage Plant						
360.11 LAND - LNG LINNTON	83,598	0	0	0	0	83,598
360.12 LAND - LNG NEWPORT	536,675	0	0	0	0	536,675
360.2 LAND - OTHER	128,860	0	0	0	0	128,860
361.11 STRUCTURES & IMPROVEMENTS	4,247,918	221,065	0	0	0	4,468,983
361.12 STRUCTURES & IMPROVEMENTS	4,511,163	60,720	0	0	0	4,571,883
361.2 STRUCTURES & IMPROVEMENTS -	26,757	0	0	0	0	26,757
362.11 GAS HOLDERS - LNG LINNTON	2,690,579	0	0	0	0	2,690,579
362.12 GAS HOLDERS - LNG NEWPORT	5,791,956	0	0	0	0	5,791,956
362.2 GAS HOLDERS - LNG OTHER	1,600	0	0	0	0	1,600
363.11 LIQUEFACTION EQUIP. - LINN	2,848,702	0	0	0	0	2,848,702
363.12 LIQUEFACTION EQUIP - NEWPO	6,951,260	0	0	0	0	6,951,260
363.21 VAPORIZING EQUIP - LINNTON	2,629,836	0	0	0	0	2,629,836
363.22 VAPORIZING EQUIP - NEWPORT	2,481,000	1,113,015	0	0	0	3,594,015
363.31 COMPRESSOR EQUIP - LINNTON	180,903	0	0	0	0	180,903
363.32 COMPRESSOR EQUIPMENT - NE	300,951	0	0	0	0	300,951
363.41 MEASURING & REGULATING EQU	737,149	0	0	0	0	737,149
363.42 MEASURING & REGULATING EQU	113,414	0	0	0	0	113,414
363.5 CNG REFUELING FACILITIES	1,828,161	0	0	0	0	1,828,161
363.6 LNG REFUELING FACILITIES	739,473	0	0	0	0	739,473
Local Storage Plant Subtotal	36,829,956	1,394,799	0	0	0	38,224,755

ACCOUNT SUMMARY BY FUNTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class	FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
Transmission Plant							
365.1	LAND	89,772	0	0	0	0	89,772
365.2	LAND RIGHTS	6,455,177	0	0	0	0	6,455,177
366.3	STRUCTURES & IMPROVEMENTS -	1,041,984	0	0	0	0	1,041,984
367	MAINS	34,084,254	8,536,065	0	0	0	42,620,320
367.21	NORTH MIST TRANSMISSION LI	1,563,157	430,717	0	0	0	1,993,874
367.22	SOUTH MIST TRANSMISSION LI	14,949,264	0	0	0	0	14,949,264
367.23	SOUTH MIST TRANSMISSION LI	34,007,331	0	0	0	0	34,007,331
367.24	11.7M S MIST TRANS LINE	17,466,182	0	0	0	0	17,466,182
367.25	12M NORTH S MIST TRANS	18,530,259	0	0	0	0	18,530,259
367.26	38M NORTH S MIST TRANS	68,232,676	0	0	0	0	68,232,676
368	TRANSMISSION COMPRESSOR	0	0	0	0	0	0
369	MEASURING & REGULATE STATION	3,661,168	0	0	0	0	3,661,168
370	COMMUNICATION EQUIPMENT	0	0	0	0	0	0
Transmission Plant Subtotal		200,081,224	8,966,783	0	0	0	209,048,007
Distribution Plant							
374.1	LAND	86,775	0	0	0	0	86,775
374.2	LAND RIGHTS	1,839,649	3,992	0	0	0	1,843,641
375	STRUCTURES & IMPROVEMENTS	80,217	0	0	0	0	80,217
376.11	MAINS < 4"	484,074,407	12,688,364	(333,155)	0	0	496,429,617
376.12	MAINS 4" & >	435,650,981	15,421,408	(766,859)	0	0	450,305,529
377	COMPRESSOR STATION EQUIPMENT	818,380	0	0	0	0	818,380
378	MEASURING & REG EQUIP - GENER	21,610,115	1,321,281	0	0	0	22,931,397
379	MEASURING & REG EQUIP - GATE	1,747,157	59,533	0	0	0	1,806,690
380	SERVICES	599,604,088	17,384,152	(489,210)	0	0	616,499,030
381	METERS	70,505,377	2,539,308	(387,538)	0	0	72,657,147
381.1	METERS (ELECTRONIC)	507,007	0	0	0	0	507,007
381.2	ERT (ENCODER RECEIVER TRANS	35,248,755	534,944	(272,574)	0	0	35,511,125
382	METER INSTALLATIONS	59,515,242	2,375,019	(1,646,617)	0	0	60,243,644
382.1	METER INSTALLATIONS (ELECTR	518,377	0	0	0	0	518,377
382.2	ERT INSTALLATION (ENCODER	9,935,617	0	(52,987)	0	0	9,882,631
383	HOUSE REGULATORS	569,858	49,738	0	0	0	619,596

ACCOUNT SUMMARY BY FUNTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class	FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
386	OTHER PROPERTY ON CUSTOMERS P	0	0	0	0	0	0
387.1	CATHODIC PROTECTION TESTING	138,950	15,533	0	0	0	154,483
387.2	CALORIMETERS @ GATE STATIONS	96,424	0	0	0	0	96,424
387.3	METER TESTING EQUIPMENT	72,671	0	0	0	0	72,671
Distribution Plant Subtotal		1,722,620,050	52,393,272	(3,948,940)	0	0	1,771,064,382
General Plant							
389	LAND	2,850,886	0	0	0	0	2,850,886
390	STRUCTURES & IMPROVEMENTS	23,413,321	3,228,664	0	0	0	26,641,985
391.1	OFFICE FURNITURE & EQUIPMEN	10,132,108	639,307	(132,475)	0	0	10,638,940
391.2	COMPUTERS	13,848,967	2,214,961	(238,295)	0	0	15,825,634
391.3	ON SITE BILLING	938,788	0	0	0	0	938,788
391.4	CUSTOMER INFORMATION SYSTEM	1,387,730	0	0	0	0	1,387,730
392	TRANSPORTATION EQUIPMENT	21,722,695	4,176,004	(2,232,500)	0	0	23,666,199
393	STORES EQUIPMENT	119,406	0	0	0	0	119,406
394	TOOLS - SHOP & GARAGE EQUIPUI	13,358,576	278,923	0	0	0	13,637,498
395	LABORATORY EQUIPMENT	68,293	0	0	0	0	68,293
396	POWER OPERATED EQUIPMENT	6,998,511	690,231	(498,971)	0	0	7,189,771
397	GEN PLANT-COMMUNICATION EQU	48,831	17,137	0	0	0	65,967
397.1	MOBILE	1,295,887	0	0	0	0	1,295,887
397.2	OTHER THAN MOBILE & TELEMET	1,759,910	0	0	0	0	1,759,910
397.3	TELEMETERING - OTHER	3,476,100	562,402	0	0	0	4,038,502
397.4	TELEMETERING - MICROWAVE	2,011,868	44,217	0	0	0	2,056,084
397.5	TELEPHONE EQUIPMENT	2,066,580	0	0	0	0	2,066,580
398	GEN PLANT-MISCELLANEOUS EQU	0	0	0	0	0	0
398.1	PRINT SHOP	83,249	0	0	0	0	83,249
398.2	KITCHEN EQUIPMENT	12,812	0	0	0	0	12,812
398.3	JANITORIAL EQUIPMENT	14,873	0	0	0	0	14,873
398.4	INSTALLED IN LEASED BUILDINGS	10,120	0	0	0	0	10,120
398.5	OTHER MISCELLANEOUS EQUIPMENT	66,739	0	0	0	0	66,739
General Plant Subtotal		105,686,250	11,851,846	(3,102,241)	0	0	114,435,854
Utility Property Grand Total		\$2,233,795,103	\$81,235,554	(\$7,051,181)	\$1,155,193	\$0	\$2,309,134,669

ACCOUNT SUMMARY BY FUNTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
Intangible Plant						
303.1 COMPUTER SOFTWARE	163,357	0	0	0	0	163,357
303.2 CUSTOMER INFORMATION SYSTEM	61,429	0	0	0	0	61,429
Non Utility Intangible Plant Subtotal	224,786	0	0	0	0	224,786
Natural Gas Underground Storage						
352 WELLS	16,792,086	0	0	0	0	16,792,086
352.1 STORAGE LEASEHOLD & RIGHTS	1,020	0	0	0	0	1,020
352.2 RESERVOIRS	6,162,308	0	0	(476,149)	0	5,686,159
353 LINES	1,649,744	0	0	0	0	1,649,744
354 COMPRESSOR STATION EQUIPMENT	14,759,826	929,501	0	(526,206)	0	15,163,121
355 MEASURING / REGULATING EQUIPM	8,656,907	367,961	0	(152,838)	0	8,872,031
357 OTHER EQUIPMENT	63,256	0	0	0	0	63,256
Non Utility Natural Gas Underground Storage Subtotal	48,085,147	1,297,463	0	(1,155,193)	0	48,227,416
Transmission Plant						
368 TRANSMISSION COMPRESSOR	7,723,454	0	0	0	0	7,723,454
Non Utility Transmission Plant Subtotal	7,723,454	0	0	0	0	7,723,454
Distribution Plant						
376.12 MAINS 4" & >	878,618	0	0	0	0	878,618
Non Utility Distribution Plant Subtotal	878,618	0	0	0	0	878,618
General Plant						
389 LAND	438,739	0	0	0	0	438,739
390 STRUCTURES & IMPROVEMENTS	111,719	0	0	0	0	111,719
Non Utility General Plant Subtotal	550,458	0	0	0	0	550,458
Non Utility Other						
121.1 NON-UTIL PROP-DOCK	1,956,033	0	0	0	0	1,956,033
121.2 NON-UTIL PROP-LAND	125,102	0	0	0	0	125,102
121.3 NON-UTIL PROP-OIL ST	2,607,096	0	0	0	0	2,607,096

Oregon and Washington - Account 121001-121045

Pages 204-209

ACCOUNT SUMMARY BY FUNTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
 Period Ending: Dec 2011

Functional Class	FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
121.7	NON-UTIL PROP-APPL CENTER	61,113	0	0	0	0	61,113
121.8	NON-UTIL PROP-STORAGE	448,174	0	(64,025)	0	0	384,149
Non Utility Other		5,197,518	0	(64,025)	0	0	445,262
Non Utility Property Grand Total		\$62,659,981	\$1,297,463	(\$64,025)	(\$1,155,193)	\$0	\$62,738,226

Non Utility Property Summary

Non Utility Property Grand Total	\$62,738,226
Gas Stored Underground - St. Helens	3,800,189
Construction Work in Progress Non Utility	5,946,511
Balance Sheet Total for Non Utility Property	<u><u>\$72,484,925</u></u>

Name of Respondent Northwest Natural Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report	Year of Report Dec. 31, 2011
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Gas Property And Capacity Leased From Others

1. Report below the information called for concerning gas property and capacity leased from others for gas operations.
2. For all leases in which the average annual lease payment over the initial term of the lease exceeds \$500,000, describe in column (c), if applicable: the property or capacity leased. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessor (a)	(b)	Description of Lease (c)	Lease Payments for Current Year (d)
1	One Pacific Square LLC		Corporate Headquarters Building	3,780,117
2	Northwest Pipeline Corp.		Pipeline Capacity	47,144,605
3	TransCanada "Gas Trans. NW"		Pipeline Capacity	5,731,086
4	Tenaska Marketing Ventures		Pipeline Capacity	1,834,221
5	Tenaska Marketing Canada		Pipeline Capacity	25,905,099
6	Shell Energy		Pipeline Capacity	657,000
7	Fortis (formerly Terasen)		Pipeline Capacity	9,001,292
8	KB Pipeline	*	Pipeline Capacity	224,258
9	Coos County Demand		Pipeline Capacity	500,028
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43	Total			94,777,706

Name of Respondent Northwest Natural Gas Company	This Report Is: X An Original A Resubmission	Date of Report	Year of Report Dec. 31, 2011
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Gas Property And Capacity Leased to Others

1. for all leases in which the average lease income over the initial term of the lease exceeds \$500,000 provide in column (c), a description of each facility or leased capacity that is classified as gas plant in service, and is leased to others for gas o
2. In column (d) provide the lease payments received from others.
3. Designate associated companies with an asterick in column (b).

Line No.	Name of Lessor (a)	(b)	Description of Lease (c)	Lease Payments for Current Year (d)
1				
2				
3				
4	NOT APPLICABLE			
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44				
45	Total			0

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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Gas Plant Held for Future Use (Account 105)

- Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other property held for future use.
- For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original costs were transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in this account (b)	Date Expected to be Used In Utility Service (c)	Balance at End of Year (d)
1				
2	Underground Storage	07/2009	undetermined	127,921
3	Easement	11/2011	undetermined	136,720
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50				264,641

[Next Page is 216]

Name of Respondent Northwest Natural Gas Company	This Report Is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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Construction Work in Progress-Gas (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than \$1,000,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Misc Mains and Service Jobs	7,106,329	3,324,585
2	Mist Underground Storage	6,938,578	225,000
3	Other Projects:		
4	Misc IS Projects	3,733,299	750,000
5	Transmission Integrity Aurora	1,302,910	600,000
6	System Reinforcement Aurora to Brooks	5,589,139	252,000
7	System Reinforcement Corvallis Reinforcement	4,567,174	13,224,000
8	Bare Steel Perrydale to Corvallis	1,451,164	10,000
9	Tools	1,071,084	48,000
10	Other	4,291,754	793,531
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45	Total	36,051,431	19,227,116

[Next Page is 218]

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report	Year of Report Dec. 31, 2011
GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE			
1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, 9e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.		2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 917) of the Uniform System of Accounts. 3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.	

Annual Report of Northwest Natural Gas Company Year Ended December 31, 2011

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. a) Engineering Department overhead covers transmission and distribution system planning, design work, drafting and platting of construction work.

Distribution Department overhead covers transmission and distribution system work scheduling, field supervision and processing of work completed.

Administrative work overhead includes Purchasing, Accounting and general office expense.

General Services Department overhead covers planning and supervision of general plant improvements and facilities.

- b) Charges during the year are segregated into overhead accounts based on the proportion of activity devoted to construction work.
- c) Construction Overheads are being charged to individual work orders based upon overhead rates for different types of projects. Rates are determined by type of project using the annual capital budget and annual construction overhead budget.
- d) Different rates are applied to different types of construction based on the annual capital budget for each type of plant.
- e) Actual construction overhead rates applied to types of work in 2011
- | | |
|---|-----|
| a. Production, Storage, Transmission and Distribution plant | 55% |
| b. Meters | 20% |
| c. General Plant | 20% |
| d. Non-Utility Property | 20% |
- f) Direct assignment of construction overhead capitalized during 2011:
- | | |
|----|-------------------|
| \$ | 28,735,500 |
|----|-------------------|

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC)

AFUDC is applied to previous month's ending balance plus half of current month's expenditures of Construction Work in Progress (CWIP).

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE (CONTINUED)				
COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES				
For Line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.				
1. Components of Formula (Derived from actual book balances and actual cost rates):				
Line No.	Title (a)	Amount (b)	Capitalization Ration (percent) (c)	Cost Rte Percentage (d)
	(1) Average Short-Term Debt	S 190,370,000		
	(2) Short-Term Interest			s 0.31
	(3) Long-Term Debt	D 641,700,000		d 6.38
	(4) Preferred Stock	P 0		p 0
	(5) Common Equity	C 716,266,867		c 10.2
	(6) Total Capitalization		100.00	
	(7) Average Construction Work in Progress	W 32,650,731		
2. Gross Rates for Borrowed Funds $s(S/W)+d[(D/(D+P+C))(1-(S/W))]$ -12.76				
3. Rate for Other Funds $[1-(S/W)][p(P/(D+P+C))+c(C/(D+P+C))]$ -25.99				
4. Weighted Average Rate Actually Used for the Year				
a. Rate for Borrowed Funds -			0.45	
b. Rate for Other Funds -				

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW NATURAL

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
UTILITY								
Intangible Plant								
301 ORGANIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302 FRANCHISES & CONSENTS	0	0	0	0	0	0	0	0
303.1 COMPUTER SOFTWARE	25,968,170	1,995,386	0	0	0	0	0	27,963,556
303.2 CUSTOMER INFORMATION SYSTEM	26,363,331	2,186,965	0	0	0	0	0	28,550,296
303.3 INDUSTRIAL & COMMERCIAL BIL	4,315,884	(168,933)	0	0	0	0	0	4,146,951
303.4 CRMS	1,401,734	0	0	0	0	0	0	1,401,734
303.5 POWERPLANT SOFTWARE	(478,482)	478,482	0	0	0	0	0	0
Intangible Plant Subtotal	57,570,637	4,491,899	0	0	0	0	0	62,062,537
Production Plant - Oil Gas								
304.1 LAND	0	0	0	0	0	0	0	0
305.2 P P O G STRU & IMPR-SEWER S	0	0	0	0	0	0	0	0
305.5 P P O G STRU & IMPR-OTHER Y	13,814	0	0	0	0	0	0	13,814
312.3 P P O G FUEL HANDLING AND S	0	0	0	0	0	0	0	0
318.3 P P O G LIGHT OIL REFINING	152,141	0	0	0	0	0	0	152,141
318.5 P P O G TAR PROCESSING	255,729	0	0	0	0	0	0	255,729
325 NATURAL GAS PROD AND GATHER	0	0	0	0	0	0	0	0
327 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
328 NATURAL GAS PROD AND GATHER	0	0	0	0	0	0	0	0
331 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
332 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
333 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
334 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
Production Plant - Oil Gas Subtotal	421,683	0	0	0	0	0	0	421,683
Production Plant - Other								
305.11 GAS PRODUCTION - COTTAGE G	8,736	0	0	0	0	0	0	8,736
305.17 STRUCTURES MIXING STATION	51,246	0	0	0	0	0	0	51,246
311 P P OTHER-LIQUEFIED PETROLE	(0)	(0)	0	0	0	0	0	(0)
311.4 P P OTHER-L P G GRANGER	0	0	0	0	0	0	0	0
311.7 LIQUIFIED GAS EQUIPMENT COO	8,066	0	0	0	0	0	0	8,066
311.8 LIQUIFIED GAS EQUIPMENT LIN	6,585	0	0	0	0	0	0	6,585
319 GAS MIXING EQUIPMENT GASCO	194,720	0	0	0	0	0	0	194,720
Production Plant - Other Subtotal	269,353	(0)	0	0	0	0	0	269,353

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW NATURAL

Period Beginning: Jan 2011
 Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
UTILITY								
Natural Gas Underground Storage								
350.1 LAND	0	0	0	0	0	0	0	0
350.2 RIGHTS-OF-WAY	16,264	1,776	0	0	0	0	0	18,040
351 STRUCTURES AND IMPROVEMENTS	1,960,279	112,098	0	0	0	0	0	2,072,376
352 WELLS	8,900,691	414,974	0	0	0	0	0	9,315,665
352.1 STORAGE LEASEHOLD & RIGHTS	1,161,738	69,001	0	0	0	0	0	1,230,738
352.2 RESERVOIRS	1,068,560	99,931	0	0	0	76,655	0	1,245,146
352.3 NON-RECOVERABLE NATURAL GAS	2,593,263	121,089	0	0	0	0	0	2,714,352
353 LINES	2,231,190	135,012	0	0	0	0	0	2,366,202
354 COMPRESSOR STATION EQUIPMENT	12,047,560	739,198	0	0	0	157,060	0	12,943,818
355 MEASURING / REGULATING EQUIPM	3,256,945	139,347	0	0	0	46,703	0	3,442,995
356 PURIFICATION EQUIPMENT	180,823	7,375	0	0	0	0	0	188,197
357 OTHER EQUIPMENT	645,175	30,368	0	0	0	0	0	675,543
Natural Gas Underground Storage Subtotal	34,062,488	1,870,166	0	0	0	280,418	0	36,213,072
Local Storage Plant								
360.11 LAND - LNG LINNTON	0	0	0	0	0	0	0	0
360.12 LAND - LNG NEWPORT	0	0	0	0	0	0	0	0
360.2 LAND - OTHER	0	0	0	0	0	0	0	0
361.11 STRUCTURES & IMPROVEMENTS	712,203	233,819	0	0	0	0	0	946,022
361.12 STRUCTURES & IMPROVEMENTS	1,682,511	142,115	0	0	0	0	0	1,824,626
361.2 STRUCTURES & IMPROVEMENTS -	8,166	466	0	0	0	0	0	8,631
362.11 GAS HOLDERS - LNG LINNTON	1,946,211	63,229	0	0	0	0	0	2,009,439
362.12 GAS HOLDERS - LNG NEWPORT	4,650,870	157,541	0	0	0	0	0	4,808,411
362.2 GAS HOLDERS - LNG OTHER	1,067	21	0	0	0	0	0	1,088
363.11 LIQUEFACTION EQUIP. - LINN	2,132,947	82,062	0	0	0	0	0	2,215,009
363.12 LIQUEFACTION EQUIP - NEWPO	6,836,170	57,019	0	0	0	0	0	6,893,189
363.21 VAPORIZING EQUIP - LINNTON	2,440,582	36,821	0	0	0	0	0	2,477,403
363.22 VAPORIZING EQUIP - NEWPORT	2,605,050	764	0	0	0	0	0	2,605,814
363.31 COMPRESSOR EQUIP - LINNTON	157,057	12,845	0	0	1,500	0	0	171,402
363.32 COMPRESSOR EQUIPMENT - NE	162,931	14,176	0	0	0	0	0	177,107
363.41 MEASURING & REGULATING EQU	596,620	295	0	0	0	0	0	596,915
363.42 MEASURING & REGULATING EQU	114,156	828	0	0	0	0	0	114,984
363.5 CNG REFUELING FACILITIES	1,828,161	0	0	0	0	0	0	1,828,161
363.6 LNG REFUELING FACILITIES	739,473	0	0	0	0	0	0	739,473
Local Storage Plant Subtotal	26,614,173	802,001	0	0	1,500	0	0	27,417,674
Transmission Plant								
365.1 LAND	0	0	0	0	0	0	0	0
365.2 LAND RIGHTS	1,154,315	122,003	0	0	0	0	0	1,276,318
366.3 STRUCTURES & IMPROVEMENTS -	175,373	20,319	0	0	0	0	0	195,692
367 MAINS	9,445,665	1,134,345	0	0	0	0	0	10,580,010
367.21 NORTH MIST TRANSMISSION LI	789,834	39,717	0	0	0	0	0	829,551
367.22 SOUTH MIST TRANSMISSION LI	8,094,602	367,916	0	0	0	0	0	8,462,518
367.23 SOUTH MIST TRANSMISSION LI	7,210,387	908,368	0	0	0	0	0	8,118,755
Oregon and Washington Provision for Depreciation								

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW NATURAL

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
UTILITY								
367.24 11.7M S MIST TRANS LINE	2,557,441	452,566	0	0	0	0	0	3,010,007
367.25 12M NORTH S MIST TRANS	2,394,980	483,843	0	0	0	0	0	2,878,823
367.26 38M NORTH S MIST TRANS	9,002,128	1,774,797	0	0	0	0	0	10,776,925
368 TRANSMISSION COMPRESSOR	(9)	0	0	0	0	0	0	(9)
369 MEASURING & REGULATE STATION	823,376	98,139	0	0	0	0	0	921,515
370 COMMUNICATION EQUIPMENT	0	0	0	0	0	0	0	0
Transmission Plant Subtotal	41,648,092	5,402,012	0	0	0	0	0	47,050,104
Distribution Plant								
374.1 LAND	0	0	0	0	0	0	0	0
374.2 LAND RIGHTS	580,053	138,064	0	0	0	0	0	718,117
375 STRUCTURES & IMPROVEMENTS	78,982	353	0	0	0	0	0	79,335
376.11 MAINS < 4"	241,969,641	12,321,884	(333,155)	(1,288,166)	24,368	0	0	252,694,573
376.12 MAINS 4" & >	158,514,549	10,730,259	(766,859)	(884,831)	25,686	0	0	167,618,804
377 COMPRESSOR STATION EQUIPMENT	515,988	19,068	0	0	0	0	0	535,056
378 MEASURING & REG EQUIP - GENER	7,962,222	480,037	0	0	0	0	0	8,442,259
379 MEASURING & REG EQUIP - GATE	1,116,991	75,615	0	0	0	0	0	1,192,606
380 SERVICES	306,221,197	16,450,064	(489,210)	(1,171,358)	0	0	0	321,010,693
381 METERS	15,922,617	1,648,941	(387,538)	0	0	0	0	17,184,020
381.1 METERS (ELECTRONIC)	507,007	0	0	0	0	0	0	507,007
381.2 ERT (ENCODER RECEIVER TRANS	6,542,357	2,357,290	(272,574)	0	0	0	0	8,627,073
382 METER INSTALLATIONS	13,934,292	1,423,136	(1,646,617)	0	0	0	0	13,710,812
382.1 METER INSTALLATIONS (ELECTR	518,377	0	0	0	0	0	0	518,377
382.2 ERT INSTALLATION (ENCODER	1,620,955	660,121	(52,987)	0	0	0	0	2,228,090
383 HOUSE REGULATORS	29,138	17,585	0	0	0	0	0	46,724
386 OTHER PROPERTY ON CUSTOMERS P	0	0	0	0	0	0	0	0
387.1 CATHODIC PROTECTION TESTING	138,950	19	0	0	0	0	0	138,969
387.2 CALORIMETERS @ GATE STATIONS	96,424	0	0	0	0	0	0	96,424
387.3 METER TESTING EQUIPMENT	72,671	0	0	0	0	0	0	72,671
Distribution Plant Subtotal	756,342,413	46,322,438	(3,948,940)	(3,344,355)	50,054	0	0	795,421,611
General Plant								
389 LAND	0	0	0	0	0	0	0	0
390 STRUCTURES & IMPROVEMENTS	8,264,038	435,201	0	0	0	0	0	8,699,239
391.1 OFFICE FURNITURE & EQUIPMEN	5,383,723	838,404	(132,475)	0	2,000	0	0	6,091,652
391.2 COMPUTERS	9,755,694	2,398,953	(238,295)	0	21,287	0	0	11,937,639
391.3 ON SITE BILLING	938,788	0	0	0	0	0	0	938,788
391.4 CUSTOMER INFORMATION SYSTEM	462,804	233,067	0	0	0	0	0	695,871
392 TRANSPORTATION EQUIPMENT	10,263,182	1,086,916	(2,232,500)	0	154,173	0	0	9,271,771
393 STORES EQUIPMENT	119,406	0	0	0	0	0	0	119,406
394 TOOLS - SHOP & GARAGE EQUIPUI	5,278,038	934,863	0	0	9,284	0	0	6,222,185
395 LABORATORY EQUIPMENT	63,788	2,493	0	0	0	0	0	66,281

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW NATURAL

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
UTILITY								
396 POWER OPERATED EQUIPMENT	4,043,910	147,734	(498,971)	0	119,294	0	0	3,811,967
397 GEN PLANT-COMMUNICATION EQU	7,237	3,671	0	0	0	0	0	10,908
397.1 MOBILE	1,186,871	8,812	0	0	0	0	0	1,195,683
397.2 OTHER THAN MOBILE & TELEMET	1,516,617	75,324	0	0	0	0	0	1,591,942
397.3 TELEMETERING - OTHER	3,091,052	2,708	0	0	0	0	0	3,093,760
397.4 TELEMETERING - MICROWAVE	1,863,269	19,385	0	0	0	0	0	1,882,654
397.5 TELEPHONE EQUIPMENT	2,066,580	0	0	0	0	0	0	2,066,580
398 GEN PLANT-MISCELLANEOUS EQU	0	0	0	0	0	0	0	0
398.1 PRINT SHOP	83,249	0	0	0	0	0	0	83,249
398.2 KITCHEN EQUIPMENT	460	525	0	0	0	0	0	985
398.3 JANITORIAL EQUIPMENT	14,873	0	0	0	0	0	0	14,873
398.4 INSTALLED IN LEASED BUILDINGS	10,120	0	0	0	0	0	0	10,120
398.5 OTHER MISCELLANEOUS EQUIPMENT	66,739	0	0	0	0	0	0	66,739
General Plant Subtotal	54,480,440	6,188,056	(3,102,241)	0	306,038	0	0	57,872,293
Utility Property Grand Total	\$971,409,279	\$65,076,574	(\$7,051,181)	(\$3,344,355)	\$357,592	\$280,418	\$0	\$1,026,728,327

NON UTILITY

Intangible Plant								
303.1 COMPUTER SOFTWARE	\$3,049	\$7,041	\$0	\$0	\$0	\$0	\$0	\$10,089
303.2 CUSTOMER INFORMATION SYSTEM	\$16,575	4,275	0	0	0	0	0	\$20,850
Non Utility Intangible Plant Subtotal	\$19,624	11,316	0	0	0	0	0	\$30,940
Natural Gas Underground Storage								
352 WELLS	\$1,499,003	347,596	0	0	0	0	0	\$1,846,599
352.1 STORAGE LEASEHOLD & RIGHTS	\$82	20	0	0	0	0	0	\$102
352.2 RESERVOIRS	\$834,365	113,975	0	0	0	(76,655)	0	\$871,686
353 LINES	\$151,295	33,994	0	0	0	0	0	\$185,289
354 COMPRESSOR STATION EQUIPMENT	\$3,604,712	384,391	0	0	0	(157,060)	0	\$3,832,043
355 MEASURING / REGULATING EQUIPM	\$1,059,874	185,997	0	0	0	(46,703)	0	\$1,199,168
357 OTHER EQUIPMENT	\$1,502	1,442	0	0	0	0	0	\$2,945
Non Utility Natural Gas Underground Storage Subtotal	\$7,150,833	1,067,415	0	0	0	(280,418)	0	\$7,937,831

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW NATURAL

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
UTILITY								
Transmission Plant								
368 TRANSMISSION COMPRESSOR	\$655,247	238,655	0	0	0	0	0	\$893,901
Non Utility Transmission Plant Subtotal	\$655,247	238,655	0	0	0	0	0	\$893,901
Distribution Plant								
376.12 MAINS 4" & >	\$86,887	21,272	0	0	0	0	0	\$108,160
Non Utility Distribution Plant Subtotal	\$86,887	21,272	0	0	0	0	0	\$108,160
General Plant								
389 LAND	\$0	0	0	0	0	0	0	\$0
390 STRUCTURES & IMPROVEMENTS	\$13,570	2,033	0	0	0	0	0	\$15,604
Non Utility General Plant Subtotal	\$13,570	2,033	0	0	0	0	0	\$15,604
Non Utility Other								
121.1 NON-UTIL PROP-DOCK	\$1,796,292	41,468	0	0	0	0	0	\$1,837,760
121.2 NON-UTIL PROP-LAND	\$0	0	0	0	0	0	0	\$0
121.3 NON-UTIL PROP-OIL ST	\$2,201,485	0	0	0	0	0	0	\$2,201,485
121.7 NON-UTIL PROP-APPL CENTER	\$8,946	4,219	0	0	0	0	0	\$13,165
121.8 NON-UTIL PROP-STORAGE	(\$1)	0	0	0	0	0	0	(\$1)
Non Utility Other	\$4,006,721	45,687	0	0	0	0	0	\$4,052,409
Non Utility Property Grand Total	\$11,932,883	\$1,386,379	\$0	\$0	\$0	(\$280,418)	\$0	\$13,038,843

TOTAL SUMMARY ALL UTILITY DEPRECIATION RESERVES 12/31/2011

UTILITY		
108010	(\$14,807,272)	
108011	764,509,223	
108012	10,837,661	
108013	(1,516,319)	
108014	(60,615)	
108015	3,840,792	
108100	266,516,609	
108002	(2,573,796)	
108003	(52,839)	
108004	35,058	
108666	(174)	
SUBTOTAL	\$1,026,728,327	
ADD:		
108001 REMOVAL WORK IN PROCESS		(10,609,203)
TOTAL UTILITY DEPRECIATION		\$1,016,119,124
Oregon and Washington Provision for Depreciation		

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW NATURAL**

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
TOTAL SUMMARY ALL NON-UTILITY RESERVES DEPRECIATION								
NON UTILITY								
122027	4,098,953							
122028	8,131,159							
122100	838,937							
122002	(30,206)							
TOTAL NON UTILITY DEPRECIATION								<u><u>13,038,843</u></u>

Name of Respondent				This Report Is:		Date of Report		Year of Report			
Northwest Natural Gas Company				X An Original A Resubmission		(Mo, Da, Yr)		Dec. 31, 2011			
GAS STORED (ACCOUNTS 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, AND 164.3)											
1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g) and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.				2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.						3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).	
Line No.	Description	(Account 117.1, 117.2, 117.3, 117.4, 117.5, 117.6, 117.7, 117.8)	(Account (c))	Noncurrent (Account (d))	(Account (e))	Current (Account (f))	LNG (Account (g))	LNG (Account (h))	Total (i)		
		(a)	(c)	(d)	(e)	164.12 & 164-16 & 164.32	164.21, 164.22, 164.23	164.35, 164.36	(i)		
1	Balance at Beginning of Year	14,027,191				59,852,084	10,793,152	0	84,672,427		
2	Gas Delivered to Storage	64,025				29,123,346	2,317,635	0	31,505,006		
3	Gas Withdrawn from Storage	23,575				30,096,458	3,267,189	0	33,387,222		
4	Other Debits and Credits	0				(3,401,020)	0	0	(3,401,020)		
5	Balance at End of Year	14,067,641				55,477,952	9,843,598	0	79,389,191		
6	Dekatherms	11,054,855				11,980,758	1,817,308	0	24,852,921		
7	Amount Per Dekatherm	1.27				4.63	5.42	0	3.19		

Footnotes:

1. Independent engineering studies are the basis for separation between noncurrent and current inventory.
2. See Notes to consolidated Financial Statements for method used to report inventories of gas in storage (page 122-A).

[Next Page is 222]

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Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
INVESTMENTS (Accounts 123, 124, 136)				
1. Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.		Directors, and included in Account 124, Other Investments, state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.		
2. Provide a subheading for each account and list thereunder the information called for:		(b) Investment Advances - Report separately for each person or company the amounts of loans or investment advances which are properly includable in Account 123. Advances subject to current repayment should be included in Accounts 145 and 146. With respect to each advance, show whether the advance is a note or open account.		
(a) Investment in Securities - List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of				
Line No.	Description of Investment (a)	*	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.) (c)	Purchases or Additions During Year (d)
1	Account 123		None	
2	Account 124			
3				
4	Investment - Encana Gas Reserve - 124045		0	48,594,396
5	Amortization of Encana Gas Reserve - 124046		0	0
6				
7				
8	CECC Stock - 124050		10,000	0
9				
10	Investment in Life Insurance (transfer from 186 Deferred Debits) - 124100-124109		51,089,538	11,429,302
11				
12	Investment in Vancouver Land - 124301		1,862,179	0
13				
14	Membership Fee - 124005		2,000	0
15				
16				
17	Total Account 124		52,963,717	60,023,698
18				
19				
20				
21				
22				
23	Account 136 Temporary Cash Investments			
24				
25	Marketable Securities - 136002, 136032		63	26
26				
27	OLGA Investment Account - 136100		1,478,875	2,576,415
28				
29	OLIEE Investment Account - 136104		1,393,255	1,632,009
30				
31	Smart Inv - 136105		453,313	962,541
32				
33	Total Account 136		3,325,506	5,170,991
34				
35				
36				
37				
38				
39				
40				

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

INVESTMENTS (Accounts 123, 124, 136) (Continued)

Each note should be listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees. Exclude amounts reported on page 229.

3. For any securities, notes or accounts that were pledged designate with an asterisk such securities, notes, or accounts and in a footnote state the name of pledgee and purpose of the pledge.

4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.

5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.

6. In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (h).

Sales or Other Dispositions During Year	Principal Amount or No. of Shares at End of year	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.)	Revenues for Year	Gain or Loss from Investment Disposed of	Line No.
(e)	(f)	(g)	(h)	(i)	
		None	None		1
					2
0	48,594,396	48,594,396			3
1,143,368	(1,143,368)	(1,143,368)			4
					5
					6
10,000	0	0			7
					8
10,607,547	51,911,293	51,911,293			9
					10
0	1,862,179	1,862,179			11
					12
2,000	0	0			13
					14
					15
					16
11,762,915	101,224,499	101,224,499	0		17
					18
					19
					20
					21
					22
					23
0	89	89			24
					25
3,735,067	320,223	320,223			26
					27
1,327,885	1,697,379	1,697,379			28
					29
1,335,154	80,700	80,700			30
					31
					32
6,398,106	2,098,391	2,098,391	0		33
					34
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					40

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1)				
<p>1. Report below investments in Accounts 123.1, Investments in Subsidiary Companies.</p> <p>2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).</p> <p>(a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.</p> <p>(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.</p> <p>3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.</p>				
Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	NNG Financial Corporation	6/28/1990		894,630
2	(Short term Financing and Investments)			
3				
4	Northwest Natural Energy LLC *	5/26/2009		15,597,007
5	(Holding Company)			
6				
7	Gill Ranch Storage, LLC *	9/27/2007		174,821,724
8	(Gas Storage)			
9				
10	Northwest Biogas, LLC	3/23/2009		389,142
11	(Biodigestor Company)			
12				
13				
14	* Gill Ranch Storage, LLC has been moved under Northwest			
15	Natural Gas Storage, LLC.			
16	See page 103 for further information.			
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38				
39	TOTAL Cost of Account 123.1		Total	191,702,503

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report	
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2011	
INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)				
<p>4. For any securities, notes, or accounts that were pledged, designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.</p> <p>5. If commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.</p> <p>6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.</p> <p>7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including interest adjustment includible in column (f).</p> <p>8. Report on Line 39, column (a) the total cost of Account 123.1.</p>				
Equity in Subsidiary Earnings for Year (e)	Additional Investment for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
(24,524)	0	870,106		1
				2
(4,299,584)	161,058,555	172,355,978		3
				4
				5
0	(174,821,724)	0		6
				7
(82,614)	(156,528)	150,000		8
				9
				10
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(4,406,722)	(13,919,697)	173,376,084	0	39

Name of Respondent Northwest Natural Gas Company	This Report Is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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PREPAYMENTS (Account 165)

1. Report below the particulars (details) on each prepayment.

Line No.	(a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	2,182,257
2	Prepaid Demand Charges	2,044,000
3	Prepaid Taxes	9,340,480
4	Miscellaneous Prepayments	5,295,065
5	TOTAL	18,861,802

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss [Include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr)] (a)	Balance at Beginning of Year (b)	Total Amount of Loss (c)	Losses Recognized During Year (d)	WRITTEN OFF DURING YEAR		Balance at End of Year (g)
					Account Charged (e)	Amount (f)	
7	None						
8							
9							
10							
11							
12							
13							
14							
15	TOTAL						

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (Account 182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr)] (a)	Balance at Beginning of Year (b)	Total Amount of Charges (c)	Costs Recognized During Year (d)	WRITTEN OFF DURING YEAR		Balance at End of Year (g)
					Account Charged (e)	Amount (f)	
16	None						
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	TOTAL						

[Next Page is 232]

Name of Respondent Northwest Natural Gas Company	This Report is:	Date of Report	Year of Report Dec. 31, 2011
	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

OTHER REGULATORY ASSETS (ACCOUNT 182.3)

1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for account 182.3 or amounts less than \$250,000, whichever is less) may be grouped by classes.
4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Quarter/Year (b)	Debits (Credits) (c)	Written off During Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	Balance at End of Current Quarter/Year (f)
1						
2						
3	DEFERRED TAX LIABILITY (Page 261B-2)	\$ 68,821,597	\$ (3,067,000)			65,754,597
4						
5	AMT DEFERRED TAX LIABILITY	-	76,363			76,363
6						
7	DEFERRED TAX LIABILITY (Page 261B-2)	\$ 68,821,597	\$ (2,990,637)			\$ 65,830,960
8						
9	LESS: AMT DEFERRED TAX LIABILITY		(76,363)			(76,363)
10						
11	FAS 109 TAX RATE ADJUSTMENT	3,519,802	(819,588)			2,700,214
12						
13	REGULATORY DEFERRED TAX ASSET (Page 111 Line 69)	\$ 72,341,399	\$ (3,886,588)			\$ 68,454,811
14						
15						
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37						
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40						
41						
42	TOTAL	\$ 72,341,399	\$ (3,886,588)			\$ 68,454,811

Name of Respondent		This Report Is:		Date of Report (Mo, Da, Yr)		Year of Report	
Northwest Natural Gas Company		X An Original A Resubmission				Dec. 31, 2011	
MISCELLANEOUS DEFERRED DEBITS (Account 186)							
1. Report below the details called for concerning miscellaneous deferred debits.				of amortization in column (a).			
2. For any deferred debit being amortized, show period				3. Minor items (less than \$250,000) may be grouped by classes.			
Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Yr (b)	DEBITS		CREDITS		Balance at End of Year (f)
			Amount (c)	Account Charged (d)	Amount (e)		
1							
2	Pension and Other Retirement Benefits	129,235,885	67,755,874	1	10,988,133		186,003,626
3							
4	Environmental	63,590,026	19,242,866	2	7,580,836		75,252,056
5							
6	Regulatory Receivable - Environmental	55,582,645	16,068,932	3	36,372,138		35,279,439
7							
8	Deferred Derivative Activity	55,459,000	298,433,087	4	290,039,087		63,853,000
9							
10	Leasehold Improvements Amortized Over Remaining Life	2,986,785	20,120	5	625,189		2,381,716
11							
12	AMR Deferral	2,161,036	1,032,780	6	3,128,109		65,707
13							
14	Margin Sharing	(14,077,284)	28,770,147	7	24,892,370		(10,199,507)
15							
16	Unbilled Revenue	(287,210)	4,856,889	8	5,338,904		(769,225)
17							
18	Smart Energy	0	0	9	0		0
19							
20	Other - includes Pension Deferral of 6,007,909	(643,479)	20,922,271	10	15,020,625		5,258,167
21							
22	OR - Decoupling	21,147,205	42,463,287	11	39,535,091		24,075,401
23							
24	OR - SB408 Activity	13,068,781	13,102,766	12	22,619,377		3,552,170
25							
26	OR - Deferred Industrial DSM	2,190,672	4,113,786	13	2,911,179		3,393,279
27							
28	OR - PUC Fee Refund	(781,100)	833,464	14	52,364		0
29							
30	OR - Earnings Test Estimate	(550,000)	1,818,623	15	2,951,538		(1,682,915)
31							
32	WA - Energy Efficiency	1,468,036	925,255	16	1,309,913		1,083,378
33							
34	WA - Low Income	471,695	1,027,589	17	1,087,071		412,213
35							
36	Note - Certain balances have been reclassified and/or						
37	renamed when compared to the prior year						
38							
39	TOTAL	331,022,693	521,387,736		464,451,924		387,958,505

Name of Report Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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Accumulated Deferred Income Taxes (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (specify), include deferrals relating to other income and deductions.
3. At lines 4 and 6, add rows as necessary to report all data. Number the additional rows in sequence 4.01, 4.02, etc. and 6.01, 6.02, etc.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric			
3	Gas			
4				
5	Total (Total of lines 2 thru 4)			
6				
7	TOTAL Account 190 (Total of lines 5 thru 6)			
8	Classification of TOTAL			
9	Federal Income Tax			
10	State Income Tax			
11	Local Income Tax			
	See pages 276-277			

Name of Respondent Northwest Natural Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
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Accumulated Deferred Income Taxes (Account 190) (continued)

4. If more space is needed, separate pages are required.
5. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided.

Changes During Year Amounts Debited to Account 410.2 (e)	Changes During Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)	Line No.
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
See pages 276-277							

[Next Page is 250]

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Name of Report Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
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CAPITAL STOCK (Account 201 and 204)

- | | |
|--|---|
| <p>1. Report below the detail called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.</p> | <p>2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.</p> <p>3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.</p> |
|--|---|

Line No.	Class and Series of Stock and Name of Stock Exchange	Number of Shares Authorized by Charter	Par or Stated Value Per Share	Call Price at End of Year
	(a)	(b)	(c)	(d)
1	Common Stock	100,000,000	N/A	
2				
3				
4				
5				
6				
7				
8				
9				
10				
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Name of Respondent Northwest Natural Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
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CAPITAL STOCK (Accounts 201 and 204) (Continued)

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent.)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
26,756,101	346,708,273					1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
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						42

Name of Respondent Northwest Natural Gas Company	This Report is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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**CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION,
PREMIUM ON CAPITAL STOCK, AND INSTALLMENTS RECEIVED ON CAPITAL STOCK
(Accounts 202 and 205, 203 and 206, 207, 212)**

- | | |
|--|---|
| <p>1. Show for each of the above accounts the amounts applying to each class and series of capital stock.</p> <p>2. For Account 202, Common Stock Subscribed, and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year.</p> <p>3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203,</p> | <p>Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of the year.</p> <p>4. For Premium on Account 207, Capital Stock, designate with an asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.</p> |
|--|---|

Line No.	Name of Account and Description of Item (a)	(b)	Number of Shares (c)**	Amount (d)
1	Account 202 - Common Stock Subscribed			NONE
2				
3	Account 205 - Preferred Stock Subscribed			NONE
4				
5	Account 203 and 206 - Capital Stock Liability for Conversion			NONE
6				
7	Account 207 - Premium on Capital Stock:			
8				NONE
9				
10	Account 212 - Installments Received on Capital Stock			
11				
12	Installments Received Under Employee Purchase Plan			24,455
13	Installments Received Under Dividend Reinvestment Plan			0
14	Total Installments Received on Capital Stock (Account 212)			24,455
15				
16				
17				
18				
19				
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21				
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37				
38				
39	TOTAL			24,455

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A resubmission	(Mo, Da, Yr)	Dec. 31, 2011

OTHER PAID IN CAPITAL (Accounts 208 - 211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) Donations Received from Stockholders (Account 208) - State amount and give brief explanation of the origin and purpose of each donation.

(b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and give brief explanation of the capital changes which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Account 208 - Donations Received from Stockholders	None
2		
3	Account 209 - Reduction in Par or Stated Value of Capital Stock	
4		
5	Account 210 - Gain on Resale or Cancellation of Reacquired Capital Stock	
6		
7	Balance At Beginning of Year	1,649,864
8		
9	Credit:	
10		
11		
12	Debit:	
13		
14	Balance at End of Year	1,649,864
15		
16		
17	Account 211 - Miscellaneous Paid-In Capital	None
18		
19		
20		
21		
22		
23		
24		
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39		
40	TOTAL	1,649,864

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Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A resubmission	(Mo, Da, Yr)	Dec. 31, 2011

DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. Use as many rows as necessary to report all data.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off during the year and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	N/A	0
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		

CAPITAL STOCK EXPENSE (ACCOUNT 214)

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. Use as many rows as necessary to report all data. Number the rows in sequence starting from the last row number used for Discount on Capital Stock above.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
16	Capital Stock Expense	0
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
	TOTAL	0

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Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Dec. 31, 2011

**SECURITIES ISSUED OR ASSUMED AND
SECURITIES REFUNDED OR RETIRED DURING THE YEAR**

1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses.
2. Provide details showing the full accounting for the total principal amounts, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or
3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.
4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting
5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

Class of Security	Underwriter of Payee	Date	Stated or Par Value per Share	Number of Shares	Principal Amount or Par Value
<u>Debt Securities Issued</u>					
First Mortgage Bonds: 3.176% Series A	Issued by Company	9/12/2011	N/A	N/A	\$ 50,000,000
	Total Debt Issued				
<u>Debt Securities Retired</u>					
First Mortgage Bonds: 6.665% Series B	Reacquired by Company	6/27/2011	N/A	N/A	\$ 10,000,000
	Total Debt Retired				
<u>Common Stock</u>					
Common stock issuance expenses:					
Stock option plan	Issued by Company	Various	N/A	24,185	\$ 819,412
ESPP	Issued by Company	December	N/A	15,304	\$ 641,238
DRPP	Issued by Company	Various	N/A	48,400	\$ 2,170,615
Stock repurchase	Reacquired by Company	Various	N/A	-	\$ -
	Total Common Stock			87,889	\$ 3,631,265

Name of Respondent	This Report Is:		Year of Report	
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2011	
LONG-TERM DEBT (Account 221, 222, 223, and 224)				
<p>1. Report by balance sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.</p> <p>2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>3. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.</p>				
Line No.	Class and Series of Obligation and Name of Stock Exchange (a)		Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (d)
1	Account 221			
2	Medium-Term Notes - First Mortgage			
3				
4				
5				
6	6.665% Series B		Redeemed	Redeemed
7	7.130% Series B		03-26-2012	40,000,000
8	8.260% Series B		09-21-2014	10,000,000
9	3.950% Series B		07-15-2014	50,000,000
10	4.700% Series B		06-22-2015	40,000,000
11	5.150% Series B		12-15-2016	25,000,000
12	7.000% Series B		08-01-2017	40,000,000
13	6.600% Series B		03-16-2018	22,000,000
14	8.310% Series B		09-21-2019	10,000,000
15	7.630% Series B		12-09-2019	20,000,000
16	5.370% Series B		02-01-2020	75,000,000
17	9.050% Series A		08-13-2021	10,000,000
18	3.176% Series A		9-15-2021	50,000,000
19	5.620% Series B		11-21-2023	40,000,000
20	7.720% Series B		09-01-2025	20,000,000
21	6.520% Series B		12-01-2025	10,000,000
22	7.050% Series B		10-15-2026	20,000,000
23	7.000% Series B		05-21-2027	20,000,000
24	6.650% Series B		11-10-2027	19,700,000
25	6.650% Series B		06-01-2028	10,000,000
26	7.740% Series B		08-29-2030	20,000,000
27	7.850% Series B		09-01-2030	10,000,000
28	5.820% Series B		09-24-2032	30,000,000
29	5.660% Series B		02-25-2033	40,000,000
30	5.250% Series B		06-21-2035	10,000,000
31				
32				
33				
34				
35				
36				
37	Total Medium Term Notes			641,700,000
38				
39	Account 239			
40	Less: Notes due with-in one year (1)			(40,000,000)
41				
42				
43				
44				
45				
46				
47				
48				
49	Account 222 and 223			
50	None			
51	SUB TOTAL			601,700,000

Name of Respondent	This Report Is: X An Original A resubmission	Date of Report (Mo, Da, Yr)	Year of Report		
Northwest Natural Gas Company			Dec. 31, 2011		
LONG-TERM DEBT (Accounts 221, 222, and 224) (Continued)					
5. In a supplemental statement, give explanatory particulars (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.		at end of year, describe such securities in a footnote.			
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.		8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.			
7. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding		9. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.			
INTEREST FOR YEAR		HELD BY RESPONDENT			
Rate (in %)	Amount	Reacquired Bonds (Acct. 222)	Sinking and Other Funds	Redemp- tion Price Per \$100 at End of Year	Line No.
(e)	(f)	(g)	(h)	(i)	
					1
					2
					3
					4
					5
6.665%	325,844			N/A	6
7.130%	2,852,000			N/A	7
8.260%	826,000			N/A	8
3.950%	1,975,000			N/A	9
4.700%	1,880,000			N/A	10
5.150%	1,287,500			N/A	11
7.000%	2,800,000			N/A	12
6.600%	1,452,000			N/A	13
8.310%	831,000			N/A	14
7.630%	1,526,000			N/A	15
5.370%	4,027,500			N/A	16
9.050%	905,000			N/A	17
3.176%	478,107			N/A	17
5.620%	2,248,000			N/A	18
7.720%	1,544,000			N/A	19
6.520%	652,000			N/A	20
7.050%	1,410,000			N/A	21
7.000%	1,400,000			N/A	22
6.650%	1,310,050			N/A	23
6.650%	665,000			N/A	24
7.740%	1,548,000			N/A	25
7.850%	784,460			N/A	26
5.820%	1,746,000			N/A	27
5.660%	2,264,000			N/A	28
5.250%	525,000			N/A	18
					19
					20
					21
					22
					23
	37,262,461				24
					25
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Name of Respondent		This Report Is:		Date of Report		Year of Report	
Northwest Natural Gas Company		X An Original A Resubmission		(Mo, Da, Yr)		Dec. 31, 2011	
UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)							
1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt.				3. In column (b) show the principal amount of bonds or other long-term debt originally issued.			
2. Show premium amounts by enclosing figures in parentheses.				4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.			
Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	AMORTIZATION PERIOD			
				Date From (d)	Date To (e)		
1	Account 181						
2	Medium-Term Notes - First Mortgage						
3							
4							
5							
6	6.665%	Redeemed	Redeemed	06/26/2001	06/27/2011		
7	7.130%	40,000,000	352,400	03/26/2002	03/26/2012		
8	8.260% (1)	10,000,000	903,369	09/21/1994	09/21/2014		
9	3.950%	50,000,000	441,576	07/09/2009	07/15/2014		
10	4.700%	40,000,000	341,898	06/21/2005	06/22/2015		
11	5.150%	25,000,000	277,676	12/15/2006	12/15/2016		
12	7.000%	40,000,000	375,600	08/01/1997	08/01/2017		
13	6.600% (2)	22,000,000	1,344,884	03/17/1998	03/16/2018		
14	8.310% (1)	10,000,000	1,111,757	09/21/1994	09/21/2019		
15	7.630%	20,000,000	195,421	12/09/1999	12/09/2019		
16	5.370% (7)	75,000,000	10,862,808	04/25/2009	02/01/2020		
17	9.050%	10,000,000	115,333	08/13/1991	08/13/2021		
18	5.620% (6)	40,000,000	3,325,438	11/21/2003	11/21/2023		
19	7.720% (4)	20,000,000	1,286,261	09/06/2000	09/01/2025		
20	6.520%	10,000,000	90,146	12/01/1995	12/01/2025		
21	7.050%	20,000,000	175,940	10/15/1996	10/15/2026		
22	7.000%	20,000,000	153,906	05/20/1997	05/21/2027		
23	6.650%	19,700,000	162,800	11/10/1997	11/10/2027		
24	6.650%	10,000,000	98,300	06/01/1998	06/01/2028		
25	7.740% (3)	20,000,000	1,504,914	08/29/2000	08/29/2030		
26	7.850% (5)	10,000,000	753,107	09/06/2000	09/01/2030		
27	5.820%	30,000,000	390,382	09/24/2002	09/24/2032		
28	5.660%	40,000,000	356,663	02/25/2003	02/25/2033		
29	5.250%	10,000,000	97,974	06/21/2005	06/21/2035		
30	3.176%	50,000,000	605,155	9/12/2011	9/15/2021		
31	Shelf Registration Expense	-	-	N/A	N/A		
32	Shelf Registration Expense	-	-	N/A	N/A		
33	Line of Credit	-	-	N/A	N/A		
34							
35							
36		641,700,000	25,323,708				
37							
38							
39	[1] Includes premium and unamortized cost on early redemption of 9.8% series bonds (\$1,044,111 allocated to the 8.31% series, and \$835,723 allocated to the 8.26% series). These amounts are being amortized in account 189006.						
40	[2] Includes \$910,800 premium and \$222,664 unamortized costs on early redemption of 9.125% series bonds allocated to the 6.60% series. These amounts are being amortized in account 189007.						
41	[3] Includes \$992,143 premium, \$178,966 unamortized costs on early redemption of 9.75% series bonds, and \$148,605 unamortized costs on early redemption of 15.375% series bonds allocated to the 7.74% series. These amounts are being amortized in account 189008.						
42	[4] Includes \$826,786 premium, \$149,139 unamortized costs on early redemption of 9.75% series bonds, and \$123,837 unamortized costs on early redemption of 15.375% series bonds allocated to the 7.72% series. These amounts are being amortized in account 189008.						
43	[5] Includes \$496,071 premium, \$89,483 unamortized costs on early redemption of 9.75% series bonds, and \$74,302 unamortized costs on early redemption of 15.375% series bonds allocated to the 7.85% series. These amounts are being amortized in account 189008.						
44	[6] Includes \$150,000 premium and \$405,971 unamortized costs on early redemption of 7.50% series bonds, \$413,600 premium and \$1,116,479 unamortized costs on early redemption of 7.52% series bonds and \$730,000 premium and \$136,800 unamortized costs on early redemption of 7.25% series bonds allocated to 5.62% series. These amounts are being amortized in account 189013.						
45	[7] Includes \$10,096,000 costs paid on interest rate hedge loss and \$298,058 unamortized costs on shelf registration, allocated to 5.37% series.						

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report	
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2011	
UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226) (Cont.)				
5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.		6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years. 7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.		
Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)	Line No.
				1
				2
				3
			0	4
			0	5
3,738		3,738	0	6
44,055		35,244	8,811	7
12,596		3,384	9,212	8
309,096		88,320	220,776	9
150,997		34,188	116,809	10
165,402		27,768	137,634	11
123,635		18,780	104,855	12
76,197		10,572	65,625	13
23,550		2,700	20,850	14
87,095		9,768	77,327	15
9,105,934		986,652	8,119,282	16
40,640		3,840	36,800	17
240,560		18,624	221,936	18
109,472		7,464	102,008	19
44,750		3,000	41,750	20
92,665		5,868	86,797	21
84,316		5,136	79,180	22
91,304		5,424	85,880	23
57,057		3,276	53,781	24
120,790		6,168	114,622	25
61,124		3,108	58,016	26
283,185		13,020	270,165	27
263,606		11,892	251,714	28
79,696		3,264	76,432	29
0	605,155	20,172	584,983	30
528,293	283,379	372,692	438,980	31
				32
81,601		57,601	24,000	33
				34
Sub Total				35
12,281,354	888,534	1,761,663	11,408,225	36
				37
				38
				39
	Total above	1,761,663		40
	Less Shelf Regis Expense	(430,293)		41
	Amortization Expense per P&L	1,331,370		42
				43
				44
				45

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Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257)

- | | |
|--|--|
| <p>1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars (details) of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.</p> <p>2. In column (c) show the principal amount of bonds or other long-term debt reacquired.</p> <p>3. In column (d) show the net gain or net loss realized</p> | <p>on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform System of Accounts.</p> <p>4. Show loss amounts by enclosing the figures in parentheses.</p> <p>5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt or credited to Account 429.1, Amortization of gain on Reacquired Debt-Credit.</p> |
|--|--|

Line No,	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	Account 189					
6						
7	First Mortgage Bonds					
8						
9						
10	9.8%	11/01/93	24,938,000	(2,170,710)	522,090	438,546
11	9.125%	04/01/98	18,000,000	(1,133,464)	408,244	351,364
12	9.75% (1)	09/29/00	50,000,000	(3,079,332)	1,942,980	1,833,000
13	7.52% (2)	07/01/03	11,000,000	(1,530,079)	981,750	905,250
14	7.50% (3)	07/01/03	4,000,000	(555,971)	356,818	329,014
15	7.25%	08/18/03	20,000,000	(866,800)	556,248	512,904
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	(1) Includes \$2,732,588 loss on debt reacquired in 2000 and \$346,744 unamortized					
26	loss allocated from the 15.375% Guaranteed Notes.					
27						
28	(2) Includes \$489,200 loss on debt reacquired in 2003 and \$1,040,879 unamortized					
29	loss allocated from the 9-38% Bonds.					
30						
31	(3) Includes \$177,360 loss on debt reacquired in 2003 and \$378,611 unamortized					
32	loss allocated from the 9-38% Bonds.					
33						
34						
35						
36						
37						
38	TOTAL				4,768,130	4,370,078

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Co.	(1) X An Original (2) A resubmission	(Mo, Da, Yr)	Dec. 31, 2011

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME
FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group that files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

Line No.		Combined Amounts	Elimination	NW Natural Gas Company 93-0256722	NNG Financial Corporation 93-1034064	NW Energy Corporation 93-1329989
1						
2	NET INCOME FOR THE YEAR PER (PAGE 116a)	\$ 63,898,047	\$ 24,524	\$ 63,898,047	\$ (24,524)	\$ -
3						
4	TAXABLE INCOME (LOSS) NOT RECORDED ON BOOKS:					
5	CONTRIBUTIONS IN AID OF CONSTRUCTION			0		
6	OTHER INCOME	27,269,638		27,269,638		
7	INCOME FROM SUBSIDIARIES	(4,731,699)		(4,731,699)		
8						
9	EXPENSES RECORDED ON BOOKS NOT DEDUCTED ON RETURN:					
10	REGULATORY REVENUE & COST ADJUSTMENTS	8,207,639		8,207,639		
11	BOND AMORTIZATION	398,052		398,052		
12	DEFERRED DIRECTORS FEES	406,300		406,300		
13	NONDEDUCTIBLE MEALS AND ENTERTAINMENT	792,119		792,119		
14	NONDEDUCTIBLE POLITICAL, SOCIAL AND OTHER	953,169		953,169		
15	PREPAYMEN OTHER INCOME	1,936,285		1,936,285		
16	PROPERTY TAX ADJUSTMENT - ACCRUAL TO CASH	182,171		182,171		
17	SEC. 263A INVENTORY ADJUSTMENTS	1,432,842		1,432,842		
18	DEFERRED COMPENSATION	440,859		440,859		
19	FEDERAL TAX PROVISION (SEE ANALYSIS BELOW)	35,610,932		35,610,932		
20	STATE TAX PROVISION (SEE ANALYSIS BELOW)	7,770,917		7,770,917		
21						
22	BOOK INCOME NOT SUBJECT TO TAX:					
23	COMPANY OWNED LIFE INSURANCE	2,246,755		2,246,755		
24						
25						
26	EXPENSES ALLOWABLE FOR TAX NOT ON BOOKS:					
27	ACCRUED VACATION	89,556		89,556		
28	BAD DEBT RESERVE	55,084		55,084		
29	CURRENT STATE TAX EXPENSE	100,000		100,000		
30	DEPREC - EXCESS OF TAX OVER BOOK DEPRECIATION	97,178,039		97,150,894	27,145	
31	DIVIDENDS PAID TO AN ESOP	650,031		650,031		
32	STOCK BASED COMPENSATION	522,855		522,855		
33	PREPAID INSURANCE	73,441		73,441		
34	INTANGIBLE DRILLING COSTS	37,296,883		37,296,883		
35	PENSION ADJUSTMENTS	7,306,398		7,306,398		
36	REMOVAL COSTS	2,322,000		2,322,000		
37						
38	FEDERAL NET OPERATING LOSS CARRYFORWARD to 2012	<u>\$ (3,273,771)</u>	<u>\$ 24,524</u>	<u>\$ (3,246,626)</u>	<u>\$ (51,669)</u>	
39						

NORTHWEST NATURAL GAS CO AND SUBSIDIARIES
RECONCILIATION OF BOOK INCOME TO FEDERAL TAXABLE INCOME
TAX PROVISION FOR YEAR ENDED DECEMBER 31, 2011

<u>LINE #</u>			
1	<u>NET INCOME FOR THE YEAR PER (PAGE 116a)</u>		\$ 63,898,047
2			
3	<u>TAXABLE INCOME (LOSS) NOT RECORDED ON BOOKS:</u>		
4	CONTRIBUTIONS IN AID OF CONSTRUCTION	-	
5	OTHER INCOME	27,269,638	
6	INCOME FROM SUBSIDIARY	<u>(4,731,699)</u>	
7			22,537,939
8	<u>EXPENSES RECORDED ON BOOKS NOT DEDUCTED ON RETURN:</u>		
9	REGULATORY REVENUE & COST ADJUSTMENTS	8,207,639	
10	BOND AMORTIZATION	398,052	
11	DEFERRED DIRECTORS FEES	406,300	
12	NONDEDUCTIBLE MEALS AND ENTERTAINMENT	792,119	
13	NONDEDUCTIBLE POLITICAL, SOCIAL AND OTHER	953,169	
14	OTHER INCOME	1,936,285	
15	PROPERTY TAX ADJUSTMENT - ACCRUAL TO CASH	182,171	
16	SEC. 263A INVENTORY ADJUSTMENTS	1,432,842	
17	DEFERRED COMPENSATION	440,859	
18	FEDERAL TAX PROVISION (SEE ANALYSIS BELOW)	35,610,932	
19			
20	STATE TAX PROVISION (SEE ANALYSIS BELOW)	<u>7,770,917</u>	
21			58,131,285
22	<u>BOOK INCOME NOT SUBJECT TO TAX:</u>		
23	COMPANY OWNED LIFE INSURANCE	<u>2,246,755</u>	
24			2,246,755
25			
26	<u>EXPENSES ALLOWABLE FOR TAX NOT ON BOOKS:</u>		
27	ACCRUED VACATION	89,556	
28	BAD DEBT RESERVE	55,084	
29	CURRENT STATE TAX EXPENSE	100,000	
30	DEPREC - EXCESS OF TAX OVER BOOK DEPRECIATION	97,178,039	
31	DIVIDENDS PAID TO AN ESOP	650,031	
32	STOCK BASED COMPENSATION	522,855	
33	PREPAID INSURANCE	73,441	
34	INTANGIBLE DRILLING COSTS	37,296,883	
35	PENSION ADJUSTMENTS	7,306,398	
36	REMOVAL COSTS	<u>2,322,000</u>	
37			145,594,287
38	FEDERAL NET OPERATING LOSS CARRYFORWARD TO 2012		<u><u>(3,273,771)</u></u>

NORTHWEST NATURAL GAS CO AND SUBSIDIARIES
RECONCILIATION OF BOOK INCOME TO FEDERAL TAXABLE INCOME
TAX PROVISION FOR YEAR ENDED DECEMBER 31, 2011

LINE #

1	<u>TAX COMPUTATION:</u>		
2			
3	FEDERAL INCOME TAX (BENEFIT) AT STATUTORY RATE	\$	-
4	FEDERAL ALTERNATIVE MINIMUM TAX		0
5			
6	ADJ: LOW INCOME HOUSING & §29 CREDITS	0	
7	ALTERNATIVE MINIMUM TAX CREDIT	0	
8	FUEL TAX CREDIT (FORM 4136)	0	
9	FOREIGN TAX CREDIT	0	
10			0
11			
12	CURRENT FEDERAL TAX PROVISION CURRENT YEAR - 2011		140,055
13	PLUS PRIOR PERIOD ADJUSTMENTS		
14			
15	TOTAL FEDERAL CURRENT TAX PROVISION (Pg 261-B2)		140,055
16			
17	DEFERRED FEDERAL TAX PROVISION CURRENT YEAR - 2011		36,141,211
18	PLUS PRIOR YEAR PROVISION TO RETURN TRUE UP		(228,335)
19			
20	ADJ: INVESTMENT TAX CREDIT APPLIED	0	
21	DEFERRED ALTERNATIVE MINIMUM TAX	0	
22	DEFERRED INVESTMENT TAX CREDIT	(441,999)	
23			(441,999)
24	TOTAL FEDERAL DEFERRED TAX PROVISION (Pg 261-B2)		35,470,877
25			
26	COMBINED FEDERAL INCOME TAX PROVISION	\$	35,610,932
27			
28			
29	<u>ALLOCATION OF FEDERAL INCOME TAX PROVISION</u>		
30			
31	OPERATING	\$	34,485,633
32	NON-OPERATING		3,601,286
33	NNG FINANCIAL CORPORATION		(34,976)
34	GILL RANCH, LLC		(1,687,447)
35	NW GAS STORAGE, LLC		(330,476)
36	PALOMAR		(456,522)
37	NW ENERGY, LLC		33,434
38			
39	COMBINED FEDERAL INCOME TAX PROVISION	\$	35,610,932
40			
41	<u>COMBINED FEDERAL AND STATE INCOME TAX PROVISION</u>		
42	OPERATING	\$	42,221,994
43	NON-OPERATING		4,536,078
44	NNG FINANCIAL CORPORATION		(40,584)
45	OTHER SMLLC'S AND PARTNERSHIPS		(3,335,639)
	PAGES 261-B2 CONTINUED (CURRENT & DEFERRED FEDERAL & STATE)	\$	43,381,849

NORTHWEST NATURAL GAS CO AND SUBSIDIARIES
RECONCILIATION OF BOOK INCOME TO STATE TAXABLE INCOME
TAX PROVISION FOR YEAR ENDED DECEMBER 31, 2011

LINE #			
1	<u>NET INCOME FOR THE YEAR PER (PAGE 116a)</u>		\$ 63,898,047
2			
3	TAXABLE INCOME (LOSS) NOT RECORDED ON BOOKS:		
4	CONTRIBUTIONS IN AID OF CONSTRUCTION	-	
5	OTHER INCOME	27,269,638	
6	INCOME FROM SUBSIDIARY	<u>(4,731,699)</u>	
7			22,537,939
8			
9	<u>EXPENSES RECORDED ON BOOKS NOT DEDUCTED ON RETURN:</u>		
10	REGULATORY REVENUE & COST ADJUSTMENTS	8,207,639	
11	BOND AMORTIZATION	398,052	
12	DEFERRED DIRECTORS FEES	406,300	
13	NONDEDUCTIBLE MEALS AND ENTERTAINMENT	792,119	
14	NONDEDUCTIBLE POLITICAL, SOCIAL AND OTHER	953,169	
15	OTHER INCOME	1,936,285	
16	PROPERTY TAX ADJUSTMENT - ACCRUAL TO CASH	182,171	
17	SEC. 263A INVENTORY ADJUSTMENTS	1,432,842	
18	DEFERRED COMPENSATION	440,859	
19	FEDERAL TAX PROVISION (SEE ANALYSIS ABOVE)	35,610,932	
20	STATE TAX PROVISION (SEE ANALYSIS BELOW)	<u>7,770,917</u>	
21			58,131,285
22			
23	<u>BOOK INCOME NOT SUBJECT TO TAX:</u>		
24	COMPANY OWNED LIFE INSURANCE	<u>2,246,755</u>	
25			2,246,755
26			
27	<u>EXPENSES ALLOWABLE FOR TAX NOT ON BOOKS:</u>		
28	ACCRUED VACATION	89,556	
29	BAD DEBT RESERVE	55,084	
30	CURRENT STATE TAX EXPENSE	-	
31	DEPREC - EXCESS OF TAX OVER BOOK DEPRECIATION	116,302,690	
32	DIVIDENDS PAID TO AN ESOP	650,031	
33	STOCK BASED COMPENSATION	522,855	
34	PREPAID INSURANCE	73,441	
35	INTANGIBLE DRILLING COSTS	37,296,883	
36	PENSION ADJUSTMENTS	7,306,398	
37	REMOVAL COSTS	<u>2,322,000</u>	
38			164,618,938
39	STATE NET OPERATING LOSS CARRYFORWARD TO 2012		<u><u>\$ (22,298,422)</u></u>

NORTHWEST NATURAL GAS CO AND SUBSIDIARIES
RECONCILIATION OF BOOK INCOME TO STATE TAXABLE INCOME
TAX PROVISION FOR YEAR ENDED DECEMBER 31, 2011

LINE #		
1	<u>TAX COMPUTATION:</u>	
2		
3	STATE INCOME TAX (BENEFIT) (MINIMUM TAX)	\$ 100,000
4	STATE ALTERNATIVE MINIMUM TAX	0
5		
6	ADJ: LOW INCOME HOUSING & §29 CREDITS	0
7	ALTERNATIVE MINIMUM TAX CREDIT	0
8	DEPENDENT CARE TAX CREDIT	0
9	BUSINESS ENERGY TAX CREDIT	0
10		<u>0</u>
11		
12	CURRENT STATE TAX PROVISION CURRENT YEAR -2011	100,000
13	PLUS PRIOR YEAR PROVISION TO RETURN TRUE UP	(1,026,359)
14		
15	TOTAL STATE CURRENT TAX PROVISION (Pg 261-B2)	<u>(926,359)</u>
16		
17	DEFERRED STATE TAX PROVISION CURRENT YEAR - 2011	7,497,045
18	PLUS PRIOR YEAR PROVISION TO RETURN TRUE UP	1,200,231
19		
20	ADJ: INVESTMENT TAX CREDIT APPLIED	0
21	DEFERRED ALTERNATIVE MINIMUM TAX	0
22	DEFERRED INVESTMENT TAX CREDIT	0
23		<u>0</u>
24	TOTAL STATE DEFERRED TAX PROVISION (Pg 261-B2)	<u>8,697,276</u>
25		
26	COMBINED STATE INCOME TAX PROVISION	<u>\$ 7,770,917</u>
27		
28		
29	<u>ALLOCATION OF STATE INCOME TAX PROVISION</u>	
30		
31	OPERATING	\$ 7,736,361
32	NON-OPERATING	934,792
33	NNG FINANCIAL CORPORATION	(5,608)
34	GILL RANCH, LLC	(734,317)
35	NW GAS STORAGE, LLC	(70,135)
36	PALOMAR	(97,791)
37	NW ENERGY, LLC	7,615
38		
39	COMBINED STATE INCOME TAX PROVISION	<u>\$ 7,770,917</u>

**NORTHWEST NATURAL GAS COMPANY
RECONCILIATION OF TAX ACCRUAL ACCOUNTS - CURRENT
YEAR ENDED DECEMBER 31, 2011**

FEDERAL	Total	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
		ACCRUAL 236.022	ACCRUAL 236.023	ACCRUAL 236.024	ACCRUAL 236.025	ACCRUAL 236.026	ACCRUAL 236.027	ACCRUAL 236.028	ACCRUAL 236.029	ACCRUAL 236.020	ACCRUAL 236.021
BALANCE AT 12/31/10 (Page 262)	\$ 38,498,762	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,498,762	
ACCRUALS	(140,055)	-	-	-	-	413,547	194,690	(2,130,033)	1,336,304		45,437
PAYMENTS	1,521,796	-	-	-	-	(413,547)	(194,690)	2,130,033	-		
TAX BENEFIT INCLUDED IN PREMIUM ON COMMON STOCK	76,279	-	-	-	-	-	-	-	-		76,279
OVERPAYMENT APPLIED	-	-	-	-	-	-	-	-	-		
REFUNDS & REFUNDS PENDING	(36,614,972)									(36,614,972)	
OTHER	164,849	-	-	-	-	-	-	2,115,538	(1,883,790)		(66,899)
BALANCE AT 12/31/11 (Page 263)	\$ 3,506,659	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,451,842	\$ 0	\$ 54,817

UTILITY (409-03080)	\$ (3,437,455)
UTILITY (SB 408) (409-02974)	113,962
NON-UTILITY (409-03070 & 409-03075)	1,538,609
SUBTOTAL	(1,784,884)
NNGFC (409-23075)	(14,310)
GILL RANCH STORAGE (409-43075)	2,378,325
NW GAS STORAGE (409-44001)	(107,597)
NW ENERGY (409-49001)	(208)
PALOMAR (409-49003)	(331,271)
ACCRUALS ABOVE (Page 261A&B)	140,055
OTHER (CURRENT/DEFERRED RECLASS)	(10,000)
CONSOLIDATED FORM 10-K	\$ 130,055

STATE	Total	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
		ACCRUAL 236.032	ACCRUAL 236.033	ACCRUAL 236.034	ACCRUAL 236.035	ACCRUAL 236.036	ACCRUAL 236.037	ACCRUAL 236.038	ACCRUAL 236.039	ACCRUAL 236.030	ACCRUAL 236.031
BALANCE AT 12/31/10 (Page 262)	\$ 2,567,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,567,448	
ACCRUALS	926,359	-	-	-	-	71,962	33,397	(365,404)	326,274		860,130
TAX PAYMENTS	16,224	-	-	-	-	-	-	-	-	16,224	
TAX BENEFIT INCLUDED IN PREMIUM ON COMMON STOCK	(2,660)	-	-	-	-	-	-	-	-		(2,660)
OVERPAYMENT APPLIED	-	-	-	-	-	-	-	-	(2,583,672)		2,583,672
OTHER	389	-	-	-	-	-	-	-	-		389
BALANCE AT 12/31/11 (Page 263)	\$ 3,507,760	\$ -	\$ -	\$ -	\$ -	\$ 71,962	\$ 33,397	\$ (365,404)	\$ 326,274	\$ 0	\$ 3,441,531

UTILITY (409-03150)	(1,208,276)
UTILITY (SB 408) (409-02973)	25,198
NON-UTILITY (409-03135 & 409-03145)	453,472
SUBTOTAL	(729,606)
NNGFC (409-23145)	(1,583)
GILL RANCH STORAGE (409-43145)	(121,022)
NW GAS STORAGE (409-44002)	(1,242)
NW ENERGY (409-49002)	53
PALOMAR (409-49004)	(72,959)
ACCRUALS ABOVE (Page 261A&B)	(926,359)
OTHER (CURRENT/DEFERRED RECLASS)	3,000
CONSOLIDATED FORM 10-K	\$ (923,359)

NORTHWEST NATURAL GAS COMPANY
RECONCILIATION OF TAX ACCRUAL ACCOUNTS - DEFERRED
YEAR ENDED DECEMBER 31, 2011

FEDERAL	FAS 109 AMT	UTILITY REGULATORY	NON-OPR	UTILITY DEPREC	UTILITY OTHER	STORAGE DEPREC	UTILITY SB 408	283.096 283.304 283.306	
TOTAL	283.011 & 016	283.021	283.031,091	283.061	283.071	283.081	283.093		
BALANCE AT 12/31/10 (Page 276)	\$ (300,948,730)	\$ (68,821,597)	\$ 1,149,235	\$ 285,247	\$ (206,570,386)	\$ (18,723,280)	\$ (7,588,295)	\$ (4,235,591)	\$ 3,555,937
ACCRUALS-NWN (CURRENT YEAR)	(38,612,118)		2,397,502	402,784	(27,550,060)	(12,109,957)	(4,068,455)	2,316,068	
ACCRUALS-NWN (PROVISION TO RETURN)	(1,830,897)	-	519,174	313,753	(1,456,263)	(1,327,949)	7,335	113,053	-
ACCRUALS-IRS AUDIT	1,539,410				867,561	(601,951)	1,273,800		
ACCRUALS-AMENDED RETURN	(1,412,667)	(76,363)	(80,266)		(1,386,504)	123,332	7,134		
ACCRUALS-OREGON TAX RATE CHANGE	971			971					
OTHER	1,499					1,495	4		
	(40,313,802)	(76,363)	2,836,410	717,508	(29,525,266)	(13,915,030)	(2,780,182)	2,429,121	-
OFFSET REG ASSET-FAS 109 (Page 232)(OR RATE)	(441,317)		10,611		(487,188)	67,273	(23,869)	(8,144)	
OFFSET REG ASSET-FAS 109 (Page 232)	3,067,000	3,067,000	-	-	-	-	-	-	-
OFFSET OTHER COMPREHENSIVE									
INCOME (OCI) & PENSION	643,857	-	-	-	-	-	-	-	643,857
OTHER	(245,260)	-	1		(297,142)	(245,257)	297,138		-
BALANCE AT 12/31/11 (Page 277)	\$ (338,238,252)	\$ (65,830,960)	\$ 3,996,257	\$ 1,002,755	\$ (236,879,982)	\$ (32,816,294)	\$ (10,095,208)	\$ (1,814,614)	\$ 4,199,794

PAGE 276 UTILITY DEBITS 410 (03005) \$ 65,094,145
 PAGE 276 UTILITY CREDITS 411 (02974 & 03015) (26,843,020)
 PAGE 277 NON UTILITY DEBITS 410 (03000 & 03020) 2,802,076
 PAGE 277 NON UTILITY CREDITS 411 (03020) (739,399)

40,313,802

CORP 5000, DEFERRED ITC (411-03100 & 03115) (441,999)
 CORP 2000 NNGFC DEFERREDS (410-23020) (20,666)
 GILL RANCH STORAGE DEFERREDS (410-42977 & 411-42980) (4,065,772)
 NW GAS STORAGE DEFERREDS (411-44980) (222,879)
 NW ENERGY DEFERREDS (410-49053 & 411-49053) 33,642
 PALOMAR DEFERREDS (125,251)

TOTAL FEDERAL DEFERRED TAX (Page 261A&B) **35,470,877**
 OTHER 10,000

CONSOLIDATED FORM 10-K

\$ 35,480,877

STATE	NOL CARRYOVER	UTILITY REGULATORY	NON-OPR	UTILITY DEPREC	UTILITY OTHER	STORAGE DEPREC	UTILITY SB 408	283.097 283.305 283.307	
TOTAL	283.017	283.022	283.032,092	283.062	283.072,300	283.082	283.094		
BALANCE AT 12/31/10 (Page 276)	\$ (46,030,974)	\$ -	\$ 253,152	\$ 5,588	\$ (39,960,574)	\$ (4,435,434)	\$ (1,642,643)	\$ (1,036,741)	\$ 785,678
ACCRUALS-NWN (CURRENT YEAR)	(8,112,427)	-	506,564	85,103	(6,467,047)	(1,921,713)	(859,617)	544,283	
ACCRUALS-NWN (PROVISION TO RETURN)	(1,218,076)	-	105,009	73,331	(1,128,544)	(298,129)	2,551	27,706	-
ACCRUALS-IRS AUDIT	263,067				148,829	(104,281)	218,519		
ACCRUALS-AMENDED RETURN	(326,274)		(17,608)		(337,287)	27,056	1,565		
ACCRUALS-OREGON TAX RATE CHANGE	(2,775)			(2,775)					
OTHER	(4,274)					(4,274)			
	(9,400,759)	-	593,965	155,659	(7,784,049)	(2,301,341)	(636,982)	571,989	-
OFFSET REG ASSET-FAS 109 (Page 232)(OR RATE)	1,260,904		(30,318)		1,391,966	(192,209)	68,197	23,268	
OFFSET OTHER COMPREHENSIVE									
INCOME (OCI) & PENSION	133,506	-	-	-	-	-	-	-	133,506
OTHER	(50,221)	-	-		(60,685)	(50,223)	60,686	1	-
BALANCE AT 12/31/11 (Page 277)	\$ (54,087,544)	\$ -	\$ 816,799	\$ 161,247	\$ (46,413,342)	\$ (6,979,207)	\$ (2,150,742)	\$ (441,483)	\$ 919,184

PAGE 276 UTILITY DEBITS 410 (02985) \$ 12,387,265
 PAGE 276 UTILITY CREDITS 411 (02973 & 02980) (3,467,826)
 PAGE 277 NON UTILITY DEBITS 410 (03027 & 03140) 641,220
 PAGE 277 NON UTILITY CREDITS 411 (02990) (159,900)

9,400,759

CORP 2000 NNGFC DEFERREDS (410-23140) (4,025)
 GILL RANCH STORAGE DEFERREDS (410-42053 & 411-42053) (613,295)
 NW GAS STORAGE DEFERREDS (411-44053) (68,893)
 NW ENERGY DEFERREDS (410-49980) 7,562
 PALOMAR DEFERREDS (24,832)

TOTAL STATE DEFERRED TAX (Page 261A&B) **8,697,276**
 OTHER 3,000

CONSOLIDATED FORM 10-K

\$ 8,700,276

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Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner

Line No.	Kind of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR	
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Incl. in Account 165) (c)
1	Federal Tax: Corporate Income - (see Page 261-B2 Cont)	(38,498,762)	
2			
3	Payroll - FICA & Medicare	914,588	
4	Payroll - Unemployment	930	
5	Payroll - Severance	35,648	
6	Diesel and Gasoline Tax	-	
7	Other - U.S. Dept. of Transportation	-	
8			
9	Miscellaneous	-	
10			
11	Total Federal	(37,547,596)	-
12			
13			
14	Oregon Tax: Corporate Excise (see Page 261-B2 Cont)	(2,567,448)	
15	Payroll - Transit Authority	106,624	
16	Payroll - Unemployment	8,800	
17	Payroll - Workers Compensation	-	
18			
19	Real & Personal Property - Accrued	-	
20	Real & Personal Property - Prepaid		9,356,190
21			
22	Regulatory Commission Fee	-	
23	Vehicle Licence Fee & Fuel Use Tax	-	
24			
25			
26	Other - State Department of Energy	-	
27	Other - State Department of Energy (pre-certification)	-	
28	Other - State of Oregon Department of Transportation	-	
29	Other - State Vehicle Fuel Use Tax	-	
30	Other - State Corporate Registration	-	
31	Other - Payroll Underaccrual	-	
32	Other - Storage Property Tax Reclassification	-	
33	Miscellaneous	-	
34			
35	Total State of Oregon	(2,452,024)	9,356,190
36			
37			
38			
39			
40	TOTAL		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

that the total tax for each State and subdivision can readily be ascertained.

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll

deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

10. Items under \$250,000 may be grouped.

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	BALANCE AT END OF YEAR		Line No.
			Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	
140,055	1,521,796	36,373,844	(3,506,659)		1
					2
5,934,360	5,925,085		923,863		3
5,507	6,437		-		4
-	(14,976)		50,624		5
29,830	29,830		-		6
-	-		-		7
					8
20,545	20,545		-		9
					10
6,130,297	7,488,717	36,373,844	(2,532,172)	-	11
					12
(926,359)	16,224	2,271	(3,507,760)		13
649,597	756,221		-		14
584,754	593,554		-		15
-	-		-		16
					17
					18
18,709,148	18,709,148				19
657,401	641,691			9,340,480	20
					21
1,787,695	1,787,695		-		22
-	-		-		23
			-		24
			-		25
604,054	604,054		-		26
150,930	150,930		-		27
13,315	13,315		-		28
-	-		-		29
-	-		-		30
-	-		-		31
(657,401)	(657,401)		-		32
-	-		-		33
					34
21,573,134	22,615,431	2,271	(3,507,760)	9,340,480	35
					36
					37
					38
					39
					40

Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner

Line No.	Kind of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR	
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Incl. in Account 165) (c)
1	Washington Tax:		
2	Business & Occupation	-	-
3	Payroll - Unemployment	250	-
4	Real & Personal Property	1,236,300	-
5	Regulatory Commission	-	-
6	Utility Tax	437,800	-
7			
8	Other	-	-
9	Miscellaneous	-	-
10	Total State of Washington	1,674,350	-
11			
12	California Tax:		
13	Franchise	-	-
14	Other	-	-
15			
16	Total State of California	-	-
17			
18	Local Oregon Tax:		
19	City & County business licenses & income tax	(369,197)	-
20	Franchise	8,071,078	-
21	Property taxes	-	-
22	Other	-	-
23	Miscellaneous	-	-
24	Total Local State of Oregon Tax Expense	7,701,881	-
25			
26	Local Washington Tax:		
27	City & County business licenses & income tax	-	-
28	Franchise	-	-
29	Property taxes	-	-
30	Other	-	-
31			
32	Total Local State of Washington Tax Expense	-	-
33			
34	Local California Tax:		
35	Franchise	-	-
36	Other	-	-
37			
38	Total Local State of California Tax Expense	-	-
39			
40	TOTAL	(30,623,389)	9,356,190

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

TAXES ACCRUED, PERPAID AND CHARGED DURING YEAR (Continued)

that the total tax for each State and subdivision can readily be ascertained.

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

10. Items under \$250,000 may be grouped.

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	BALANCE AT END OF YEAR		Line No.
			Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	
67,430	67,430	-	-	-	1
5,623	5,873	-	-	-	2
1,521,572	1,355,111	-	1,402,761	-	3
151,060	151,060	-	-	-	4
3,357,096	3,343,522	-	451,374	-	5
21,334	21,334	-	-	-	6
69	69	-	-	-	7
5,124,184	4,944,399	-	1,854,136	-	8
-	-	-	-	-	9
-	-	-	-	-	10
-	-	-	-	-	11
-	-	-	-	-	12
-	-	-	-	-	13
-	-	-	-	-	14
-	-	-	-	-	15
-	-	-	-	-	16
7,282	(177,115)	-	(184,800)	-	17
17,383,516	17,639,733	-	7,814,861	-	18
-	-	-	-	-	19
-	-	-	-	-	20
-	-	-	-	-	21
-	-	-	-	-	22
17,390,798	17,462,618	-	7,630,061	-	23
-	-	-	-	-	24
-	-	-	-	-	25
-	-	-	-	-	26
-	-	-	-	-	27
-	-	-	-	-	28
-	-	-	-	-	29
-	-	-	-	-	30
-	-	-	-	-	31
-	-	-	-	-	32
-	-	-	-	-	33
-	-	-	-	-	34
1,357,823	1,357,823	-	-	-	35
72,029	72,029	-	-	-	36
1,429,852	1,429,852	-	-	-	37
51,648,265	53,941,017	36,376,115	3,444,264	9,340,480	38
					39
					40

93,403,342	SAP query of GL 503800	Summary above	3,444,264
(44,168,153)	SAP query of GL 410-411	GRS	34
2,315,816	Capitalized payroll taxes	Reclass Interest Accrued	(30,373)
97,260	Vehicle taxes and B&O taxes	Page 113, Line 43	<u>3,413,925</u>
51,648,265	Total taxes charged, above		

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

- | | |
|--|--|
| <p>1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid</p> | <p>or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner</p> |
|--|--|

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Kind of Tax (See Instruction 5) (i)	Gas Account 408.1 409.1 (j)	Gas 9-107 (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1	Federal Tax:			
2	Corporate Income - NW Natural Corporation	(3,323,493)	-	1,538,609
3	Corporate Income - NNG Financial Corporation	-	-	-
4	Corporate Income - NW Energy Corporation	-	-	-
5				
6	Payroll - FICA & Medicare	4,020,266	1,791,120	-
7	Payroll - Unemployment	3,731	1,662	-
8	Payroll - Severance	-	-	-
9	Diesel and Gasoline Tax	-	-	-
10	Other - U.S. Dept. of Transportation	-	-	-
11		-	-	-
12	Miscellaneous	-	-	-
13				
14	Total Federal Tax Expense	700,504	1,792,782	1,538,609
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
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32				
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34				
35				
36				
37				
38				
39				
40	TOTAL			

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

- | | |
|---|--|
| <p>that the total tax for each State and subdivision can readily be ascertained.</p> <p>5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll</p> | <p>deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p> <p>10. Items under \$250,000 may be grouped.</p> |
|---|--|

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)

Line No.	Gas 9-143 (m)	Account (n)	Amount (o)	Description (p)
1				
2	-		-	
3	-	409-23075	(14,310)	NNG Financial Corporation (current only)
4	-		1,939,249	GRS, NWGS and NW Energy (current only)
5				
6	-	9-184	122,974	Payroll Clearing
7	-	9-184	114	Payroll Clearing
8				
9	-	165.12	29,830	Vehicle Fuel Tax & Taxes & Licenses
10	-		-	
11	-			
12	-	408-23185	20,545	Fees & Permits
13				
14	-		2,098,402	
15				
16				
17				
18				
19				
20				
21				
22				
23				
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39				
40				

Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

- | | |
|--|--|
| <p>1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid</p> | <p>or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner</p> |
|--|--|

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Kind of Tax (See Instruction 5) (i)	Gas Account 408.1 409.1 (j)	Gas 9-107 (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1	Oregon Tax:			
2	Corporate Income - NW Natural Corporation	(1,183,078)	-	453,472
3	Corporate Income - NNG Financial Corporation	-	-	-
4	Corporate Income - NW Energy Corporation	-	-	-
5				
6	Payroll - Transit Authority	440,073	196,063	-
7	Payroll - Unemployment	396,145	176,492	-
8	Payroll - Workers Compensation	-	-	-
9				
10	Real & Personal Property - Accrued	18,709,148	-	-
11	Real & Personal Property - Prepaid	-	-	657,401
12	Real & Personal - Other	-	-	-
13	Regulatory Commission Fee	1,787,695	-	-
14	Vehicle Licence Fee	-	-	-
15				
16				
17	Other - State Department of Energy	604,054	-	-
18	Other - State Department of Energy (pre-certification)	150,930	-	-
19	Other - State of Oregon Department of Transportation	13,315	-	-
20	Other - State Vehicle Fuel Use Tax	-	-	-
21	Other - State Corporate Registration	-	-	-
22	Other - Payroll underaccrual	-	-	-
23	Other - Storage Property Tax Reclassification	(657,401)	-	-
24	Miscellaneous	-	-	-
25				
26				
27				
28				
29				
30				
31				
32				
33				
34	Total Oregon Tax	20,260,881	372,555	1,110,873
35				
36				
37				
38				
39				
40	TOTAL			

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

<p>that the total tax for each State and subdivision can readily be ascertained.</p> <p>5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll</p>	<p>deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p> <p>10. Items under \$250,000 may be grouped.</p>
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DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)

Line No.	Gas 9-143 (m)	Account (n)	Amount (o)	Description (p)
1				
2	-		-	
3	-	409-23145	(1,583)	NNG Financial Corporation (current only)
4	-		(195,170)	GRS, NWGS, Palomar and NW Energy (current only)
5				
6	-	9-184	13,461	Payroll Clearing
7	-	9-184	12,117	Payroll Clearing
8	-		-	
9				
10	-		-	
11	-		-	
12				
13	-		-	
14	-	165.012	-	Vehicle taxes & licenses
15	-		-	
16				
17	-		-	
18	-		-	
19	-		-	
20	-		-	
21	-		-	
22	-	416.2010	-	Payroll Underaccrual
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33	-		(171,175)	
34				
35				
36				
37				
38				
39				
40				

Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

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|--|--|
| <p>1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid</p> | <p>or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner</p> |
|--|--|

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Kind of Tax (See Instruction 5) (i)	Gas Account 408.1 409.1 (j)	Gas 9-107 (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1	Washington State:			
2	Business & Comp. Taxes	-	67,430	-
3	Payroll - Unemployment	3,810	1,697	-
4	Real & Personal Property	1,521,572	-	-
5	Regulatory Commission	151,060	-	-
6	Utility Tax (franchise tax)	3,357,096	-	-
7				
8	Other	21,334	-	-
9	Miscellaneous	69		
10				
11				
12	Total State of Washington Tax Expense	5,054,941	69,127	-
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24		-	-	-
25				
26				
27				
28				
29				
30				
31				
32		-		
33				
34		-	-	-
35				
36				
37				
38				
39				
40	TOTAL			

Name of Respondent	This Report Is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company			Dec. 31, 2011

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

<p>that the total tax for each State and subdivision can readily be ascertained.</p> <p>5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll</p>	<p>deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p> <p>10. Items under \$250,000 may be grouped.</p>
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DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)

Line No.	Gas 9-143 (m)	Account (n)	Amount (o)	Description (p)
1				
2	-		-	B&O taxes
3	-	9-184	116	Payroll Clearing
4	-		-	
5	-		-	
6	-		-	
7				
8	-		-	
9				
10	-		-	Vehicle taxes & licenses
11				
12	-		116	
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24	-		-	
25				
26				
27				
28				
29				
30				
31				
32				
33				
34	-		-	
35				
36				
37				
38				
39				
40				

Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

- | | |
|--|--|
| <p>1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid</p> | <p>or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner</p> |
|--|--|

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Kind of Tax (See Instruction 5) (i)	Gas Account 408.1 409.1 (j)	Gas 9-107 (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18	Local Oregon:			
19	City & County business licenses & income tax	7,282	-	-
20	Franchise	17,383,515	-	-
21	Property taxes	-	-	-
22	Other	-	-	-
23				
24	Total Local State of Oregon Tax Expense	17,390,798	-	-
25				
26	Local Washington:			
27	City & County business licenses & income tax	-	-	-
28	Franchise	-	-	-
29	Property taxes	-	-	-
30	Other	-	-	-
31				
32	Total Local State of Washington Tax Expense	-	-	-
33				
34	Local California:			
35	Franchise	-	-	-
36	Property taxes	-	-	-
37	Other	-	-	-
38				
39	Total Local State of California Tax Expense	-	-	-
40				
41	TOTAL	43,407,124	2,234,464	2,649,482

Pg 114, Line 14	47,913,695	Pg 116, Line 52	657,401
Pg 114, Line 15	(3,323,493)	Pg 116, Line 53	1,538,609
Pg 114, Line 16	(1,183,078)	Pg 116, Line 54	453,472
	<u>43,407,124</u>		<u>2,649,482</u>

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

<p>that the total tax for each State and subdivision can readily be ascertained.</p> <p>5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll</p>	<p>deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p> <p>10. Items under \$250,000 may be grouped.</p>
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DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)

Line No.	Gas 9-143 (m)	Account (n)	Amount (o)	Description (p)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19	-		-	
20	-		-	
21	-		-	
22	-		-	
23				Miscellaneous
24	-		-	
25				
26				
27	-		-	
28	-		-	
29				
30	-		-	
31				
32				
33			1,357,823	
34	-	408-43185, 408-44180	72,029	Miscellaneous
35	-		-	
36				
37	-		1,429,852	
38				
39				
40				
41	-		3,357,195	

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011
MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)			
1. Describe and report the amount of other current and accrued liabilities at the end of year.		2. Minor items (less than \$250,000) may be grouped under appropriate title.	
Line No.	Item (a)	Balance at End of Year (b)	
1	Public Purpose	4,566,957	
2	Workers Compensation Claims	1,229,745	
3	OLGA Surcharge	795,133	
4	Other items, less than \$250,000	458,011	
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34	TOTAL	7,049,846	

Name of Respondent Northwest Natural Gas Company	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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Other Deferred Credits (Account 253)

1. Report below the details called for concerning other deferred credits
2. For any deferred credit being amortized, show the period of ammortization.
3. Minor items (less than \$250,000) may be grouped by classes

Line No.	Section of Other Deffered Credits (a)	Balance at beginning of year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of year (f)
1	NONE					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
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25						
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27						
28						
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32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48	Total	0		0	0	0

Name of Report	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company	X An Original A resubmission		Dec. 31, 2011

Accumulated Deferred Income Taxes--Other Property (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
2. At Other, include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Debited to Account 411.1 (d)
1	Account 190			
2	Electric			
3	Gas			
4				
5	Total (Total of lines 2 thru 4)			
6				
7	TOTAL Account 190 (Total of lines 5 thru 6)			
8	Classification of TOTAL			
9	Federal Income Tax			
10	State Income Tax			
11	Local Income Tax			
	See FERC Annual Report pages 276-277			

Name of Respondent Northwest Natural Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
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Accumulated Deferred Income Taxes--Other Property (Account 282) (continued)

3. Add rows as necessary to report all data. When rows are added, the additional row numbers should follow in sequence, 4.01, 4.02 and 6.01, 6.02, etc. Use separate pages as required.

Changes During Year Amounts Debited to Account 410.2 (e)	Changes During Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Account No. (j)	Balance at End of Year (k)	Line No.
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
See FERC Annual Report pages 276-277							

Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
 2. For Other (Specify), included deferrals related to other

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Gas			
3.01	Deferred Income Taxes - FAS 109 & AMT	68,821,597	76,363	-
3.02	Revenue & Cost Gas Adjustments	(1,402,387)	1,542,475	4,972,851
3.03	Deferred Depreciation - Federal	206,570,386	40,419,119	10,893,853
3.04	Deferred Income Taxes - Other (Includes SB 408)	28,431,046	24,443,862	11,228,601
3.05	Deferred Depreciation - State	39,960,574	9,568,382	1,784,333
4.01	Other	-		
4.02	Other - reclass	-	1,431,209	1,431,208
5	Total (Total of Lines 2 Thru 4)	342,381,216	77,481,410	30,310,846
6	Other (Specify) Non - Utility	8,940,103	-	-
6.01	Other Comprehensive Income - Federal	(3,555,937)	-	-
6.02	Other Comprehensive Income - State	(785,678)	-	-
7	TOTAL (Acct 283) (Total of lines 5 thru 6) (Page 113)	346,979,704	77,481,410	30,310,846
8	Classification of TOTAL			
9	Federal Income Tax	300,948,730	65,094,145	26,843,020
10	State Income Tax	46,030,974	12,387,265	3,467,826
11	Local Income Tax			
		-	-	-
		346,979,704	77,481,410	30,310,846
		Page 113, Line 65	Page 114, Line 17	Page 114, Line 18

Name of Respondent Northwest Natural Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

income and deductions. and 277. Include amounts relating to insignificant items listed under Other.
 3. Provide in the space below explanations for page 276
 4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year Page 114 (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
-	-						1
-	-						2
-	-						3
-	-	186.16		186.16	3,067,000	65,830,960	3.01
-	-	186.16	30,318	186.16	10,611	(4,813,056)	3.02
-	-	186.16	784,330	186.16		236,879,982	3.03
-	-	186.16	495,833	186.16	90,542	42,051,598	3.04
-	-	186.16	60,685	186.16	1,391,966	46,413,342	3.05
-	-					-	4.01
-	-	186.16	-		1		4.02
-	-		1,371,166		4,560,120	386,362,826	5
3,443,296	899,299	186.16	23,869		426,021	11,081,948	6
-	-			218.00	643,857	(4,199,794)	6.01
-	-			218.00	133,506	(919,184)	6.02
3,443,296	899,299		1,395,035		5,763,504	392,325,796	7
-	-						8
2,802,076	739,399		1,061,599		4,085,879	338,238,252	9
641,220	159,900		333,436		1,677,625	54,087,544	10
-	-						11

-	-	-	-	0
3,443,296	899,299			392,235,796
Page 116, Line 55	Page 116, Line 56			Page 113, Line 65

Name of Respondent Northwest Natural Gas Company	This Report is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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GAS OPERATING REVENUES (Account 400)

1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480 - 495.

Line No.	Title of Account (a)	REVENUES for Transition Costs and Take-or-Pay		REVENUES for GEI and ACA	
			Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	480 - 484				
2	485 Intracompany Transfers				
3	487 Forfeited Discounts				
4	488 Miscellaneous Service Revenues				
5	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
6	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities				
7	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
8	489.4 Revenues from Storing Gas of Others				
9	490 Sales of Prod. Ext. from Natural Gas				
10	491 Revenues from Natural Gas Proc. by Others				
11	492 Incidental Gasoline and Oil Sales				
12	493 Rent from Gas Property				
13	494 Interdepartmental Rents				
14	495 Other Gas Revenues				
15	Subtotal:				
16	496 (Less) Provision for Rate Refunds				
17	TOTAL				

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Northwest Natural Gas Company		X An Original A Resubmission		(Mo, Da, Yr)		Dec. 31, 2011	
GAS OPERATING REVENUES (Continued)							
4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.				6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.			
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.							
OTHER REVENUES		TOTAL OPERATING REVENUES		DEKATHERM OF NATURAL GAS			
Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)		
805,585,443	759,706,485	805,585,443	759,706,485	77,770,704	70,262,425		
2,761,916	2,629,298	2,761,916	2,629,298				
1,485,096	1,271,302	1,485,096	1,271,302				
0	0	0					
0	0	0					
16,021,227	14,237,958	16,021,227	14,237,958	37,405,194	36,995,702		
279,905	420,248	279,905	420,248				
3,246,273	4,646,585	3,246,273	4,646,585				
829,379,860	782,911,876	829,379,860	782,911,876				
7,161,619	7,721,252	7,161,619	7,721,252				
822,218,241	790,633,128	822,218,241	790,633,128				

Name of Respondent Northwest Natural Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report	Year of Report Dec. 31, 2011
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Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.1)

1. Report revenues and Dth gas delivered through gathering facilities by zone of receipt (i.e. state in which gas enters respondent's system).
2. Revenues for penalties including for unauthorized overruns must be reported on page 308.

Line No.	Rate Schedule and Zone of Receipt (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year	
1						
2						
3						
4	NOT APPLICABLE					
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	Total					

Name of Respondent Northwest Natural Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report	Year of Report Dec. 31, 2011
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Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.1)

3. Other Revenues in column (f) and (g) include charges received by the pipeline plus usage charges, less revenues reflected in column (b) through (e).
4. Delivered Dth of gas must not be adjusted for discounting.

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherms of Natural Gas	Dekatherms of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year	Amount for Previous Year (k)
1						
2						
3						
4	NOT APPLICABLE					
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	Total					

Name of Respondent Northwest Natural Gas Company	This Report Is: X An Original A Resubmission	Date of Report	Year of Report Dec. 31, 2011
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Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.2)

1. Report revenues and Dth gas delivered by Zone of Delivery by Rate Schedule. Total by Zone and for all zones. If respondent does not have separate zones, provide totals by rate schedule.
2. Revenues for penalties including for unauthorized overruns must be reported on page 308.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage for transportation and hub services, less revenues reflected in columns (b) through (e).

Line No.	Zone of Delivery Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year	
1						
2						
3						
4	NOT APPLICABLE					
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	Total					

Name of Respondent Northwest Natural Gas Company	This Report Is: X An Original A Resubmission	Date of Report	Year of Report Dec. 31, 2011
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Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.2)

4. Delivered Dth of gas must not be adjusted for discounting.
5. Each incremental rate schedule and each individually certified rate schedule must be separately reported.
6. Where transportation services are bundled with storage services, report total revenues but only transportation Dth.

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherms of Natural Gas	Dekatherms of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year	Amount for Previous Year (k)
1						
2						
3						
4	NOT APPLICABLE					
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	Total					

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2011

Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.4)

1. Report revenues and Dth gas withdrawn from storage by Rate Schedule and in total.
2. Revenues for penalties including for unauthorized overruns must be reported on page 308.
3. Other Revenues in columns (f) and (g) include reservation charges, deliverability charges, injection and withdrawal charges, less revenues reflected in columns (b) through (e).

Line No.	Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year
1					
2					
3					
4	NOT APPLICABLE				
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	Total				

Name of Respondent Northwest Natural Gas Company	This Report Is: X An Original A Resubmission	Date of Report	Year of Report Dec. 31, 2011
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Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.4)

4. Delivered Dth of gas must not be adjusted for discounting.
5. Where transportation services are bundled with storage services, report only Dth withdrawn from storage.

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherms of Natural Gas	Dekatherms of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year	Amount for Previous Year (k)
1						
2						
3						
4	NOT APPLICABLE					
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	Total					

Name of Respondent	This Report is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company			Dec. 31, 2011

OTHER GAS REVENUES (ACCOUNT 495)

1. For transactions with annual revenues of \$250,000 or more, describe, for each transaction, commissions on sales of distributions of gas of others, compensation for minor or incidental services provided for others, penalties, profit or loss on sales of material and supplies, sales of steam, water, or electricity, miscellaneous royalties, revenues from dehydration, other processing of gas of others, and gains on settlements of imbalance receivables. Separately report revenues from cash-out penalties.

Line No.	Description of Transaction (a)	Revenues (in dollars) (b)
1	Unbilled Revenue	(3,360,372)
2	Interstate Storage Credit	12,306,830
3	Decoupling	19,296,786
4	Decoupling Amortization	(17,800,420)
5	Washington Amortizations	(1,680,600)
6	Oregon Amortizations	(4,530,649)
7	Oregon Regulatory Adjustment	(1,164,000)
8	Other (Misc Gas Revenues, Priority Sched Fee, etc)	178,698
9		
10		
11		
12		
13		
14		
15		
16		
17		
18	TOTAL	3,246,273

Name of Respondent		This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES				
1. Report operation and maintenance expenses. If the amount for previous year is not derived from previously reported figures, explain in footnotes.		2. Provide in footnotes the source of the index used to determine the price for gas supplied by shippers as reflected on line 74.		
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. PRODUCTION EXPENSES			
2	A. Manufactured Gas Production			
3	Manufactured Gas Production (Submit Supplemental Statement)	0	0	
4	B. Natural Gas Production			
5	B1. Natural Gas Production and Gathering			
6	Operation			
7	750 Operation Supervision and Engineering			
8	751 Production Maps and Records			
9	752 Gas Wells Expenses			
10	753 Field Lines Expenses			
11	754 Field Compressor Station Expenses			
12	755 Field Compressor Station Fuel and Power			
13	756 Field Measuring and Regulating Station Expenses			
14	757 Purification Expenses			
15	758 Gas Well Royalties			
16	759 Other Expenses			
17	760 Rents			
18	TOTAL Operation (Total of lines 7 thru 17)	0	0	
19	Maintenance			
20	761 Maintenance Supervision and Engineering			
21	762 Maintenance of Structures and Improvements			
22	763 Maintenance of Producing Gas Wells			
23	764 Maintenance of Field Lines			
24	765 Maintenance of Field Compressor Station Equipment			
25	766 Maintenance of Field Meas. and Reg. Station Equipment			
26	767 Maintenance of Purification Equipment			
27	768 Maintenance of Drilling and Cleaning Equipment			
28	769 Maintenance of Other Equipment			
29	TOTAL Maintenance (Total of lines 20 thru 28)	0	0	
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0	

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	A2. Manufacturing Gas Production (con't.)			
2	Gas Raw Materials			
3	725 Coal Carbonized in Coke Ovens			
4	726 Oil for Water Gas			
5	727 Oil for Oil Gas			
6	728 Liquefied Petroleum	0	0	
7	729 Raw Materials for other Gas Processes			
8	730 Residuals Expenses			
9	731 Residuals Produced - Credit			
10	732 Purification Expenses			
11	733 Gas Mixing Expenses			
12	734 Duplicate Charges - Credit			
13	735 Miscellaneous Production Expenses			
14	736 Rents			
15	TOTAL Operations	0	0	
16	Maintenance			
17	740 Maintenance Supervision and Engineering			
18	741 Maintenance Structures and Improvements			
19	742 Maintenance of Production Equipment			
20	TOTAL Maintenance	0	0	
21	TOTAL Manufacturing Gas Production	0	0	

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
31	B2. Products Extraction			
32	Operation			
33	770 Operation Supervision and Engineering	0	0	
34	771 Operation Labor			
35	772 Gas Shrinkage			
36	773 Fuel			
37	774 Power			
38	775 Materials			
39	776 Operation Supplies and expenses			
40	777 Gas Processed by Others			
41	778 Royalties on Products Extracted			
42	779 Marketing expenses			
43	780 Products Purchased for Resale			
44	781 Variation in Products Inventory			
45	782 Extracted Products Used by the Utility-Credit			
46	783 Rents			
47	Total Operation (Total of Lines 33 thru 46)	0	0	
48	Maintenance			
49	784 Maintenance Supervision and Engineering			
50	785 Maintenance of Structures and Improvements			
51	786 Maintenance of Extraction and Refining Equipment			
52	787 Maintenance of Pipe Lines			
53	788 Maintenance of Extracted Products Storage Equipment			
54	789 Maintenance of Compressor Equipment			
55	790 Maintenance of Gas Measuring and Regulating Equipment			
56	791 Maintenance of Other Equipment			
57	TOTAL Maintenance (Total of lines 49 thru 56)	0	0	
58	TOTAL Products Extraction (Total of lines 47 and 57)	0	0	

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
59	C. Exploration and Development			
60	Operation			
61	795 Delay Rentals			
62	796 Nonproductive Well Drilling			
63	797 Abandoned Leases			
64	798 Other Exploration			
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	0		0
66	D. Other Gas Supply Expenses			
67	Operation			
68	800 Natural Gas Well Head Purchases			
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers			
70	801 Natural Gas Field Line Purchases	6,717,953		7,845,951
71	802 Natural Gas Gasoline Plant Outlet Purchases			
72	803 Natural Gas Transmission Line Purchases			
73	804 Natural Gas City Gate Purchases	448,930,365		444,485,113
74	804.1 Liquefied Natural Gas Purchases			
75	805 Other Gas Purchases			
76	805.1 Purchases Gas Cost Adjustments	5,546,998		(28,132,452)
77	TOTAL Purchased Gas (Total of Lines 68 thru 76)	461,195,316		424,198,612
78	806 Exchange Gas			
79	Purchased Gas Expense			
80	807.1 Well Expense-Purchased Gas			
81	807.2 Operation of Purchased Gas Measuring Stations			
82	807.3 Maintenance of Purchased Gas Measuring Stations			
83	807.4 Purchased Gas Calculations Expense			
84	807.5 Other Purchased Gas Expenses	0		0
85	TOTAL Purchased Gas Expense (Total of lines 80 thru 84)	0		0

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
86	808.1 Gas Withdrawn from Storage-Debit	36,145,991	31,861,517	
87	808.2 Gas Delivered to Storage-Credit	(38,419,955)	(31,139,620)	
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit			
89	809.2 Deliveries of Natural Gas for Processing-Credit			
90	Gas used in Utility Operation-Credit			
91	810 Gas Used for Compressor Station Fuel-Credit			
92	811 Gas Used for Products Extraction-Credit			
93	812 Gas Used for Other Utility Operations-Credit	(413,360)	(426,578)	
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	(413,360)	(426,578)	
95	813 Other Gas Supply Expenses			
96	TOTAL Other Gas Supply Exp. (Total of lines 77, 78, 85, 86 thru 89, 94, 95)	458,507,992	424,493,931	
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	458,507,992	424,493,931	
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering			
102	815 Maps and Records			
103	816 Well Expenses	583,057	217,378	
104	817 Lines Expenses			
105	818 Compressor Station Fuel and Power	558,163	452,544	
106	819 Compressor Station Fuel and Power	0	0	
107	820 Measuring and Regulating Station Expenses	1,188,993	954,806	
108	821 Purification Expenses	29,309	117,304	
109	822 Exploration and Development			
110	823 Gas Losses			
111	824 Other Expenses			
112	825 Storage Well Royalties			
113	826 Rents			
114	TOTAL Operation (Total of lines of 101 thru 113)	2,359,522	1,742,032	

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
115	Maintenance			
116	830 Maintenance Supervision and Engineering			
117	831 Maintenance of Structures and Improvements			
118	832 Maintenance of Reservoirs and Wells	168,083	137,289	
119	833 Maintenance of Lines			
120	834 Maintenance of Compressor Station Equipment			
121	835 Maintenance of Measuring and Regulating Station Equipment			
122	836 Maintenance of Purification Equipment			
123	837 Maintenance of Other Equipment			
124	TOTAL Maintenance (Total of lines 116 thru 123)	168,083	137,289	
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	2,527,605	1,879,321	
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation supervision and Engineering	65,911	66,401	
129	841 Operation Labor and Expenses			
130	842 Rents			
131	842.1 Fuel			
132	842.2 Power			
133	842.3 Gas Losses			
134	TOTAL Operation (Total of lines 128 thru 133)	65,911	66,401	
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering			
137	843.2 Maintenance of Structures and Improvements			
138	843.3 Maintenance of Gas Holders			
139	843.4 Maintenance of Purification Equipment			
140	843.5 Maintenance of Liquefaction Equipment			
141	843.6 Maintenance of Vaporizing Equipment			
142	843.7 Maintenance of Compressor Equipment			
143	843.8 Maintenance of Measuring and Regulating Equipment			
144	843.9 Maintenance of Other Equipment			
145	TOTAL Maintenance (Total of lines 136 thru 144)	0	0	
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	65,911	66,401	

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
147	C. Liquefied Natural Gas Terminaling and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering	1,549,148	1,441,547	
150	844.2 LNG Processing Terminal Labor and Expenses			
151	844.3 Liquefaction Processing Labor and Expenses			
152	844.4 Liquefaction Transportation Labor and Expenses			
153	844.5 Measuring and Regulating Labor and Expenses			
154	844.6 Compressor Station Labor and Expenses			
155	844.7 Communication system Expenses			
156	844.8 System Control and Load Dispatching			
157	845.1 Fuel	(45,464)	(69,093)	
158	845.2 Power			
159	845.3 Rents			
160	845.4 Demurrage Charges			
161	845.5 Wharfage Receipts-Credit			
162	845.6 Processing Liquefied of Vaporized Gas by Others			
163	846.1 Gas Losses			
164	846.2 Other Expenses			
165	TOTAL Operation (Total of lines 149 thru 164)	1,503,684	1,372,454	
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering			
168	847.2 Maintenance of Structures and Improvements	289,319	624,042	
169	847.3 Maintenance of LNG Processing Terminal Equipment			
170	847.4 Maintenance of LNG Transportation Equipment			
171	847.5 Maintenance of Measuring and Regulating Equipment			
172	847.6 Maintenance of Compressor Station Equipment			
173	847.7 Maintenance of Communication Equipment			
174	847.8 Maintenance of Other Equipment			
175	TOTAL Maintenance (Total of lines 167 thru 174)	289,319	624,042	
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 & 175)	1,793,003	1,996,496	
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	4,386,519	3,942,218	

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering			
181	851 System Control and Load Dispatching			
182	852 Communication system Expenses			
183	853 Compressor Station Labor and Expenses			
184	854 Gas for Compressor Station Fuel			
185	855 Other Fuel and Power for Compressor Stations			
186	856 Mains Expenses	237,135	17,649	
187	857 Measuring and Regulating Station Expenses			
188	858 Transmission and Compression of Gas by Others			
189	859 Other Expenses			
190	860 Rents			
191	TOTAL Operations (Total of lines 180 thru 190)	237,135	17,649	
192	Maintenance			
193	861 Maintenance Supervision and Engineering			
194	862 Maintenance of Structures and Improvements			
195	863 Maintenance of Mains	130,648	7,585	
196	864 Maintenance of Compressor Station Equipment			
197	865 Maintenance of Measuring and Regulating Station Equipment			
198	866 Maintenance of Communication Equipment			
199	867 Maintenance of Other Equipment			
200	TOTAL Maintenance (Total of lines 193 thru 199)	130,648	7,585	
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	367,783	25,234	
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering	1,729,133	1,770,851	
205	871 Distribution Load Dispatching			
206	872 Compressor Station Labor and Expenses			
207	873 Compressor Station Fuel and Power			

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
208	874 Mains and Services Expenses	6,765,201	5,873,602	
209	875 Measuring and Regulating Station Expenses-General	118,406	174,448	
210	876 Measuring and Regulating Station Expenses-Industrial			
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	421,959	397,170	
212	878 Meter and House Regulator Expenses	3,889,730	3,734,483	
213	879 Customer Installations Expenses	4,917,574	4,605,906	
214	880 Other Expenses	492,437	516,517	
215	881 Rents	160,624	144,928	
216	TOTAL Operations (Total of lines 204 thru 215)	18,495,064	17,217,905	
217	Maintenance			
218	885 Maintenance Supervision and Engineering	1,744,600	1,652,155	
219	886 Maintenance of Structures and Improvements			
220	887 Maintenance of Mains	2,147,415	2,288,368	
221	888 Maintenance of Compressor Station Equipment			
222	889 Maintenance of Measuring & Regulating Station Equipment-General	776,771	777,766	
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial			
224	891 Maintenance of Meas & Reg Station Equip-City Gate Check Station	54,722	62,629	
225	892 Maintenance of Services	1,202,461	1,395,827	
226	893 Maintenance of Meters and House Regulators	1,540,401	1,435,765	
227	894 Maintenance of Other Equipment	22,618	164,076	
228	TOTAL Maintenance (Total of lines 218 thru 227)	7,488,988	7,776,587	
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	25,984,052	24,994,492	
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision	975,881	962,874	
233	902 Meter Reading Expenses	523,151	585,608	
234	903 Customer Records and Collection Expenses	13,449,325	13,629,560	

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
235	904 Uncollectible Accounts	\$ 1,919,117	1,716,560	
236	905 Miscellaneous Customer Accounts Expenses			
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	\$ 16,867,474	16,894,601	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSE			
239	Operation			
240	907 Supervision	\$ 196,729	216,081	
	908 Customer Assistance Expense	\$ 2,079,032	1,881,865	
242	909 Informational and Instructional Expenses	\$ 1,115,716	1,206,958	
243	910 Miscellaneous Customer Service and Informational Expenses	\$ 154,398	151,952	
244	TOTAL Customer Service & Information Expenses (Total of lines 240 thru 243)	\$ 3,545,875	3,456,856	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision	\$ 223,885	235,904	
248	912 Demonstration and Selling Expenses	\$ 1,860,262	1,892,768	
249	913 Advertising Expenses	\$ 576,199	406,709	
250	916 Miscellaneous Sales Expenses	\$ 177	152	
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	\$ 2,660,523	2,535,534	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	\$ 16,484,011	17,567,848	
255	921 Office Supplies and Expenses	\$ 10,581,037	10,641,296	
256	922 Administrative Expenses Transferred - Credit	\$ (13,991,615)	(13,829,989)	
257	923 Outside Services Employed	\$ 5,488,758	5,927,305	
258	924 Property Insurance	\$ 2,400,761	2,541,253	
259	925 Injuries and Damages	\$ 759,639	667,647	
260	926 Employee Pensions and Benefits	\$ 30,437,994	29,735,528	
261	927 Franchise Requirements			
262	928 Regulatory Commission Expenses			
263	929 Duplicate Charges - Credit			
264	930.1 General Advertising Expenses			
265	930.2 Miscellaneous General Expenses	\$ 2,529,822	2,420,282	
266	931 Rents	\$ 4,221,030	4,173,377	
267	TOTAL Operation (Total of lines 254 thru 266)	\$ 58,911,437	59,844,546	
268	Maintenance			
269	935 Maintenance of General Plant	\$ 3,507,778	2,999,959	
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	\$ 62,419,215	62,844,505	
271	TOTAL Gas O & M Expenses (Total of lines 97,177,201,229,237,244,251,and 270)	\$ 574,739,433	539,187,371	

Name of Respondent Northwest Natural Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report	Year of Report Dec. 31, 2011
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Exchange and Imbalance Transactions

1. Report below the details by zone and rate schedule concerning the gas quantities and related dollar amount of imbalances associated with system balancing and no-notice service. Also, report certified natural gas exchange transactions during the year.

Line No.	Zone/Rate Schedule (a)	Gas Received from Others	Gas Received from Others	Gas delivered to Others	Gas delivered to Others
		Amount (b)	Dth (c)	Amount (d)	Dth (e)
1					
2					
3					
4	NOT APPLICABLE				
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	Total				

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

Gas Used in Utility Operations

1. Report below details of credits during the year to Accounts 810, 811, and 812.
2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas		Manufactured Gas	
			Gas Used (Dth) (c)	Amount of Credit (in dollars) (d)	Gas Used (Dth) (d)	Amount of Credit (in dollars) (d)
1	810 Gas Used for Compressor Station Fuel - Credit					
2	811 Gas Used for Products Extraction - Credit					
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others					
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)					
6	System - All Districts	Variable	192,355	413,360		
7	Storage Plants	Inventory	146,997		Included in the Cost of Inventory	
8	Total		339,352	413,360		
9						
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44						
45	Total		339,352	413,360		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2011

Transmission and Compression of Gas by Others (Account 858)

1. Report below details concerning gas transported or compressed for respondent by others equaling more than 1,000,000 Dth and amounts of payments for such services during the year. Minor items (less than 1,000,000) Dth may be grouped. Also, include in
2. In column (a) give name of companies, points of delivery and receipt of gas. Designate points of delivery and receipt so that they can be identified readily on a map of respondent's pipeline system.
3. Designate associated companies with an asterisk in column (b).

Line No.	Name of Company and Description of Service Performed (a)	* (b)	Amounts of Payment (in dollars) (c)	Dth of Gas Delivered (d)
1	N/A			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25 Total				0

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2011

Other Gas Supply Expenses (Account 813)

1. Report other gas supply expenses by descriptive titles that clearly indicate the nature of such expenses. Show maintenance expenses, revaluation of monthly encroachments recorded in Account 117.4, and losses on settlements of imbalances and gas losses

Line No.	Name of Company and Description of Service Performed (a)	Amount (in dollars) (b)
1	N/A	
2		
3		
4		
5		
6		
7		
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22		
23		
24		
25	Total	

Name of Respondent		This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011
MISCELLANEOUS GENERAL EXPENSE (Account 930.2)				
1. Provide the information requested below on miscellaneous general expenses		2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items so grouped is shown.		
Line No.	Description (a)	Amount (in dollars) (b)		
1	Industry association dues (2105)	781,489		
2				
3	Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent (2065-5000)	89,390		
4				
5	Other expenses (2966)	16,572		
6				
7	Director's Fees and Expenses (4320)	1,440,105		
8				
9	Corporate Information - Annual Report (4295)	79,827		
10				
11	Annual Meeting (4290)	122,437		
12				
13				
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39				
40	TOTAL	2,529,820		

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW NATURAL

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
UTILITY								
Intangible Plant								
301 ORGANIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302 FRANCHISES & CONSENTS	0	0	0	0	0	0	0	0
303.1 COMPUTER SOFTWARE	25,968,170	1,995,386	0	0	0	0	0	27,963,556
303.2 CUSTOMER INFORMATION SYSTEM	26,363,331	2,186,965	0	0	0	0	0	28,550,296
303.3 INDUSTRIAL & COMMERCIAL BIL	4,315,884	(168,933)	0	0	0	0	0	4,146,951
303.4 CRMS	1,401,734	0	0	0	0	0	0	1,401,734
303.5 POWERPLANT SOFTWARE	(478,482)	478,482	0	0	0	0	0	0
Intangible Plant Subtotal	57,570,637	4,491,899	0	0	0	0	0	62,062,537
Production Plant - Oil Gas								
304.1 LAND	0	0	0	0	0	0	0	0
305.2 P P O G STRU & IMPR-SEWER S	0	0	0	0	0	0	0	0
305.5 P P O G STRU & IMPR-OTHER Y	13,814	0	0	0	0	0	0	13,814
312.3 P P O G FUEL HANDLING AND S	0	0	0	0	0	0	0	0
318.3 P P O G LIGHT OIL REFINING	152,141	0	0	0	0	0	0	152,141
318.5 P P O G TAR PROCESSING	255,729	0	0	0	0	0	0	255,729
325 NATURAL GAS PROD AND GATHER	0	0	0	0	0	0	0	0
327 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
328 NATURAL GAS PROD AND GATHER	0	0	0	0	0	0	0	0
331 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
332 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
333 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
334 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
Production Plant - Oil Gas Subtotal	421,683	0	0	0	0	0	0	421,683
Production Plant - Other								
305.11 GAS PRODUCTION - COTTAGE G	8,736	0	0	0	0	0	0	8,736
305.17 STRUCTURES MIXING STATION	51,246	0	0	0	0	0	0	51,246
311 P P OTHER-LIQUEFIED PETROLE	(0)	(0)	0	0	0	0	0	(0)
311.4 P P OTHER-L P G GRANGER	0	0	0	0	0	0	0	0
311.7 LIQUIFIED GAS EQUIPMENT COO	8,066	0	0	0	0	0	0	8,066
311.8 LIQUIFIED GAS EQUIPMENT LIN	6,585	0	0	0	0	0	0	6,585
319 GAS MIXING EQUIPMENT GASCO	194,720	0	0	0	0	0	0	194,720
Production Plant - Other Subtotal	269,353	(0)	0	0	0	0	0	269,353
Natural Gas Underground Storage								
350.1 LAND	0	0	0	0	0	0	0	0
350.2 RIGHTS-OF-WAY	16,264	1,776	0	0	0	0	0	18,040
351 STRUCTURES AND IMPROVEMENTS	1,960,279	112,098	0	0	0	0	0	2,072,376
352 WELLS	8,900,691	414,974	0	0	0	0	0	9,315,665

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW NATURAL

Period Beginning: Jan 2011
 Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
UTILITY								
352.1 STORAGE LEASEHOLD & RIGHTS	1,161,738	69,001	0	0	0	0	0	1,230,738
352.2 RESERVOIRS	1,068,560	99,931	0	0	0	76,655	0	1,245,146
352.3 NON-RECOVERABLE NATURAL GAS	2,593,263	121,089	0	0	0	0	0	2,714,352
353 LINES	2,231,190	135,012	0	0	0	0	0	2,366,202
354 COMPRESSOR STATION EQUIPMENT	12,047,560	739,198	0	0	0	157,060	0	12,943,818
355 MEASURING / REGULATING EQUIPM	3,256,945	139,347	0	0	0	46,703	0	3,442,995
356 PURIFICATION EQUIPMENT	180,823	7,375	0	0	0	0	0	188,197
357 OTHER EQUIPMENT	645,175	30,368	0	0	0	0	0	675,543
Natural Gas Underground Storage Subtotal	34,062,488	1,870,166	0	0	0	280,418	0	36,213,072
Local Storage Plant								
360.11 LAND - LNG LINNTON	0	0	0	0	0	0	0	0
360.12 LAND - LNG NEWPORT	0	0	0	0	0	0	0	0
360.2 LAND - OTHER	0	0	0	0	0	0	0	0
361.11 STRUCTURES & IMPROVEMENTS	712,203	233,819	0	0	0	0	0	946,022
361.12 STRUCTURES & IMPROVEMENTS	1,682,511	142,115	0	0	0	0	0	1,824,626
361.2 STRUCTURES & IMPROVEMENTS -	8,166	466	0	0	0	0	0	8,631
362.11 GAS HOLDERS - LNG LINNTON	1,946,211	63,229	0	0	0	0	0	2,009,439
362.12 GAS HOLDERS - LNG NEWPORT	4,650,870	157,541	0	0	0	0	0	4,808,411
362.2 GAS HOLDERS - LNG OTHER	1,067	21	0	0	0	0	0	1,088
363.11 LIQUEFACTION EQUIP. - LINN	2,132,947	82,062	0	0	0	0	0	2,215,009
363.12 LIQUEFACTION EQUIP - NEWPO	6,836,170	57,019	0	0	0	0	0	6,893,189
363.21 VAPORIZING EQUIP - LINNTON	2,440,582	36,821	0	0	0	0	0	2,477,403
363.22 VAPORIZING EQUIP - NEWPORT	2,605,050	764	0	0	0	0	0	2,605,814
363.31 COMPRESSOR EQUIP - LINNTON	157,057	12,845	0	0	1,500	0	0	171,402
363.32 COMPRESSOR EQUIPMENT - NE	162,931	14,176	0	0	0	0	0	177,107
363.41 MEASURING & REGULATING EQU	596,620	295	0	0	0	0	0	596,915
363.42 MEASURING & REGULATING EQU	114,156	828	0	0	0	0	0	114,984
363.5 CNG REFUELING FACILITIES	1,828,161	0	0	0	0	0	0	1,828,161
363.6 LNG REFUELING FACILITIES	739,473	0	0	0	0	0	0	739,473
Local Storage Plant Subtotal	26,614,173	802,001	0	0	1,500	0	0	27,417,674
Transmission Plant								
365.1 LAND	0	0	0	0	0	0	0	0
365.2 LAND RIGHTS	1,154,315	122,003	0	0	0	0	0	1,276,318
366.3 STRUCTURES & IMPROVEMENTS -	175,373	20,319	0	0	0	0	0	195,692
367 MAINS	9,445,665	1,134,345	0	0	0	0	0	10,580,010
367.21 NORTH MIST TRANSMISSION LI	789,834	39,717	0	0	0	0	0	829,551
367.22 SOUTH MIST TRANSMISSION LI	8,094,602	367,916	0	0	0	0	0	8,462,518
367.23 SOUTH MIST TRANSMISSION LI	7,210,387	908,368	0	0	0	0	0	8,118,755
367.24 11.7M S MIST TRANS LINE	2,557,441	452,566	0	0	0	0	0	3,010,007
367.25 12M NORTH S MIST TRANS	2,394,980	483,843	0	0	0	0	0	2,878,823
367.26 38M NORTH S MIST TRANS	9,002,128	1,774,797	0	0	0	0	0	10,776,925
Oregon and Washington Provision for Depreciation								

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW NATURAL

Period Beginning: Jan 2011
 Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
UTILITY								
368 TRANSMISSION COMPRESSOR	(9)	0	0	0	0	0	0	(9)
369 MEASURING & REGULATE STATION	823,376	98,139	0	0	0	0	0	921,515
370 COMMUNICATION EQUIPMENT	0	0	0	0	0	0	0	0
Transmission Plant Subtotal	41,648,092	5,402,012	0	0	0	0	0	47,050,104
Distribution Plant								
374.1 LAND	0	0	0	0	0	0	0	0
374.2 LAND RIGHTS	580,053	138,064	0	0	0	0	0	718,117
375 STRUCTURES & IMPROVEMENTS	78,982	353	0	0	0	0	0	79,335
376.11 MAINS < 4"	241,969,641	12,321,884	(333,155)	(1,288,166)	24,368	0	0	252,694,573
376.12 MAINS 4" & >	158,514,549	10,730,259	(766,859)	(884,831)	25,686	0	0	167,618,804
377 COMPRESSOR STATION EQUIPMENT	515,988	19,068	0	0	0	0	0	535,056
378 MEASURING & REG EQUIP - GENER	7,962,222	480,037	0	0	0	0	0	8,442,259
379 MEASURING & REG EQUIP - GATE	1,116,991	75,615	0	0	0	0	0	1,192,606
380 SERVICES	306,221,197	16,450,064	(489,210)	(1,171,358)	0	0	0	321,010,693
381 METERS	15,922,617	1,648,941	(387,538)	0	0	0	0	17,184,020
381.1 METERS (ELECTRONIC)	507,007	0	0	0	0	0	0	507,007
381.2 ERT (ENCODER RECEIVER TRANS	6,542,357	2,357,290	(272,574)	0	0	0	0	8,627,073
382 METER INSTALLATIONS	13,934,292	1,423,136	(1,646,617)	0	0	0	0	13,710,812
382.1 METER INSTALLATIONS (ELECTR	518,377	0	0	0	0	0	0	518,377
382.2 ERT INSTALLATION (ENCODER	1,620,955	660,121	(52,987)	0	0	0	0	2,228,090
383 HOUSE REGULATORS	29,138	17,585	0	0	0	0	0	46,724
386 OTHER PROPERTY ON CUSTOMERS P	0	0	0	0	0	0	0	0
387.1 CATHODIC PROTECTION TESTING	138,950	19	0	0	0	0	0	138,969
387.2 CALORIMETERS @ GATE STATIONS	96,424	0	0	0	0	0	0	96,424
387.3 METER TESTING EQUIPMENT	72,671	0	0	0	0	0	0	72,671
Distribution Plant Subtotal	756,342,413	46,322,438	(3,948,940)	(3,344,355)	50,054	0	0	795,421,611
General Plant								
389 LAND	0	0	0	0	0	0	0	0
390 STRUCTURES & IMPROVEMENTS	8,264,038	435,201	0	0	0	0	0	8,699,239
391.1 OFFICE FURNITURE & EQUIPMEN	5,383,723	838,404	(132,475)	0	2,000	0	0	6,091,652
391.2 COMPUTERS	9,755,694	2,398,953	(238,295)	0	21,287	0	0	11,937,639
391.3 ON SITE BILLING	938,788	0	0	0	0	0	0	938,788
391.4 CUSTOMER INFORMATION SYSTEM	462,804	233,067	0	0	0	0	0	695,871
392 TRANSPORTATION EQUIPMENT	10,263,182	1,086,916	(2,232,500)	0	154,173	0	0	9,271,771
393 STORES EQUIPMENT	119,406	0	0	0	0	0	0	119,406
394 TOOLS - SHOP & GARAGE EQUIPUI	5,278,038	934,863	0	0	9,284	0	0	6,222,185
395 LABORATORY EQUIPMENT	63,788	2,493	0	0	0	0	0	66,281
396 POWER OPERATED EQUIPMENT	4,043,910	147,734	(498,971)	0	119,294	0	0	3,811,967
397 GEN PLANT-COMMUNICATION EQU	7,237	3,671	0	0	0	0	0	10,908
397.1 MOBILE	1,186,871	8,812	0	0	0	0	0	1,195,683
397.2 OTHER THAN MOBILE & TELEMET	1,516,617	75,324	0	0	0	0	0	1,591,942
397.3 TELEMETERING - OTHER	3,091,052	2,708	0	0	0	0	0	3,093,760
397.4 TELEMETERING - MICROWAVE	1,863,269	19,385	0	0	0	0	0	1,882,654

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW NATURAL

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
UTILITY								
397.5 TELEPHONE EQUIPMENT	2,066,580	0	0	0	0	0	0	2,066,580
398 GEN PLANT-MISCELLANEOUS EQU	0	0	0	0	0	0	0	0
398.1 PRINT SHOP	83,249	0	0	0	0	0	0	83,249
398.2 KITCHEN EQUIPMENT	460	525	0	0	0	0	0	985
398.3 JANITORIAL EQUIPMENT	14,873	0	0	0	0	0	0	14,873
398.4 INSTALLED IN LEASED BUILDINGS	10,120	0	0	0	0	0	0	10,120
398.5 OTHER MISCELLANEOUS EQUIPMENT	66,739	0	0	0	0	0	0	66,739
General Plant Subtotal	54,480,440	6,188,056	(3,102,241)	0	306,038	0	0	57,872,293
Utility Property Grand Total	\$971,409,279	\$65,076,574	(\$7,051,181)	(\$3,344,355)	\$357,592	\$280,418	\$0	\$1,026,728,327

NON UTILITY

Intangible Plant								
303.1 COMPUTER SOFTWARE	\$3,049	\$7,041	\$0	\$0	\$0	\$0	\$0	\$10,089
303.2 CUSTOMER INFORMATION SYSTEM	16,575	4,275	0	0	0	0	0	20,850
Non Utility Intangible Plant Subtotal	19,624	11,316	0	0	0	0	0	30,940

Natural Gas Underground Storage								
352 WELLS	1,499,003	347,596	0	0	0	0	0	1,846,599
352.1 STORAGE LEASEHOLD & RIGHTS	82	20	0	0	0	0	0	102
352.2 RESERVOIRS	834,365	113,975	0	0	0	(76,655)	0	871,686
353 LINES	151,295	33,994	0	0	0	0	0	185,289
354 COMPRESSOR STATION EQUIPMENT	3,604,712	384,391	0	0	0	(157,060)	0	3,832,043
355 MEASURING / REGULATING EQUIPM	1,059,874	185,997	0	0	0	(46,703)	0	1,199,168
357 OTHER EQUIPMENT	1,502	1,442	0	0	0	0	0	2,945
Non Utility Natural Gas Underground Storage Subtotal	7,150,833	1,067,415	0	0	0	(280,418)	0	7,937,831

Transmission Plant								
368 TRANSMISSION COMPRESSOR	655,247	238,655	0	0	0	0	0	893,901
Non Utility Transmission Plant Subtotal	655,247	238,655	0	0	0	0	0	893,901

Distribution Plant								
376.12 MAINS 4" & >	86,887	21,272	0	0	0	0	0	108,160
Non Utility Distribution Plant Subtotal	86,887	21,272	0	0	0	0	0	108,160

Oregon and Washington Provision for Depreciation

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW NATURAL**

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
UTILITY								
General Plant								
389 LAND	0	0	0	0	0	0	0	0
390 STRUCTURES & IMPROVEMENTS	13,570	2,033	0	0	0	0	0	15,604
Non Utility General Plant Subtotal	13,570	2,033	0	0	0	0	0	15,604
Non Utility Other								
121.1 NON-UTIL PROP-DOCK	1,796,292	41,468	0	0	0	0	0	1,837,760
121.2 NON-UTIL PROP-LAND	0	0	0	0	0	0	0	0
121.3 NON-UTIL PROP-OIL ST	2,201,485	0	0	0	0	0	0	2,201,485
121.7 NON-UTIL PROP-APPL CENTER	8,946	4,219	0	0	0	0	0	13,165
121.8 NON-UTIL PROP-STORAGE	(1)	0	0	0	0	0	0	(1)
Non Utility Other	4,006,721	45,687	0	0	0	0	0	4,052,409
Non Utility Property Grand Total	\$11,932,883	\$1,386,379	\$0	\$0	\$0	(\$280,418)	\$0	\$13,038,843

TOTAL SUMMARY ALL UTILITY DEPRECIATION RESERVES 12/31/2011

UTILITY	
108010	(\$14,807,272)
108011	764,509,223
108012	10,837,661
108013	(1,516,319)
108014	(60,615)
108015	3,840,792
108100	266,516,609
108002	(2,573,796)
108003	(52,839)
108004	35,058
108666	(174)
SUBTOTAL	\$1,026,728,327
ADD:	
108001 REMOVAL WORK IN PROCESS	(10,609,203)
TOTAL UTILITY DEPRECIATION	\$1,016,119,124

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW NATURAL**

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class	Beginning				Cost of	Salvage and	Transfers and		Ending
FERC Plant Account	Reserve	Provision	Retirements		Removal	Other Credits	Adjustments	Loss/(Gain)	Reserve
TOTAL SUMMARY ALL NON-UTILITY RESERVES DEPRECIATION									
NON UTILITY									
122027	4,098,953								
122028	8,131,159								
122100	838,937								
122002	(30,206)								
TOTAL NON UTILITY DEPRECIATION					<u><u>13,038,843</u></u>				

Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Dec. 31, 2011

DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Continued)

4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.10, 3.10, 3.02, etc.

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Plant Bases (thousands)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore	N/A	N/A
3	Onshore	N/A	N/A
4	Underground Gas Storage Plant	84,539	2.3
5	Transmission Plant	N/A	N/A
6	Offshore	N/A	N/A
7	Onshore	N/A	N/A
8	General Plant	N/A	N/A
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10			
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14			
15			

Name of Respondent Northwest Natural Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

(a) **Miscellaneous Amortization** (Account 425) - Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) **Miscellaneous Income Deductions** - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts.

Amounts of less than \$250,000 may be grouped by classes within the above accounts.

(c) **Interest on Debt to Associated Companies** (Account 430) - For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) **Other Interest Expense** (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Account 425 Miscellaneous Amortization	0
2	Account 426.1 Donations	1,174,228
3	Account 426.2 Insurance Benefits	(2,246,755)
4	Account 426.3 Penalties - Internal Revenue	6,231
5	Account 426.4 Civic, Political and Related Activities (426.31-426.33 & 426.41-426.45)	925,709
6	Account 426.5 Other Deductions (426.05, 426.50-426.52)	247,876
7	Account 426.6 Diversification (426.60)	0
8		
9	Total Account 426	107,289
10		
11	Account 430 Interest on Debt to Associated Companies	0
12	Account 431 Other Interest Expense	
13	Notes Payable (431.1)	594,425
14	Miscellaneous (431.2-431.5)	1,321,436
15		
16	Total Account 431	1,915,861
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Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report	
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011	
REGULATORY COMMISSION EXPENSES (Account 928)					
1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.			2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.		
Line No.	Description (Furnish name of regulatory commission or body, the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 186 at Beginning of Year (e)
1					
2					
3	PUBLIC UTILITY COMMISSIONER OF OREGON:				
4					
5	REGULATORY ISSUES	NONE	0	0	NONE
6					
7	LEAST COST PLANNING (UM180)	NONE	0	0	NONE
8					
9					
10	WASHINGTON UTILITIES & TRANSPORTATION COMMISSION:				
11					
12	REGULATORY ISSUES	NONE	0	0	NONE
13					
14	LEAST COST PLANNING (UG10149)	NONE	0	0	NONE
15					
16					
17	FEDERAL ENERGY REGULATORY COMMISSION:				
18					
19	REGULATORY ISSUES	NONE	0	0	NONE
20					
21					
22	PROFESSIONAL SERVICES				
23	CLASSIFIED TO FERC ACCOUNT 923	NONE	0	0	NONE
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43	TOTAL		0	0	

Northwest Natural does not track expenses by formal regulatory cases.

Name of Respondent Northwest Natural Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
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REGULATORY COMMISSION EXPENSES (Continued)

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| <p>3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization.</p> <p>4. Identify separately all annual charge adjustments (ACA)</p> | <p>5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts.</p> <p>6. Minor items (less than \$250,000) may be grouped.</p> |
|--|--|

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR			Deferred in Account 186, End of Year (l)	Line No.
CHARGED CURRENTLY TO			Deferred to Account 186 (i)	Contra Account (j)	Amount (j)		
Department (f)	Account No. (g)	Amount (h)					
							1
							2
							3
							4
GAS	928	0	NONE	NONE		NONE	5
GAS	928	0	NONE	NONE		NONE	6
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GAS	928	0	NONE	NONE		NONE	11
GAS	928	0	NONE	NONE		NONE	12
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							15
							16
							17
							18
GAS	928	0	NONE	NONE		NONE	19
							20
							21
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GAS	928	0	NONE	NONE		NONE	23
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Name of Respondent	This Report	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2011

Employee Pensions and Benefits (Account 926)

1. Report below the items contained in Account 926, Employee Pensions & Benefits

Line No.	Expense (a)	Amount (b)
1	Pensions - defined benefit plans	5,382,474
2	Pensions - other	3,029,731
3	Post-retirement benefits other than pensions (PBOP)	2,037,818
4	Post-employment benefit plans	-
5	Other Benefits	19,987,971
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37	Total	30,437,994

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Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In deter-

mining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 74.01, 74.02, etc.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production			
4	Transmission			
5	Distribution			
6	Customer Accounts			
7	Customer Service and Informational			
8	Sales			
9	Administrative and General			
10	TOTAL Operation (Total of lines 3 thru 9)			
11	Maintenance			
12	Production			
13	Transmission			
14	Distribution			
15	Administrative and General			
16	TOTAL Maint. (Total of lines 12 thru 15)			
17	Total Operation and Maintenance			
18	Production (Total of lines 3 and 12)			
19	Transmission (Total of lines 4 and 13)			
20	Distribution (Total of lines 5 and 14)			
21	Customer Accounts (Line 6)			
22	Customer Service and Informational (Line 7)			
23	Sales (Line 8)			
24	Administrative and General (Total of lines 9 and 15)			
25	TOTAL Oper. and Maint. (Total of lines 18 thru 24)			
26	Gas			
27	Operation			
28	Production - Manufactured Gas			
29	Production - Nat. Gas (Including Expl. and Dev.)			
30	Other Gas Supply			
31	Storage, LNG Terminaling and Processing	1,615,558	170,252	1,785,810
32	Transmission	344,822	46,392	391,214
33	Distribution	12,517,677	1,712,894	14,230,571
34	Customer Accounts	8,099,046	865,082	8,964,128
35	Customer Service and Informational	2,331,348	242,390	2,573,738
36	Sales	1,065,711	110,802	1,176,513
37	Administrative and General	15,619,601	1,622,342	17,241,943
38	TOTAL Operation (Total of lines 28 thru 37)	41,593,763	4,770,154	46,363,917
39	Maintenance			
40	Production - Manufactured Gas			
41	Production - Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminaling and Processing	230,618	24,394	255,012
44	Transmission	1,130,980	120,780	1,251,760
45	Distribution	5,947,621	747,356	6,694,977
46	Administrative and General	1,039,312	123,188	1,162,500
47	TOTAL Maint. (Total of lines 40 thru 46)	8,348,532	1,015,718	9,364,250

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
DISTRIBUTION OF SALARIES AND WAGES (Continued)				
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
48	Gas (Continued)			
49	Total Operation and Maintenance			
50	Production - Manufactured Gas (Lines 28 and 40)			
51	Production - Nat. Gas (Including Expl. and Dev.) (Lines 29 and 41)			
52	Other Gas Supply (Lines 30 and 42)			
53	Storage, LNG Terminaling and Processing (Lines 31 and 43)	1,846,177	194,646	2,040,823
54	Transmission (Total of lines 32 and 44)	1,475,802	167,172	1,642,974
55	Distribution (Total of lines 33 and 45)	18,465,297	2,460,250	20,925,547
56	Customer Accounts (Total of line 34)	8,099,046	865,082	8,964,128
57	Customer Service and Informational (Total of line 35)	2,331,348	242,390	2,573,738
58	Sales (Total of line 36)	1,065,711	110,802	1,176,513
59	Administrative and General (Total of lines 37 and 46)	16,658,913	1,745,530	18,404,443
60	Other Utility Departments			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 50 thru 61)	49,942,295	5,785,872	55,728,167
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant			
66	Gas Plant	18,711,544	2,636,066	21,347,610
67	Other			
68	TOTAL Construction (Total of lines 65 thru 67)	18,711,544	2,636,066	21,347,610
69	Plant Removal (By Utility Departments)			
70	Electric Plant			
71	Gas Plant			
72	Other			
73	TOTAL Plant Removal (Total of lines 70 thru 72)	0		
74	Other Accounts (Specify):			
74.01	Merchandising	771,684	0	771,684
74.02	Governmental	202,217	271,293	473,510
74.03	Acct Rec-NNG Financial Corporation	132	0	132
74.04	Acct Rec-Palomar	0	0	0
74.05	Acct Rec-Gill Ranch	220,384	0	220,384
74.06	Acct Rec-PGE Joint Meter Reading		0	0
74.07	Storage Business	541,597	0	541,597
74.08	Other Accounts Receivable	0	53,010	53,010
74.09				
74.10				
74.11				
74.12				
74.13				
74.14				
74.15				
74.16				
74.17				
74.18				
74.19				
75	TOTAL Other Accounts	1,736,015	324,303	2,060,318
76	TOTAL SALARIES AND WAGES	70,389,853	8,746,241	79,136,094

Name of Respondent Northwest Natural Gas Comp	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Year of Report Dec. 31, 2011
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CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities.
 (a) Name of person or organization rendering services.
 (c) Total charges for the year.
2. Designate associated companies with an asterisk in column (b).

Line No.	Description (a)	* (b)	Amount (in dollars) (c)
1	LOY CLARK PIPELINE CO		8,556,767.99
2	ANCHOR QEA LLC		3,673,351.51
3	K & L GATES LLP		2,259,750.62
4	MARSH USA INC		1,887,497.70
5	K & D SERVICES OF OREGON		1,774,726.31
6	LOCATING INC		1,769,862.20
7	COLORADO STRUCTURES INC		1,713,499.70
8	D.P. NICOLI INC		1,246,818.11
9	STOEL RIVES LLP		1,185,275.47
10	ACTIVE TELESOURCE INC		1,060,728.07
11	ITRON INC		1,047,752.36
12	DELL MARKETING LP		987,561.00
13	PRICEWATERHOUSECOOPERS LLP		982,850.00
14	CREATIVE MEDIA DEVELOPMENT INC		816,240.00
15	MSN COMMUNICATIONS INC		809,225.24
16	WHPACIFIC INC		804,324.64
17	ADVANCE ENGINEERING CORP		769,421.67
18	CSG PROFESSIONAL SERVICES INC		738,776.25
19	LOWER WILLAMETTE GROUP		724,143.00
20	COURTNEY & SON INC		716,573.25
21	SURVEYS & ANALYSIS INC		685,233.95
22	MICROSOFT LICENSING GP		617,271.37
23	HAHN AND ASSOCIATES INC		617,092.70
24	SUNGARD ENERGY SYSTEMS		613,278.11
25	PEARL LEGAL GROUP PC		592,898.14
26	WOODRUFF-SAWYER & COMPANY		520,804.26
27	MCDOWELL RACKNER & GIBSON PC		494,227.61
28	THOMAS N SNAIR		403,943.40
29	AMERICAN GAS ASSOCIATION		399,993.00
30	OREGON WASHINGTON LABORATORIES		366,879.94
31	BASIC SYSTEMS INC		363,201.66
32	MULVANNYG2 ARCHITECTURE CORP		347,648.54
33	NORTHWEST STAFFING RESOURCES I		341,794.39
34	G A W INC		304,565.75
35	CENVEO GRAPHIC ARTS CENTER		300,014.17
36	GEOENGINEERS INC		294,914.58
37	WORKHORSE CONSTRUCTION METRO I		294,167.55
38	OPERATIONS TECHNOLOGY		280,000.00
39	WATER TRUCK SERVICE INC		274,010.50
40	SAP INDUSTRIES INC		273,447.36
41	DALE FROSTAD		271,426.42
42	RAMTECH SOFTWARE SOLUTIONS INC		267,866.45
43	MOODY'S INVESTORS SERVICE INC		259,400.00
44	CORPORATE ENVIRONMENTAL		253,414.86
	TOTAL		42,962,639.80

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2011

Transactions with Associated (Affiliated) Companies

1. Report below the information called for concerning all goods or services received from or provided to associated (affiliated) companies amounting to more than \$250,000.
2. Sum under a description "Other", all of the aforementioned goods and services amounting to \$250,000 or less.
3. Total under a description "Total", the total of all of the aforementioned goods and services.
4. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.

Line No.	Description of the Goods or Service (a)	Name of Associated/Affiliated company (b)	Account(s) Charged or Credited (c)	Amount (d)
1	Goods or Services Provided by Affiliated Company			
2				
3	None			
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6				
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17				
18				
19				
20	Goods or Services Provided for Affiliated Company			
21				
22	Shared services agreement - payroll	NW Energy LLC	421-61505	368,126
23	Shared services agreement - payroll	NW Energy LLC	421-61510	35,817
24	Shared services agreement - payroll and overhead	NW Energy LLC	921-01505	116,823
25				
26				
27	Shared services agreement - payroll	NW Natural Gas Storage LLC	921-01505	82,911
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40	TOTAL			603,677

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
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COMPRESSOR STATION

1. Report below details concerning compressor stations. Use the following subheading; field compressor stations, products extraction compressor stations, underground compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.
 2. For column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership if jointly owned

Line No.	Name of station and location (a)	Number of Units at Station (b)	Certified Horsepower for Each Station (c)	Plant cost (d)
1	Underground Storage Compressors:	4	15,400	27,957,660
2	Miller Station, Mist, Oregon			
3	(Fuel used is natural gas)			
4				
5	Field Compressors: NON-UTILITY			
6	Molalla, Oregon	2	2,219	7,723,454
7	Deer Island, Oregon	1	1,680	1,751,948
8				
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Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

COMPRESSOR STATION (Continued)

Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote each unit's size and date the unit was placed in operation.
For Column (e), include the type of fuel or power, in other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or Power.

Expenses (Except depreciation and taxes)		Gas for Compressor Fuel in Dth	Operation Data			Line No.
Fuel or Power	Other		Total Compressor Hours of Operation During the Year	Number of Compressors Operated at Time of Station Peak	Date of Station Peak	
(e)	(f)	(g)	(h)	(i)	(j)	
697,563		137,217	3,169	2	2/24/11	1
						2
						3
						4
						5
20,765		4,075	106	n/a	n/a	6
203		41	1	n/a	n/a	7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
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		Note: Fuel used by the compressors is added to the value of the inventory and expensed as a cost of gas when the inventory is withdrawn from storage.				29
						30
						31
						32
						33
						34
						35

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS STORAGE PROJECTS				
1. Report injections and withdrawals of gas for all storage projects used by respondent.				
Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
STORAGE OPERATIONS (in Dth)				
1	Gas Delivered to Storage			
2	January	453,455		453,455
3	February	340,781		340,781
4	March	282,260		282,260
5	April	262,889		262,889
6	May	354,696		354,696
7	June	461,364		461,364
8	July	2,071,791		2,071,791
9	August	752,610		752,610
10	September	1,489,106		1,489,106
11	October	2,796,766		2,796,766
12	November	294,507		294,507
13	December	264,430		264,430
14	TOTAL (Total of Lines 2 Thru 13)	9,824,654		9,824,654
15	Gas Withdrawn from Storage			
16	January	1,642,946		1,642,946
17	February	1,201,453		1,201,453
18	March	705,639		705,639
19	April	564,896		564,896
20	May	1,078,972		1,078,972
21	June	27,848		27,848
22	July	34,866		34,866
23	August	28,853		28,853
24	September	32,276		32,276
25	October	332,945		332,945
26	November	941,564		941,564
27	December	1,146,708		1,146,708
28	TOTAL (Total of lines 16 thru 27)	7,738,965		7,738,965

Note: Storage withdrawals shown above reflect Jackson Prairie activity, net of fuel (gas measure at the city gate.)
Note: This includes our Virtual Storage deal that is accounted for under 165010.

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		(1) X An Original (2) A Resubmission		Dec. 31, 2011
GAS STORAGE PROJECTS				
1. On line 4, enter the total storage capacity certificated by FERC.		2. Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.		
Line No.	Item (a)	Total Amount (Dth) (b)		
	Storage Operations			
1	Top of Working Gas End of Year (Includes SGS 1 & 2 plus Mist) *	15,998,064		
2	Cushion Gas (Including Native Gas)	11,054,855		
3	Total Gas in Reservoir (Total of Line 1 and 2)	27,052,919		
4	Certificated Storage Capacity	NA		
5	Number of Injection - Withdrawal Wells (Mist only)	22		
6	Number of Observation Wells (Mist only)	23		
7	Maximum Day's Withdrawal from Storage (All Underground Storage)	348,912		
8	Date of Maximum Days' Withdrawal	02/24/11		
9	LNG Terminal Companies (in Dth) (Two wholly owned, one shared)	3		
10	Number of Tanks	3		
11	Capacity of Tanks	2,222,100		
12	LNG Volumes			
13	Received at "Ship Rail"	0		
14	Transferred to Tanks	532,854		
15	Withdrawn from Tanks	554,275		
16	"Boil Off" Vaporization Loss	0		

Note: * This includes our Virtual Storage deal that is accounted for under 165010.

Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

Transmission Lines

1. Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.
2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk, in column (b) and in a footnote state the name of the owner, or co-owner, nature of respondent's title, and percent of ownership if joint
3. Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line an
4. Report the number of miles of pipe to one decimal point.

Line No.	Designation (Identification) of Line or Group of Lines (a)	* (b)	Total Miles of Pipe (c')
1	State of Oregon		613.3
2	State of Washington		3.4
3			
4			
5	State of Oregon - Kelso - Beaver	*	1.0
6	State of Washington - Kelso - Beaver	*	17.0
7			
8	Note:		
9	* Kelso-Beaver is owned 10% by NW Natural dba KB Pipeline Company		
10	11% by US Gypsum Corp., and 79% by Portland General Electric (PGE)		
11	PGE is the operator.		
12	(1 mile of Kelso-Beaver Pipeline is located in the State of Oregon and 17 miles are		
13	located in the State of Washington).		
14			
15			
16	State of Oregon - Coos County Pipeline*	**	76.8
17			
18	Note:		
19	** Coos County Pipeline is operated by NW Natural on behalf of Coos County.		
20			
21			
22			
23			
24			
25			

Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

Transmission System Peak Deliveries

1. Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the 12 months embracing the heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report, April 30, which permits inclusion of the peak information required on this page. Add rows as necessary to report all data. Number additional rows 6.01, 6.02, etc.

Line No.	Description (a)	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
1	Section A: Single Day Peak Deliveries			
2				
3	Volumes of Gas Transported			
4	No-Notice Transportation	N/A		
5	Other Firm Transportation			
6	Interruptible Transportation			
7				
8	Total			
9	Volumes of gas Withdrawn from Storage under Storage Contract			
10	No-Notice Transportation			
11	Other Firm Transportation			
12	Interruptible Transportation			
13				
14	Total			
15	Other Operational Activities			
16	Gas Withdrawn from Storage from System Operations			
17	Reduction in Line Pack			
18				
19	Total			
20	Section B: Consecutive Three-Day Peak Deliveries			
21				
22	Volumes of Gas Transported			
23	No-Notice Transportation			
24	Other Firm Transportation			
25	Interruptible Transportation			
26				
27	Total			
28	Volumes of gas Withdrawn from Storage under Storage Contract			
29	No-Notice Transportation			
30	Other Firm Transportation			
31	Interruptible Transportation			
32				
33	Total			
34	Other Operational Activities			
35	Gas Withdrawn from Storage from System Operations			
36	Reduction in Line Pack			
37	Total			

Name of Respondent	This Report Is:	Date of Report	Year of Report
NORTHWEST NATURAL GAS COMPANY	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

AUXILIARY PEAKING FACILITIES

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.
2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.
3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated On Day of Highest Transmission Peak Delivery	
					Yes (e)	No (f)
1	Portland, OR	LNG	120,000	13,639,750		No
2	Newport, OR	LNG	100,000	21,860,153		No
3	Mist, OR	underground	520,000	84,539,254	Yes	
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Name of Respondent	This Report Is: X An Original A resubmission	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company			Dec. 31, 2011

GAS ACCOUNT - NATURAL GAS

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.

2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.

3. Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.

4. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.

5. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose. Use copies of pages 520.

6. Also indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market of that were not transported through any interstate portion of the reporting pipeline.

7. Also indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.

8. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional rows as necessary to report all data, numbered 14.01, 14.02, etc.

01 NAME OF SYSTEM

Line No.	Item (a)	Ref. Page No. (b)	Amount of Dth (c)
2	GAS RECEIVED		
3	Gas Purchases (Accounts 800-805)		80,519,636
4	Gas of Others Received for Gathering (Account 489.1)	303	N/A
5	Gas of Others Received for Transmission (Account 489.2)	305	N/A
6	Gas of Others Received for Distribution (Account 489.3) Transportation	301	37,405,194
7	Gas of Others Received for Contract Storage (Account 489.4)	307	N/A
8	Exchanged Gas Received from Others (Account 806)	328	N/A
9	Gas Received as Imbalances (Account 806)	328	N/A
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332	N/A
11	Other Gas Withdrawn from Storage (Explain) Underground and LNG Storage	512	7,738,965
12	Gas Received from Shippers as Compressor Station Fuel		
13	Gas Received from Shippers as Lost and Unaccounted for		
14	Other Receipts (Specify) LPG		
15	Total Receipts (Total of lines 3 thru 14)		125,663,795
16	GAS DELIVERED		
17	Gas Sales (Accounts 480-495)		77,832,716
18	Deliveries of Gas Gathered for Others (Account 489.1)	303	0
19	Deliveries of Gas Transported for Others (Account 489.2)	305	N/A
20	Deliveries of Gas Distributed for Others (Account 489.3) Transportation	301	37,405,194
21	Deliveries of Contract Storage Gas (Account 489.4)	307	N/A
22	Exchange Gas Delivered to Others (Account 806)	328	N/A
23	Gas Delivered as Imbalances (Account 806)	328	N/A
24	Deliveries of Gas to Others for Transportation (Account 858)	332	N/A
25	Other Gas Delivered to Storage (Explain) Underground and LNG Storage	512	9,824,654
26	Gas Used for Compressor Station Fuel	331	137,200
27	Other Deliveries (Specify) Co Use	331	202,152
28	Total Deliveries (Total of lines 17 thru 27)		125,401,916
29	GAS UNACCOUNTED FOR		
30	Production System Losses		
31	Gathering System Losses		
32	Transmission System Losses		
33	Distribution System Losses		261,879
34	Storage System Losses - Leakage (0) and Mist Gas Loss (0)		
35	Other Losses (Specify)		
36	Total Unaccounted for (Total of lines 30 thru 35)		261,879
37	Total Deliveries & Unaccounted for (Total of lines 28 and 36)		125,663,795

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NORTHWEST NATURAL GAS COMPANY

Washington Supplement to FERC Form 2

December 31, 2011

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Name of Respondent		This Report is:		Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company - Washington		X An Original A Resubmission			Dec. 31, 2011
DATA REQUEST FOR STATISTICS REPORT					
Line No.		Total Company Operations		Washington Operations	
		Current Year	Prior Year	Current Year	Prior Year
1	GAS SERVICE REVENUES				
2					
3	RESIDENTIAL SALES	494,595,506	461,892,494	54,714,212	49,531,694
4	COMMERCIAL SALES	245,440,651	230,604,511	22,473,844	20,648,438
5	INDUSTRIAL SALES	65,549,286	67,209,481	5,286,920	5,876,853
6	OTHER SALES				
7	SALES FOR RESALE				
8	TRANSPORTATION OF GAS OF OTHERS	16,021,227	14,237,958	1,425,623	1,204,486
9	OTHER OPERATING REVENUES	611,571	16,688,683	(1,014,189)	(1,706,523)
10					
11	TOTAL GAS SERVICE REVENUES	822,218,241	790,633,127	82,886,410	75,554,948
12					
13	THERMS OF GAS SOLD-TRANSPORTED				
14					
15	RESIDENTIAL SALES	424,637,507	375,922,448	47,741,413	41,719,398
16	COMMERCIAL SALES	256,263,170	231,091,505	21,083,772	18,772,930
17	INDUSTRIAL SALES	96,806,361	95,610,299	6,769,326	7,342,667
18	OTHER SALES	620,100	(10,610,752)	(67,682)	(1,115,248)
19	SALES FOR RESALE				
20	TRANSPORTATION OF GAS OF OTHERS	374,051,943	369,957,022	16,238,856	14,681,849
21					
22	TOTAL THERMS OF GAS SOLD-TRANSPORTED	1,152,379,081	1,061,970,522	91,765,685	81,401,596
23					
24	AVERAGE NUMBER OF GAS CUSTOMERS PER MONTH				
25					
26	RESIDENTIAL SALES	613,134	607,645	64,268	63,398
27	COMMERCIAL SALES	62,719	62,334	5,452	5,363
28	INDUSTRIAL SALES	734	743	49	50
29	OTHER SALES				
30	SALES FOR RESALE				
31	TRANSPORTATION OF GAS OF OTHERS	184	174	16	14
32					
33					
	TRANS. & DISTRN. MAINS - FEET (END OF YEAR)	70,574,326	70,451,222	8,984,083	8,940,500
35	NO. OF METERS IN SERV. & HELD IN RESERVE (AVE.)	768,472	761,505	81,521	80,623
36	AVERAGE B.T.U. CONTENT PER CU. FT.	1,030.4	1,030.9	1,030.5	1,031.7

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATEMENT OF INCOME FOR THE YEAR

- | | |
|---|---|
| <p>1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i, j) in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.</p> | <p>2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.</p> <p>3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.</p> |
|---|---|

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Total Current Year (in dollars) (c)	Total Previous Year (in dollars) (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301		
3	Operating Expenses			
4	Operation Expenses (401)	320-325		
5	Maintenance Expenses (402)	320-325		
6	Depreciation Expense (403)	336-338		
7	Amort. & Depl. of Utility Plant (404-405)	336-338		
8	Amort. of Utility Plant Acq. Adj. (406)	336-338		
9	Amort of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)			
10	Amort. of Conversion Expenses (407.2)			
11	Regulatory Debits (407.3)			
12	(Less) Regulatory Credits (407.4)			
13	Taxes Other Than Income Taxes (408.1)	262-263		
14	Income Taxes - Federal (409.1)	262-263		
15	- Other (409.1)	262-263		
16	Provision for Deferred Income Taxes (410.1)	276-277		
17	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	276-277		
18	Investment Tax Credit Adj. - Net (411.4)			
19	(Less) Gains from Disp. of Utility Plant (411.6)			
20	Losses from Disp. of Utility Plant (411.7)			
21	(Less) Gains from Disposition of Allowances (411.8)			
22	Losses from Disposition of Allowances (411.9)			
23	TOTAL Utility Operating Expenses (Total of lines 4 thru 22)		0	0
24	Net Utility Operating income (Enter Total of line 2 less 23) (Carry forward to page 116, line 25)		0	0

**INFORMATION NOT AVAILABLE
SEE FERC ANNUAL REPORT**

Name of Respondent Northwest Natural Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
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STATEMENT OF INCOME FOR THE YEAR (Continued)

4. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

5. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year (in dollars) (e)	Previous Year (in dollars) (f)	Current Year (in dollars) (g)	Previous Year (in dollars) (h)	Current Year (in dollars) (i)	Previous Year (in dollars) (j)	
		0	0			1
		0	0			2
						3
		0	0			4
		0	0			5
		0	0			6
						7
						8
						9
						10
						11
						12
		0	0			13
		0	0			14
		0	0			15
		0	0			16
		0	0			17
		0	0			18
						19
						20
						21
						22
		0	0			23
		0	0			24

**INFORMATION NOT AVAILABLE
SEE FERC ANNUAL REPORT**

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
STATEMENT OF INCOME FOR THE YEAR (Continued)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Total Current Year (in dollars) (c)	Total Previous Year (in dollars) (d)
25	Net Utility Operating Income (Carried forward from page 114)	-		
26	Other Income and Deductions			
27	Other Income	-		
28	Nonutility Operating Income	-		
29	Revenues From Merch, Jobbing and Contract Work (415)	-		
30	(Less) Costs and Exp. of Merch, Job & Contract Work (416)	-		
31	Revenues From Nonutility Operations (417)	-		
32	(Less) Expenses of Nonutility Operations (417.1)	-		
33	Nonoperating Rental Income (418 & 412)	-		
34	Equity in Earnings of Subsidiary Companies (418.1)	119		
35	Interest and Dividend Income (419)	-		
36	Allow. for Other Funds Used During Constr (419.1)	-		
37	Miscellaneous Nonoperating Income (421)	-		
38	Gain on disposition of Property (421.1)	-		
39	TOTAL Other Income (Total of lines 29 thru 38)			
40	Other Income Deductions			
41	Loss on Disposition of Property (421.4 Amortization)	-		
42	Miscellaneous Amortization (425)	340		
43	Miscellaneous Income Deductions (426.1-426.60)	340		
44	TOTAL Other Income Deductions (Total of Lines 41 thru 43)			
45	Taxes Applic. to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	262-263		
47	Income Taxes - Federal (409.21,24,33)	262-264		
48	Income Taxes - Other (409.22,25,26)	262-265		
49	Provision for Deferred Inc. Taxes (410.21,22)	272-277		
50	(Less) Provision for Deferred Inc. Taxes - Cr. (411.21,22,410.33)	272-278		
51	Investment Tax Credit Adj. - Net (411.33)	-		
52	(Less) Investment Tax Credits (420)	-		
53	TOTAL Taxes on Other Inc. and Ded. (Total of 46 - 52)			
54	Net Other Income and Deductions (Total of Lines 39, 44, 53)			
55	Interest Charges			
56	Interest on Long-Term Debt (427.1,2,6)	256-257		
57	Amortization of Debt Disc. and Expense (428)	258-259		
58	Amortization of Loss on Reacquired Debt (428.1)	260		
59	(Less) Amort. of Premium on Debt - Credit (429)	256-257		
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	258-259		
61	Interest on Debt to Assoc. Companies (430)	340		
62	Other Interest Expense (431)	340		
63	(Less) Allow. for Borrowed Funds Used During Const.-Cr. (432.1)	-		
64	Net Interest Charges (Total of lines 56 thru 63)			
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)			
66	Extraordinary Items			
67	Extraordinary Income (434)	-		
68	(Less) Extraordinary Deductions (435)	-		
69	Net Extraordinary Items (Total of line 67 less 68)			
70	Income Taxes - Federal and Other (409.3)	262-263		
71	Extraordinary Items After Taxes (Total of line 69 less line 70)			
72	Net Income (Total of lines 65 and 71)			

**INFORMATION NOT AVAILABLE
SEE FERC ANNUAL REPORT**

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Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
WASHINGTON SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
Line No.	Item (a)	Total (b)		
1	UTILITY PLANT			
2	In Service			
3	Plant in Service (Classified)	172,708,384		
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified	24,496,173		
7	Experimental Plant Unclassified			
8	TOTAL Utility Plant (Total of lines 3 thru 7)	197,204,557		
9	Leased to Others			
10	Held for Future Use	0		
11	Construction Work in Progress	1,334,313		
12	Acquisition Adjustments			
13	TOTAL Utility Plant (Total of lines 8 thru 12)	198,538,870		
14	Accum. Prov. for Depr., Amort., & Depl.	78,460,304		
15	Net Utility Plant (Total of line 13 less 14)	120,078,566		
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation	77,463,906		
19	Amort. and Depl. of Producing Natural Gas Land and Land Rights			
20	Amort. of Underground Storage Land and Land Rights	0		
21	Amort. of Other Utility Plant	1,580,354		
22	Salvage Work In Progress	0		
23	Less Removal Work in Progress	583,955		
24	TOTAL in Service (Total of lines 18 thru 23)	78,460,304		
25	Leased to Others			
26	Depreciation			
27	Amortization and Depletion			
28	TOTAL Leased to Others (Total of lines 26 and 27)			
29	Held for Future Use			
30	Depreciation			
31	Amortization			
32	TOTAL Held for Future Use (Total of lines 30 and 31)			
33	Abandonment of Leases (Natural Gas)			
34	Amort. of Plant Acquisition Adjustment			
35	TOTAL Accumulated Provisions (Should agree with line 14 above) (Total of lines 24, 28, 32, 33, and 34)	78,460,304		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS			
WASHINGTON FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)			
Electric	Gas	Other (Specify)	Common
(c)	(d)	(e)	(f)
			1
			2
	172,708,384		3
	0		4
	0		5
	24,496,173		6
			7
	197,204,557		8
			9
	0		10
	1,334,313		11
			12
	198,538,870		13
	78,460,304		14
	120,078,566		15
			16
			17
	77,463,906		18
			19
	0		20
	1,580,354		21
	0		22
	583,955		23
	78,460,304		24
			25
			26
			27
			28
			29
			30
			31
			32
			33
			34
	78,460,304		35

ACCOUNT SUMMARY BY FUNTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
 Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
Intangible Plant						
301 ORGANIZATION	\$322	\$0	\$0	\$0	\$0	\$322
302 FRANCHISES & CONSENTS	125	0	0	0	0	125
303.1 COMPUTER SOFTWARE	0	0	0	0	0	0
303.2 CUSTOMER INFORMATION SYSTEM	1,859,863	0	0	0	0	1,859,863
303.3 INDUSTRIAL & COMMERCIAL BIL	0	0	0	0	0	0
303.4 CRMS	0	0	0	0	0	0
303.5 POWERPLANT SOFTWARE	0	0	0	0	0	0
Intangible Plant Subtotal	1,860,310	0	0	0	0	1,860,310
Transmission Plant						
367 MAINS	764,903	31,829	0	0	0	796,731
Transmission Plant Subtotal	764,903	31,829	0	0	0	796,731
Distribution Plant						
374.1 LAND	10,389	0	0	0	0	10,389
374.2 LAND RIGHTS	27,679	0	0	0	0	27,679
375 STRUCTURES & IMPROVEMENTS	30,845	0	0	0	0	30,845
376.11 MAINS < 4"	60,495,685	2,188,425	(24,243)	0	0	62,659,867
376.12 MAINS 4" & >	52,419,283	2,217,975	(14,578)	0	0	54,622,681
378 MEASURING & REG EQUIP - GENER	901,094	51,556	0	0	0	952,649
379 MEASURING & REG EQUIP - GATE	600,579	261	0	0	0	600,840
380 SERVICES	52,519,649	446,022	(15,047)	0	0	52,950,625
381 METERS	8,412,267	252,280	(21,072)	0	0	8,643,475
381.2 ERT (ENCODER RECEIVER TRANS	6,078,896	53,494	(23,297)	0	0	6,109,093
382 METER INSTALLATIONS	5,698,660	194,902	(79,006)	0	0	5,814,556
382.2 ERT INSTALLATION (ENCODER	976,287	0	(3,076)	0	0	973,212
383 HOUSE REGULATORS	31,108	4,115	0	0	0	35,223
386 OTHER PROPERTY ON CUSTOMERS P	0	0	0	0	0	0
387.2 CALORIMETERS @ GATE STATIONS	26,630	0	0	0	0	26,630
Distribution Plant Subtotal	188,229,051	5,409,030	(180,318)	0	0	193,457,764

ACCOUNT SUMMARY BY FUNTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
 Period Ending: Dec 2011

Functional Class	FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
General Plant							
389	LAND	0	0	0	0	0	0
390	STRUCTURES & IMPROVEMENTS	(142,862)	0	0	0	0	(142,862)
391.1	OFFICE FURNITURE & EQUIPMEN	37,151	0	0	0	0	37,151
391.4	CUSTOMER INFORMATION SYSTEM	79,339	0	0	0	0	79,339
392	TRANSPORTATION EQUIPMENT	715,920	35,944	0	0	0	751,864
394	TOOLS - SHOP AND GARAGE EQUIPMENT	0	28,584	0	0	0	28,584
396	POWER OPERATED EQUIPMENT	229,246	0	(8,542)	0	0	220,704
397.3	TELEMETERING - OTHER	17,214	83,868	0	0	0	101,081
397.5	TELEPHONE EQUIPMENT	9,164	0	0	0	0	9,164
398.4	INSTALLED IN LEASED BUILDINGS	4,727	0	0	0	0	4,727
General Plant Subtotal		949,898	148,396	(8,542)	0	0	1,089,752
Washington Utility Property Grand Total		\$191,804,162	\$5,589,255	(\$188,860)	\$0	\$0	\$197,204,557

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Dec. 31, 2011
Gas Plant Held for Future Use (Account 105)				
<p>1. Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other property held for future use.</p> <p>2. For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original costs were transferred to Account 105.</p>				
Line No.	Description and Location of Property (a)	Date Originally Included in this account (b)	Date Expected to be Used In Utility Service (c)	Balance at End of Year (d)
1	N/A	N/A	N/A	N/A
2				
3				
4				
5	NONE			
6				
7				
8				
9				
10				
11				
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42				0
43				

[Next Page is 216]

Name of Respondent Northwest Natural Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
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Construction Work in Progress-Gas (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than \$1,000,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Misc Mains and Service Jobs	1,334,313	332,459
2			
3			
4			
5			
6			
7			
8			
9			
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42			
43			
44			
45	Total	1,334,313	332,459

[Next Page is 218]

Name of Respondent Northwest Natural Gas Company WASHINGTON	This Report is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead explain: (a) the nature and extend of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates area applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned
2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3(17) of the uniform system of Accounts.
3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax affect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax credits.

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

For Line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use he average rate earned during the preceding 3 years.

1. Components of Formula (Derived from actual book balances and actual cost rates):

Line No.	Title (a)	Amount (b)	Capitalization Ration (percent) (c)	Cost Rte Percentage (d)
(1)	Average Short-Term Debt	S 190,370,000		
(2)	Short-Term Interest			s 0.31
(3)	Long-Term Debt	D 641,700,000		d 6.38
(4)	Preferred Stock	P 0		p 0
(5)	Common Equity	C 716,266,867		c 10.2
(6)	Total Capitalization		0.00	
(7)	Average Construction Work in Progress	W 32,650,731		
2.	Gross Rates for Borrowed Funds $s(S/W)+d[(D/(D+P+C))(1-(S/W))]$			-12.76
3.	Rate for Other Funds $[1-(S/W)][p(P/(D+P+C))+c(C/(D+P+C))]$			-25.99
4.	Weighted Average Rate Actually Used for the Year			
	a. Rate for Borrowed Funds -			0.45
	b. Rate for Other Funds -			

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. a) Engineering Department overhead covers transmission and distribution system planning, design work, drafting and platting of construction work.
Distribution Department overhead covers transmission and distribution system work scheduling, field supervision and processing of work completed.
Administrative work: overhead includes Purchasing, Accounting and general office expense
General Services Department: overhead covers planning and supervision of general plant improvements and facilities.
- b) Charges during the year are segregated into overhead accounts based on the proportion of activity devoted to construction work
- c) Construction Overheads are being charged to individual work orders based upon overhead rates for different types of projects. Rates are determined by type of project using the annual capital budget and annual construction overhead budget.
- d) Different rates are applied to different types of construction based on the annual capital budget for each type of plant.
- e) Actual construction overhead rates applied to types of work in 2011
- | | |
|--|-----|
| a. Production , Storage, Transmission and Distribution plant | 55% |
| b. Meters | 20% |
| c. General Plant | 20% |
| d. Non – Utility Property | 20% |
- f) Direct assignment of construction overhead capitalized during 2011: \$28,735,500

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC)

AFUDC is applied to previous month's ending balance plus half of current month's expenditures of Construction Work in Progress (CWIP).

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
 Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
Intangible Plant								
301 ORGANIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302 FRANCHISES & CONSENTS	0	0	0	0	0	0	0	0
303.1 COMPUTER SOFTWARE	0	0	0	0	0	0	0	0
303.2 CUSTOMER INFORMATION SYSTEM	1,361,464	129,446	0	0	0	0	0	1,490,910
303.3 INDUSTRIAL & COMMERCIAL BIL	0	0	0	0	0	0	0	0
303.4 CRMS	0	0	0	0	0	0	0	0
303.5 POWERPLANT SOFTWARE	0	0	0	0	0	0	0	0
Intangible Plant Subtotal	1,361,464	129,446	0	0	0	0	0	1,490,910
Transmission Plant								
367 MAINS	11,852	17,445	0	0	0	0	0	29,298
Transmission Plant Subtotal	11,852	17,445	0	0	0	0	0	29,298
Distribution Plant								
374.1 LAND	0	0	0	0	0	0	0	0
374.2 LAND RIGHTS	8,028	2,076	0	0	0	0	0	10,104
375 STRUCTURES & IMPROVEMENTS	32,147	136	0	0	0	0	0	32,282
376.11 MAINS < 4"	25,832,658	1,619,581	(24,243)	(68,382)	0	0	0	27,359,614
376.12 MAINS 4" & >	17,321,077	1,341,139	(14,578)	(86,253)	0	0	0	18,561,386
378 MEASURING & REG EQUIP - GENER	364,988	20,987	0	0	0	0	0	385,975
379 MEASURING & REG EQUIP - GATE	497,335	26,612	0	0	0	0	0	523,947
380 SERVICES	22,915,896	1,428,998	(15,047)	(12,286)	0	0	0	24,317,562
381 METERS	1,508,498	197,170	(21,072)	0	0	0	0	1,684,596
381.2 ERT (ENCODER RECEIVER TRANS	1,677,687	405,873	(23,297)	0	0	0	0	2,060,262
382 METER INSTALLATIONS	1,575,739	136,624	(79,006)	0	0	0	0	1,633,357
382.2 ERT INSTALLATION (ENCODER	263,099	64,921	(3,076)	0	0	0	0	324,945
383 HOUSE REGULATORS	1,816	954	0	0	0	0	0	2,770
386 OTHER PROPERTY ON CUSTOMERS P	0	0	0	0	0	0	0	0
387.2 CALORIMETERS @ GATE STATIONS	26,630	0	0	0	0	0	0	26,630
Distribution Plant Subtotal	72,025,598	5,245,072	(180,318)	(166,921)	0	0	0	76,923,431

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
 Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
General Plant								
389 LAND	0	0	0	0	0	0	0	0
390 STRUCTURES & IMPROVEMENTS	(247,621)	(2,600)	0	0	0	0	0	(250,221)
391.1 OFFICE FURNITURE & EQUIPMEN	28,045	2,961	0	0	0	0	0	31,006
391.4 CUSTOMER INFORMATION SYSTEM	107,951	(28,612)	0	0	0	0	0	79,339
392 TRANSPORTATION EQUIPMENT	507,840	41,528	0	0	0	0	0	549,368
394 TOOLS AND EQUIPMENT	0	83	0	0	0	0	0	83
396 POWER OPERATED EQUIPMENT	163,776	5,997	(8,542)	0	0	0	0	161,231
397.3 TELEMETERING - OTHER	15,885	38	0	0	0	0	0	15,923
397.5 TELEPHONE EQUIPMENT	9,164	0	0	0	0	0	0	9,164
398.4 INSTALLED IN LEASED BUILDINGS	4,727	0	0	0	0	0	0	4,727
General Plant Subtotal	589,767	19,396	(8,542)	0	0	0	0	600,621
Washington Utility Property Grand Total	\$73,988,681	\$5,411,360	(\$188,860)	(\$166,921)	\$0	\$0	\$0	\$79,044,260

TOTAL SUMMARY WASHINGTON UTILITY DEPRECIATION RESERVES 12/31/2011

WASHINGTON

108010	(\$546,292)
108011	54,007,772
108012	555,766
108013	(3,175)
108015	160,490
108100	24,869,699
	\$79,044,260

ADD:

108001 REMOVAL WORK IN PROCESS	(583,955)
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TOTAL WASHINGTON UTILITY DEPRECIATION	\$78,460,304
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Name of Respondent Northwest Natural Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
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GAS STORED (ACCOUNTS 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, AND 164.3)

- | | |
|--|--|
| <p>1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.</p> | <p>2. Report in column (e) all encroachments during the year upon the volumes designated as gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.</p> <p>3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).</p> |
|--|--|

Line No.	Description	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of Year								
2	Gas Delivered to Storage		See FERC FORM Annual Report page 220						
3	Gas Withdrawn from Storage								
4	Other Debits and Credits								
5	Balance at End of Year								
6	Dekatherms								
7	Amount Per Dekatherm								

[Next Page is 222]

NOT APPLICABLE TO WASHINGTON

DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT							
Factors Used in Estimating Depreciation Charges							
Line Number	Account Number (a)	Depreciable Plant Base (Thousands) (b)	Estimated Average Service Life (c)	Net Salvage (percent) (d)	Applied Depreciation Rates (percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
1	303.1*	29,159	10.00	0.00	4.31	SQ	7.4
2	303.2*	29,830	15.00	0.00	6.96	SQ	6.7
3	303.3*	4,147	10.00	0.00	17.11	SQ	3.1
4	303.4*	1,323	5.00	0.00	22.64	SQ	2.9
5	303.5*	1,131	10.00	0.00	10.63	SQ	8.5
6	305.5*	13	5.00	0.00	9.61	-	0.0
7	311.7*	4	5.00	0.00	0.00	-	0.0
8	311.8*	4	5.00	0.00	0.00	-	0.0
9	305.11*	8	5.00	0.00	15.99	-	0.0
10	305.17*	47	5.00	0.00	10.99	-	0.0
11	318.3*	145	5.00	0.00	2.53	-	0.0
12	318.5*	244	5.00	0.00	4.27	-	0.0
13	319*	185	5.00	0.00	10.53	-	0.0
14	350.2*	51	65.00	0.00	1.62	R4	50.0
15	351*	6,223	55.00	0.00	1.71	R3	45.2
16	352*	26,944	45.00	0.00	2.07	S3	36.3
17	352.1*	3,539	50.00	0.00	1.95	S2	39.0
18	352.2*	10,833	50.00	0.00	2.01	S2.5	45.4
19	352.3*	6,441	50.00	0.00	1.88	S2.5	36.4
20	353*	7,513	55.00	(15.00)	2.06	S2.5	45.5
21	354*	41,812	40.00	(10.00)	2.66	R3	32.8
22	355*	9,362	45.00	(10.00)	2.17	R2.5	37.7
23	356*	297	35.00	0.00	2.48	S3	21.8
24	357*	703	25.00	0.00	2.28	R4	17.6
25	361.11*	745	50.00	(5.00)	5.82	R3	13.1
26	361.12*	3,109	50.00	(5.00)	3.32	R3	19.5
27	361.2*	27	55.00	(5.00)	1.87	S2	43.1
28	362.11*	1,839	50.00	(20.00)	2.35	R4	11.6
29	362.12*	5,791	50.00	(20.00)	2.72	R4	18.4
30	362.2*	2	50.00	(20.00)	1.31	R4	47.1
31	363.11*	2,528	50.00	(5.00)	2.88	R1.5	13.0
32	363.12*	6,837	50.00	(5.00)	0.82	R1.5	19.8
33	363.21*	2,308	40.00	(5.00)	1.40	R3	12.7
34	363.22*	2,481	40.00	(5.00)	0.09	R3	21.0
35	363.31*	128	20.00	(5.00)	7.10	R2	5.1
36	363.32*	216	20.00	(5.00)	4.71	R2	16.3
37	363.41*	541	45.00	(5.00)	0.04	R2.5	13.2
38	363.42*	113	45.00	(5.00)	0.73	R2.5	19.6
39	363.5*	1,828	25.00	0.00	1.04	R3	16.4
40	363.6*	739	40.00	0.00	6.61	R2	0.0
41	365.2*	4,827	65.00	0.00	1.89	R4	46.5
42	366.3*	1,042	50.00	0.00	1.95	S3	46.5
43	367*	12,030	55.00	(40.00)	3.08	R3	24.8
44	367.21*	1,514	55.00	(40.00)	2.51	R3	39.3
45	367.22*	14,949	55.00	(40.00)	2.46	R3	39.2
46	367.23*	33,960	55.00	(40.00)	2.67	R3	48.7
47	367.24*	17,466	55.00	(40.00)	2.59	R3	52.5
48	367.25*	18,410	55.00	(40.00)	2.61	R3	52.9
49	367.26*	68,300	55.00	(40.00)	2.60	R3	53.0
50	369*	3,524	40.00	(10.00)	2.68	R2.5	37.9

DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT

Factors Used in Estimating Depreciation Charges

Line Number	Account Number (a)	Depreciable Plant Base (Thousands) (b)	Estimated Average Service Life (c)	Net Salvage (percent) (d)	Applied Depreciation Rates (percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
51	374.2*	1,593	65.00	0.00	7.50	R3	11.6
52	375*	80	30.00	0.00	0.44	R1	19.5
53	376.11*	425,097	60.00	(60.00)	2.51	R2.5	46.9
54	376.12*	333,875	60.00	(50.00)	2.42	R2.5	48.7
55	376.21*	466	40.00	(60.00)	0.73	R0.5	32.9
56	376.22*	2,929	40.00	(65.00)	0.77	R0.5	32.2
57	377*	818	35.00	0.00	2.33	S2	32.5
58	378*	15,304	50.00	(20.00)	2.12	R2	39.6
59	379*	1,498	35.00	(20.00)	4.34	R2	15.3
60	380*	501,366	49.00	(60.00)	2.71	R0.5	42.5
61	381*	45,705	40.00	1.00	2.31	R2.5	29.6
62	381.1*	507	15.00	0.00	6.67	R3	0.0
63	381.2**	23,718	15.00	0.00	6.67	-	14.9
64	382*	68,668	38.00	(2.00)	2.47	R2.5	27.8
65	382.1*	398	15.00	(2.00)	0.05	R3	13.6
66	382.2**	4,842	15.00	0.00	6.67	-	14.9
67	383*	166	35.00	0.00	2.92	S2	34.2
68	387.1*	139	25.00	0.00	0.55	S2	18.7
69	387.2*	96	20.00	0.00	6.29	S1	0.0
70	387.3*	73	20.00	0.00	1.82	S4	0.0
71	390*	20,204	50.00	(5.00)	1.97	R2.5	37.4
72	391.1*	8,107	20.00	0.00	7.97	SQ	8.1
73	391.2*	7,431	5.00	0.00	16.62	SQ	2.6
74	391.3*	939	5.00	0.00	-	SQ	0.0
75	391.4*	1,388	7.00	0.00	20.00	SQ	1.0
76	392*	23,107	12.00	15.00	5.04	L1.5	8.2
77	393*	119	25.00	0.00	1.10	SQ	2.8
78	394*	11,882	25.00	0.00	6.99	SQ	11.3
79	395*	68	20.00	0.00	3.65	SQ	6.7
80	396*	6,059	15.00	15.00	2.00	S0.5	13.9
81	397*	31	15.00	0.00	7.41	SQ	13.5
82	397.1*	1,053	10.00	0.00	0.68	SQ	8.0
83	397.2*	1,760	15.00	0.00	4.28	SQ	10.5
84	397.3*	2,961	15.00	0.00	0.07	SQ	14.5
85	397.4*	1,786	15.00	0.00	1.04	SQ	13.6
86	397.5*	1,810	10.00	0.00	16.25	SQ	1.7
87	398.1*	79	15.00	0.00	4.10	SQ	0.0
88	398.2*	53	15.00	0.00	4.10	SQ	0.0
89	398.3*	15	20.00	0.00	4.10	SQ	0.0
90	398.4*	10	20.00	0.00	5.94	SQ	1.0
91	398.5*	67	20.00	0.00	0.81	SQ	7.0

* Depreciable balance through 2005.

** Depreciable balance through 2008.

[Next Page is 261]

Name of Respondent NORTHWEST NATURAL GAS COMPANY WASHINGTON		This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes				
<p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group that files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such as consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax amount to the group members.</p>				
Line No.	Details (a)	Amount (b)		
1	Net Income for the Year (Page 116)			
2	Reconciling items for the year			
3				
4	Taxable Income Not Reported on Books			
5	Contributions in Aid of Construction			
6	Revenue & Cost Adjustments			
7				
8	TOTAL			
9	Deductions Recorded on Books Not Deducted for Return			
10	Federal Tax Provision			
11	State Tax Provision			
12	Other			
13	TOTAL			
14	Income Recorded on Books not Included in Return			
15	Company Owned Life Insurance			
16				
17				
18	TOTAL			
19	Deductions Recorded on Books Not Charged Against Book Income			
20	State Tax Current			
21	Tax Depreciation in Excess of Book Depreciation			
22	Removal Costs			
23	Property Taxes			
24	Pension Costs			
25	Other			
26	TOTAL			
27	Federal Tax Net Income			
28	Show Computation of Tax:			
29	Federal Income Tax at Statutory Rate			
30	Less: Federal Tax Credits			
31	Federal Tax Provision - 2006 Earnings			
32	Less: Deferred taxes			
33	Less: Deferred Investment Tax Credits			
34	Plus: Prior Year Accrual Adjustment			
35	Total Federal Tax Provision			
SEE FERC ANNUAL REPORT PAGE 261				

[Next Page is 274]

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Name of Respondent	This Report is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company			Dec. 31, 2011

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 282)

- Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
- For Other, include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric			
3	Gas			
4	Other	-	-	-
4.01		-	-	-
4.02		-	-	-
40.3				
4.04				
4.05				
5	Total (Enter Total of Lines 2 Thru 4.05)	-	-	-
6	Other (Specify)	-	-	-
6.01		-	-	-
6.02		-	-	-
6.03				
6.04				
6.05				
7	TOTAL (Acct 282) (Total of lines 5 thru 6.05)	-	-	-
8	Classification of TOTAL			
9	Federal Income Tax	-	-	-
10	State Income Tax	-	-	-
11	Local Income Tax			

NONE

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 282)

3. Add rows as necessary to report all data. When rows are added, the additional row numbers should follow in sequence, 4.01, 4.02 and 6.01, 6.02, etc. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
							2
							3
-	-		-	-	-	-	4
-	-		-	-	-	-	4.01
-	-		-	-	-	-	4.02
-	-		-	-	-	-	40.3
-	-		-	-	-	-	4.04
-	-		-	-	-	-	4.05
-	-		-	-	-	-	5
-	-		-	-	-	-	6
-	-		-	-	-	-	6.01
-	-		-	-	-	-	6.02
-	-		-	-	-	-	6.03
							6.04
							6.05
-	-		-	-	-	-	7
-	-		-	-	-	-	8
-	-		-	-	-	-	9
							10
							11

NONE

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
 2. For Other (Specify), included deferrals related to other

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Gas			
3.01	Deferred Income Taxes - FAS 109	-	-	-
3.02	Revenues & Cost of Gas Adjustments	-	-	-
3.03	Deferred Depreciation - Federal	-	-	-
3.04	Deferred Income Taxes - Other	-	-	-
3.05	Deferred Depreciation - State	-	-	-
4	Other - Reclassification between Utility & Non-utility	-	-	-
5	Total (Total of Lines 2 Thru 4)	-	-	-
6	Other (Specify) Non - Utility	-	-	-
6.01	Other Comprehensive Income - Federal	-	-	-
6.02	Other Comprehensive Income - State	-	-	-
7	TOTAL (Acct 283) (Total of lines 5 thru 6.)	-	-	-
8	Classification of TOTAL			
9	Federal Income Tax	-	-	-
10	State Income Tax	-	-	-
11	Local Income Tax	-	-	-

SEE FERC ANNUAL REPORT

Name of Respondent Northwest Natural Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

income and deductions. and 277. Include amounts relating to insignificant items listed under Other.
 3. Provide in the space below explanations for page 276
 4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
							2
							3
-	-		-		-	-	3.01
-	-		-		-	-	3.02
-	-		-		-	-	3.03
-	-		-		-	-	3.04
-	-		-		-	-	3.05
-	-		-		-	-	4
-	-		-		-	-	5
-	-		-		-	-	6
-	-		-		-	-	6.01
-	-		-		-	-	6.02
-	-		-		-	-	7
							8
-	-		-		-	-	9
-	-		-		-	-	10
-	-		-		-	-	11

SEE FERC ANNUAL REPORT

Name of Respondent Northwest Natural Gas Company	This Report is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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WASHINGTON GAS OPERATING REVENUES (Account 400)

1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480 - 495.

Line No.	Title of Account (a)	REVENUES for Transition Costs and Take-or-Pay		REVENUES for GEI and ACA	
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	480 - 484				
2	485 Intracompany Transfers				
3	487 Forfeited Discounts				
4	488 Miscellaneous Service Revenues				
5	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
6	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities				
7	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
8	489.4 Revenues from Storing Gas of Others				
9	490 Sales of Prod. Ext. from Natural Gas				
10	491 Revenues from Natural Gas Proc. by Others				
11	492 Incidental Gasoline and Oil Sales				
12	493 Rent from Gas Property				
13	494 Interdepartmental Rents				
14	495 Other Gas Revenues				
15	Subtotal:				
16	496 (Less) Provision for Rate Refunds				
17	TOTAL:				

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Name of Respondent		This Report Is:		Date of Report (Mo, Da, Yr)	Year of Report	
Northwest Natural Gas Company		X An Original A Resubmission			Dec. 31, 2011	
GAS OPERATING REVENUES (Continued)						
4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.				6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.		
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.						
OTHER REVENUES		TOTAL OPERATING REVENUES		DEKATHERM OF NATURAL GAS		
Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)	Line No.
82,474,975	76,056,986	82,474,975	76,056,986	7,559,451	6,783,500	1
						2
140,162	135,635	140,162	135,635			3
161,683	151,668	161,683	151,668			4
						5
0	0					
						6
0	0					
1,425,623	1,204,487	1,425,623	1,204,487	1,623,886	1,468,185	7
						8
						9
						10
						11
19,798	33,568	19,798	33,568			12
						13
(1,335,832)	(2,027,396)	(1,335,832)	(2,027,396)			14
82,886,409	75,554,948	82,886,409	75,554,948			15
						16
82,886,409	75,554,948	82,886,409	75,554,948			17

Name of Respondent NORTHWEST NATURAL GAS COMPANY WASHINGTON		This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
OTHER GAS REVENUES (ACCOUNT 495)				
1. For transactions with annual revenues of \$250,000 or more, describe, for each transaction, commissions on sales of distributions of gas of others, compensation for minor or incidental services provided for others, penalties, profit or loss on sales of material		and supplies, sales of steam, water, or electricity, miscellaneous royalties, revenues from dehydration, other processing of gas of others, and gains on settlements of imbalance receivables. Separately report revenues from cash-out penalties.		
Line No.	Description of Transaction (a)	Revenues (in dollars) (b)		
1				
2	UNBILLED REVENUE AND OTHER	(1,335,832)		
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	TOTAL	(1,335,832)		

[Next page is 317]

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES				
1. Report operation and maintenance expenses. If the amount for previous year is not derived from previously reported figures, explain in footnotes.		2. Provide in footnotes the source of the index used to determine the price for gas supplied by shippers as reflected on line 74.		
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. PRODUCTION EXPENSES			
2	A. Manufactured Gas Production			
3	Manufactured Gas Production (Submit Supplemental Statement)	0	0	
4	B. Natural Gas Production			
5	B1. Natural Gas Production and Gathering			
6	Operation			
7	750 Operation Supervision and Engineering			
8	751 Production Maps and Records			
9	752 Gas Wells Expenses			
10	753 Field Lines Expenses			
11	754 Field Compressor Station Expenses			
12	755 Field Compressor Station Fuel and Power			
13	756 Field Measuring and Regulating Station Expenses			
14	757 Purification Expenses			
15	758 Gas Well Royalties			
16	759 Other Expenses			
17	760 Rents			
18	TOTAL Operation (Total of lines 7 thru 17)	0	0	
19	Maintenance			
20	761 Maintenance Supervision and Engineering			
21	762 Maintenance of Structures and Improvements			
22	763 Maintenance of Producing Gas Wells			
23	764 Maintenance of Field Lines			
24	765 Maintenance of Field Compressor Station Equipment			
25	766 Maintenance of Field Meas. and Reg. Station Equipment			
26	767 Maintenance of Purification Equipment			
27	768 Maintenance of Drilling and Cleaning Equipment			
28	769 Maintenance of Other Equipment			
29	TOTAL Maintenance (Total of lines 20 thru 28)	0	0	
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0	

INFORMATION NOT AVAILABLE

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
31	B2. Products Extraction			
32	Operation			
33	770 Operation Supervision and Engineering	0	0	
34	771 Operation Labor			
35	772 Gas Shrinkage			
36	773 Fuel			
37	774 Power			
38	775 Materials			
39	776 Operation Supplies and expenses			
40	777 Gas Processed by Others			
41	778 Royalties on Products Extracted			
42	779 Marketing expenses			
43	780 Products Purchased for Resale			
44	781 Variation in Products Inventory			
45	782 Extracted Products Used by the Utility-Credit			
46	783 Rents			
47	Total Operation (Total of Lines 33 thru 46)	0	0	
48	Maintenance			
49	784 Maintenance Supervision and Engineering			
50	785 Maintenance of Structures and Improvements			
51	786 Maintenance of Extraction and Refining Equipment			
52	787 Maintenance of Pipe Lines			
53	788 Maintenance of Extracted Products Storage Equipment			
54	789 Maintenance of Compressor Equipment			
55	790 Maintenance of Gas Measuring and Regulating Equipment			
56	791 Maintenance of Other Equipment			
57	TOTAL Maintenance (Total of lines 49 thru 56)	0	0	
58	TOTAL Products Extraction (Total of lines 47 and 57)	0	0	

INFORMATION NOT AVAILABLE

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
59	C. Exploration and Development			
60	Operation			
61	795 Delay Rentals			
62	796 Nonproductive Well Drilling			
63	797 Abandoned Leases			
64	798 Other Exploration			
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	0		0
66	D. Other Gas Supply Expenses			
67	Operation			
68	800 Natural Gas Well Head Purchases			
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers			
70	801 Natural Gas Field Line Purchases			
71	802 Natural Gas Gasoline Plant Outlet Purchases			
72	803 Natural Gas Transmission Line Purchases			
73	804 Natural Gas City Gate Purchases			
74	804.1 Liquefied Natural Gas Purchases			
75	805 Other Gas Purchases			
76	805.1 Purchases Gas Cost Adjustments			
77	TOTAL Purchased Gas (Total of Lines 68 thru 76)	0		0
78	806 Exchange Gas			
79	Purchased Gas Expense			
80	807.1 Well Expense-Purchased Gas			
81	807.2 Operation of Purchased Gas Measuring Stations			
82	807.3 Maintenance of Purchased Gas Measuring Stations			
83	807.4 Purchased Gas Calculations Expense			
84	807.5 Other Purchased Gas Expenses	0		0
85	TOTAL Purchased Gas Expense (Total of lines 80 thru 84)	0		0

INFORMATION NOT AVAILABLE

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
86	808.1 Gas Withdrawn from Storage-Debit			
87	808.2 Gas Delivered to Storage-Credit			
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit			
89	809.2 Deliveries of Natural Gas for Processing-Credit			
90	Gas used in Utility Operation-Credit			
91	810 Gas Used for Compressor Station Fuel-Credit			
92	811 Gas Used for Products Extraction-Credit			
93	812 Gas Used for Other Utility Operations-Credit			
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	0	0	
95	813 Other Gas Supply Expenses			
96	TOTAL Other Gas Supply Exp. (Total of lines 77, 78, 85, 86 thru 89, 94, 95)			
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	0	0	
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering			
102	815 Maps and Records			
103	816 Well Expenses			
104	817 Lines Expenses			
105	818 Compressor Station Fuel and Power			
106	819 Compressor Station Fuel and Power			
107	820 Measuring and Regulating Station Expenses			
108	821 Purification Expenses			
109	822 Exploration and Development			
110	823 Gas Losses			
111	824 Other Expenses			
112	825 Storage Well Royalties			
113	826 Rents			
114	TOTAL Operation (Total of lines of 101 thru 113)	0	0	

INFORMATION NOT AVAILABLE

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
115	Maintenance			
116	830 Maintenance Supervision and Engineering			
117	831 Maintenance of Structures and Improvements			
118	832 Maintenance of Reservoirs and Wells			
119	833 Maintenance of Lines			
120	834 Maintenance of Compressor Station Equipment			
121	835 Maintenance of Measuring and Regulating Station Equipment			
122	836 Maintenance of Purification Equipment			
123	837 Maintenance of Other Equipment			
124	TOTAL Maintenance (Total of lines 116 thru 123)	0	0	
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	0	0	
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation supervision and Engineering			
129	841 Operation Labor and Expenses			
130	842 Rents			
131	842.1 Fuel			
132	842.2 Power			
133	842.3 Gas Losses			
134	TOTAL Operation (Total of lines 128 thru 133)			
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering			
137	843.2 Maintenance of Structures and Improvements			
138	843.3 Maintenance of Gas Holders			
139	843.4 Maintenance of Purification Equipment			
140	843.5 Maintenance of Liquefaction Equipment			
141	843.6 Maintenance of Vaporizing Equipment			
142	843.7 Maintenance of Compressor Equipment			
143	843.8 Maintenance of Measuring and Regulating Equipment			
144	843.9 Maintenance of Other Equipment			
145	TOTAL Maintenance (Total of lines 136 thru 144)	0	0	
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	0	0	

INFORMATION NOT AVAILABLE

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
147	C. Liquefied Natural Gas Terminaling and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering			
150	844.2 LNG Processing Terminal Labor and Expenses			
151	844.3 Liquefaction Processing Labor and Expenses			
152	844.4 Liquefaction Transportation Labor and Expenses			
153	844.5 Measuring and Regulating Labor and Expenses			
154	844.6 Compressor Station Labor and Expenses			
155	844.7 Communication system Expenses			
156	844.8 System Control and Load Dispatching			
157	845.1 Fuel			
158	845.2 Power			
159	845.3 Rents			
160	845.4 Demurrage Charges			
161	845.5 Wharfage Receipts-Credit			
162	845.6 Processing Liquefied of Vaporized Gas by Others			
163	846.1 Gas Losses			
164	846.2 Other Expenses			
165	TOTAL Operation (Total of lines 149 thru 164)	0		0
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering			
168	847.2 Maintenance of Structures and Improvements			
169	847.3 Maintenance of LNG Processing Terminal Equipment			
170	847.4 Maintenance of LNG Transportation Equipment			
171	847.5 Maintenance of Measuring and Regulating Equipment			
172	847.6 Maintenance of Compressor Station Equipment			
173	847.7 Maintenance of Communication Equipment			
174	847.8 Maintenance of Other Equipment			
175	TOTAL Maintenance (Total of lines 167 thru 174)	0		0
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 & 175)	0		0
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	0		0

INFORMATION NOT AVAILABLE

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering			
181	851 System Control and Load Dispatching			
182	852 Communication system Expenses			
183	853 Compressor Station Labor and Expenses			
184	854 Gas for Compressor Station Fuel			
185	855 Other Fuel and Power for Compressor Stations			
186	856 Mains Expenses			
187	857 Measuring and Regulating Station Expenses			
188	858 Transmission and Compression of Gas by Others			
189	859 Other Expenses			
190	860 Rents			
191	TOTAL Operations (Total of lines 180 thru 190)	0	0	0
192	Maintenance			
193	861 Maintenance Supervision and Engineering			
194	862 Maintenance of Structures and Improvements			
195	863 Maintenance of Mains			
196	864 Maintenance of Compressor Station Equipment			
197	865 Maintenance of Measuring and Regulating Station Equipment			
198	866 Maintenance of Communication Equipment			
199	867 Maintenance of Other Equipment			
200	TOTAL Maintenance (Total of lines 193 thru 199)	0	0	0
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	0	0	0
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering			
205	871 Distribution Load Dispatching			
206	872 Compressor Station Labor and Expenses			
207	873 Compressor Station Fuel and Power			

INFORMATION NOT AVAILABLE

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
208	874	Mains and Services Expenses		
209	875	Measuring and Regulating Station Expenses-General		
210	876	Measuring and Regulating Station Expenses-Industrial		
211	877	Measuring and Regulating Station Expenses-City Gas Check Station		
212	878	Meter and House Regulator Expenses		
213	879	Customer Installations Expenses		
214	880	Other Expenses		
215	881	Rents		
216	TOTAL Operations (Total of lines 204 thru 215)		0	0
217	Maintenance			
218	885	Maintenance Supervision and Engineering		
219	886	Maintenance of Structures and Improvements		
220	887	Maintenance of Mains		
221	888	Maintenance of Compressor Station Equipment		
222	889	Maintenance of Measuring & Regulating Station Equipment-General		
223	890	Maintenance of Meas. and Reg. Station Equipment-Industrial		
224	891	Maintenance of Meas & Reg Station Equip-City Gate Check Station		
225	892	Maintenance of Services		
226	893	Maintenance of Meters and House Regulators		
227	894	Maintenance of Other Equipment		
228	TOTAL Maintenance (Total of lines 218 thru 227)		0	0
229	TOTAL Distribution Expenses (Total of lines 216 and 228)		0	0
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901	Supervision		
233	902	Meter Reading Expenses		
234	903	Customer Records and Collection Expenses		

INFORMATION NOT AVAILABLE

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
235	904 Uncollectible Accounts			
236	905 Miscellaneous Customer Accounts Expenses			
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	0	0	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSE			
239	Operation			
240	907 Supervision			
241	908 Customer Assistance Expense			
242	909 Informational and Instructional Expenses			
243	910 Miscellaneous Customer Service and Informational Expenses			
244	TOTAL Customer Service & Information Expenses (Total of lines 240 thru 243)	0	0	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision			
248	912 Demonstration and Selling Expenses			
249	913 Advertising Expenses			
250	916 Miscellaneous Sales Expenses			
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	0	0	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries			
255	921 Office Supplies and Expenses			
256	922 Administrative Expenses Transferred - Credit			
257	923 Outside Services Employed			
258	924 Property Insurance			
259	925 Injuries and Damages			
260	926 Employee Pensions and Benefits			
261	927 Franchise Requirements			
262	928 Regulatory Commission Expenses			
263	929 Duplicate Charges - Credit			
264	930.1 General Advertising Expenses			
265	930.2 Miscellaneous General Expenses			
266	931 Rents			
267	TOTAL Operation (Total of lines 254 thru 266)	0	0	
268	Maintenance			
269	935 Maintenance of General Plant			
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	0	0	
271	TOTAL Gas O & M Expenses (Total of lines 97,177,201,229,237,244,251,and 270)	0	0	

[Next Page is 331]

INFORMATION NOT AVAILABLE

Name of Respondent Northwest Natural Gas Company			This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)		Year of Report Dec. 31, 2011	
Gas Used in Utility Operations								
<p>1. Report below details of credits during the year to Accounts 810, 811, and 812.</p> <p>2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).</p>								
Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas		Manufactured Gas		Gas Used (Dth) (d)	Amount of Credit (in dollars) (d)
			Gas Used (Dth) (c)	Amount of Credit (in dollars) (d)	Gas Used (Dth) (d)	Amount of Credit (in dollars) (d)		
1	810 Gas Used for Compressor Station Fuel - Credit							
2	811 Gas Used for Products Extraction - Credit							
3	Gas Shrinkage and Other Usage in Respondent's Own Processing							
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others							
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)							
6								
7								
8								
9								
10								
11								
12								
13								
14								
15	NONE							
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
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33								
34								
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36								
37								
38								
39								
40								
41								
42								
43								
44								
45	Total							

[Next page is 335]

Name of Respondent		This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011
MISCELLANEOUS GENERAL EXPENSE (Account 930.2)				
1. Provide the information requested below on miscellaneous general expenses		2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items so grouped is shown.		
Line No.	Description (a)	Amount (in dollars) (b)		
1	Industry association dues			
2	Experimental and general research expenses a. Gas Research Institute (GRI) b. Other			
3	Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent			
4	Other expenses			
5				
6	Director's Fees and Expenses			
7				
8	Corporate Information - Annual Report			
9				
10	Annual Meeting			
11				
12	Market Expansion			
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24	SEE FERC ANNUAL REPORT			
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40	TOTAL	0		

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
Intangible Plant								
301 ORGANIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302 FRANCHISES & CONSENTS	0	0	0	0	0	0	0	0
303.1 COMPUTER SOFTWARE	0	0	0	0	0	0	0	0
303.2 CUSTOMER INFORMATION SYSTEM	1,361,464	129,446	0	0	0	0	0	1,490,910
303.3 INDUSTRIAL & COMMERCIAL BIL	0	0	0	0	0	0	0	0
303.4 CRMS	0	0	0	0	0	0	0	0
303.5 POWERPLANT SOFTWARE	0	0	0	0	0	0	0	0
Intangible Plant Subtotal	1,361,464	129,446	0	0	0	0	0	1,490,910
Transmission Plant								
367 MAINS	11,852	17,445	0	0	0	0	0	29,298
Transmission Plant Subtotal	11,852	17,445	0	0	0	0	0	29,298
Distribution Plant								
374.1 LAND	0	0	0	0	0	0	0	0
374.2 LAND RIGHTS	8,028	2,076	0	0	0	0	0	10,104
375 STRUCTURES & IMPROVEMENTS	32,147	136	0	0	0	0	0	32,282
376.11 MAINS < 4"	25,832,658	1,619,581	(24,243)	(68,382)	0	0	0	27,359,614
376.12 MAINS 4" & >	17,321,077	1,341,139	(14,578)	(86,253)	0	0	0	18,561,386
378 MEASURING & REG EQUIP - GENER	364,988	20,987	0	0	0	0	0	385,975
379 MEASURING & REG EQUIP - GATE	497,335	26,612	0	0	0	0	0	523,947
380 SERVICES	22,915,896	1,428,998	(15,047)	(12,286)	0	0	0	24,317,562
381 METERS	1,508,498	197,170	(21,072)	0	0	0	0	1,684,596
381.2 ERT (ENCODER RECEIVER TRANS	1,677,687	405,873	(23,297)	0	0	0	0	2,060,262
382 METER INSTALLATIONS	1,575,739	136,624	(79,006)	0	0	0	0	1,633,357
382.2 ERT INSTALLATION (ENCODER	263,099	64,921	(3,076)	0	0	0	0	324,945
383 HOUSE REGULATORS	1,816	954	0	0	0	0	0	2,770
386 OTHER PROPERTY ON CUSTOMERS P	0	0	0	0	0	0	0	0
387.2 CALORIMETERS @ GATE STATIONS	26,630	0	0	0	0	0	0	26,630
Distribution Plant Subtotal	72,025,598	5,245,072	(180,318)	(166,921)	0	0	0	76,923,431
General Plant								
389 LAND	0	0	0	0	0	0	0	0
390 STRUCTURES & IMPROVEMENTS	(247,621)	(2,600)	0	0	0	0	0	(250,221)
391.1 OFFICE FURNITURE & EQUIPMEN	28,045	2,961	0	0	0	0	0	31,006
391.4 CUSTOMER INFORMATION SYSTEM	107,951	(28,612)	0	0	0	0	0	79,339
392 TRANSPORTATION EQUIPMENT	507,840	41,528	0	0	0	0	0	549,368
394 TOOLS AND EQUIPMENT	0	83	0	0	0	0	0	83
396 POWER OPERATED EQUIPMENT	163,776	5,997	(8,542)	0	0	0	0	161,231
397.3 TELEMETERING - OTHER	15,885	38	0	0	0	0	0	15,923
397.5 TELEPHONE EQUIPMENT	9,164	0	0	0	0	0	0	9,164
398.4 INSTALLED IN LEASED BUILDINGS	4,727	0	0	0	0	0	0	4,727
General Plant Subtotal	589,767	19,396	(8,542)	0	0	0	0	600,621

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW Natural**

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
Washington Utility Property Grand Total	\$73,988,681	\$5,411,360	(\$188,860)	(\$166,921)	\$0	\$0	\$0	\$79,044,260

TOTAL SUMMARY WASHINGTON UTILITY DEPRECIATION RESERVES 12/31/2011

WASHINGTON	
108010	(\$546,292)
108011	54,007,772
108012	555,766
108013	(3,175)
108015	160,490
108100	24,869,699
SUBTOTAL	<u>\$79,044,260</u>
ADD:	
108001 REMOVAL WORK IN PROCESS	(583,955)
TOTAL WASHINGTON UTILITY DEPRECIATION	<u>\$78,460,304</u>

Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Dec. 31, 2011

DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accts 403, 404.1, 404.2, 404.3, 405)

(Except Amortization of Acquisition Adjustments) (continued)

4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.10, 3.10, 3.02, etc.

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Plant Bases (In thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
1			
2			
2.01			
2.02			
2.03			
3			
3.01			
3.02			
3.03			
3.04			
4			
4.01			
4.02			
4.03			
5			
6			
6.01			
6.02			
6.03			
7			
7.01			
7.02			
7.03			
7.04			
8			
8.01			
8.02			
8.03			
8.04			
8.05			
8.06			
8.07			
8.08			
8.09			
9			
10			
11			
12			
13			
14			
15			
	NONE		

[Next Page is 340]

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011
PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS			
<p>Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.</p> <p>(a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.</p> <p>(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts.</p>		<p>Amounts of less than \$250,000 may be grouped by classes within the above accounts.</p> <p>(c) Interest on Debt to Associated Companies (Account 430) - For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.</p> <p>(d) Other Interest Expense (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.</p>	
Line No.	Item (a)	Amount (b)	
1	Account 425 Miscellaneous Amortization		
2	Account 426.1 Donations		
3	Account 426.2 Insurance Benefits		
4	Account 426.3 Penalties - Internal Revenue		
5	Account 426.4 Civic, Political and Related Activities (426.31-426.33 & 426.41-426.45)		
6	Account 426.5 Other Deductions (426.05, 426.50-426.52)		
7	Account 426.6 Diversification (426.60)		
8			
9	Total Account 426		
10			
11	Account 430 Interest on Debt to Associated Companies		
12	Account 431 Other Interest Expense		
13	Notes Payable (431.1)		
14	Miscellaneous (431.2-431.5)		
15			
16	Total Account 431		
17			
18			
19			
20			
21			
22			
23			
24			
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27			
28	SEE FERC ANNUAL REPORT		
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[Next Page is 350]

Name of Respondent Northwest Natural Gas Company		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011	
REGULATORY COMMISSION EXPENSES (Account 928)					
1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.			2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.		
Line No.	Description (Furnish name of regulatory commission or body, the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 186 at Beginning of Year (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
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11					
12					
13					
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SEE FERC ANNUAL REPORT

Name of Respondent Northwest Natural Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
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REGULATORY COMMISSION EXPENSES (Continued)

- | | |
|--|--|
| <p>3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization.</p> <p>4. Identify separately all annual charge adjustments (ACA)</p> | <p>5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts.</p> <p>6. Minor items (less than \$250,000) may be grouped.</p> |
|--|--|

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR		Deferred in Account 186, End of Year (l)	Line No.
CHARGED CURRENTLY TO			Deferred to Account 186 (i)	Contra Account (j)		
Department (f)	Account No. (g)	Amount (h)				
						1
						2
						3
						4
						5
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[Next Page is 354]

SEE FERC ANNUAL REPORT

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 74.01, 74.02, etc.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production			
4	Transmission			
5	Distribution			
6	Customer Accounts			
7	Customer Service and Informational			
8	Sales			
9	Administrative and General			
10	TOTAL Operation (Total of lines 3 thru 9)			
11	Maintenance			
12	Production			
13	Transmission			
14	Distribution			
15	Administrative and General			
16	TOTAL Maint. (Total of lines 12 thru 15)			
17	Total Operation and Maintenance			
18	Production (Total of lines 3 and 12)			
19	Transmission (Total of lines 4 and 13)			
20	Distribution (Total of lines 5 and 14)			
21	Customer Accounts (Line 6)			
22	Customer Service and Informational (Line 7)			
23	Sales (Line 8)			
24	Administrative and General (Total of lines 9 and 15)			
25	TOTAL Oper. and Maint. (Total of lines 18 thru 24)			
26	Gas			
27	Operation			
28	Production - Manufactured Gas			
29	Production - Nat. Gas (Including Expl. and Dev.)			
30	Other Gas Supply			
31	Storage, LNG Terminaling and Processing			
32	Transmission			
33	Distribution			
34	Customer Accounts			
35	Customer Service and Informational			
36	Sales			
37	Administrative and General			
38	TOTAL Operation (Total of lines 28 thru 37)			
39	Maintenance			
40	Production - Manufactured Gas			
41	Production - Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminaling and Processing			
44	Transmission			
45	Distribution			
46	Administrative and General			

SEE FERC ANNUAL REPORT - PAGE 354

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
DISTRIBUTION OF SALARIES AND WAGES (Continued)				
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
47				
48	Gas (Continued)			
49	Total Operation and Maintenance			
50	Production - Manufactured Gas (Lines 28 and 40)			
51	Production - Nat. Gas (Including Expl. and Dev.) (Lines 29 and 41)			
52	Other Gas Supply (Lines 30 and 42)			
53	Storage, LNG Terminaling and Processing (Lines 31 and 43)			
54	Transmission (Total of lines 32 and 44)			
55	Distribution (Total of lines 33 and 45)			
56	Customer Accounts (Total of line 34)			
57	Customer Service and Informational (Total of line 35)			
58	Sales (Total of line 36)			
59	Administrative and General (Total of lines 37 and 46)			
60	Other Utility Departments			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 50 thru 61)			
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant			
66	Gas Plant			
67	Other			
68	TOTAL Construction (Total of lines 65 thru 67)			
69	Plant Removal (By Utility Departments)			
70	Electric Plant			
71	Gas Plant			
72	Other			
73	TOTAL Plant Removal (Total of lines 70 thru 72)			
74	Other Accounts (Specify):			
74.01	Merchandising			
74.02	Governmental			
74.03	NNG Financial Corporation			
74.04	Non Utility Construction Work in Progress 121107			
74.05	Construction Claims			
74.06	Storage Business			
74.07	Accounts Receivable			
74.08				
74.09				
74.10				
74.11				
74.12				
74.13				
74.14				
74.15				
74.16				
74.17				
74.18				
74.19				
75.00				
75.01				
75.02				
75.03				
75.04				
75.05				
75.06				
75.07				
75.08				
75.09				
75.10				
75.11				
75.12				
75.13				
75.14				
75.15				
75.16				
75.17				
75.18				
75.19				
76	TOTAL Other Accounts			
77	TOTAL SALARIES AND WAGES			

[Next Page is 357]

Name of Respondent Northwest Natural Gas Comp	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Year of Report Dec. 31, 2011
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CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities.

(a) Name of person or organization rendering services.
(c) Total charges for the year.

2. Designate associated companies with an asterisk in column (b).

Line No.	Description (a)	* (b)	Amount (in dollars) (c)
1			
2			
3			
4			
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SEE FERC ANNUAL REPORT - PAGE 357

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Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report
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COMPRESSOR STATION

Designate any station that was not operated during the past year. Station in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission, compressor stations installed and put into operation during the year, and show in a footnote each unit's size and date the unit was placed in operation. For Column (e), include the type of fuel or power, in other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.

Line No.	Expenses (Except depreciation and taxes)		Operation Data			
	Fuel or Power (e)	Other (f)	Gas for Compressor Fuel in Dth (g)	Total Compressor Hours of Operation During the Year (h)	Number of Compressors Operated at Time of Station Peak (i)	Date of Station Peak (j)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16			NONE			
17						
18						
19						
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**TRANSMISSION MAINS
SHOW PARTICULARS CALLED FOR CONCERNING TRANSMISSION MAINS *
WASHINGTON SUPPLEMENT**

SYSTEM

LINE NUMBER	KIND OF MATERIAL (A)	DIAMETER OF PIPE, INCHES (B)	TOTAL LENGTH IN USE BEGINNING OF YEAR, FEET (C)	LAI DURING YEAR, FEET (D)	TAKEN UP OR ABANDONED DURING YEAR, FEET (E)	TOTAL IN USE END OF YEAR, FEET (F)
1	High Pressure	4"	5,280	2,640		7,920
2	High Pressure	6"	372,744		1,131	371,613
3	High Pressure	8"	322,932	162	215	322,879
4	High Pressure	10"	461,725		544	461,181
5	High Pressure	12"	986,774	9,323		996,097
6	High Pressure	16"	559,512	114		559,626
7	High Pressure	20"	71,116	503		71,619
8	High Pressure	24"	464,324	888		465,212
9						
10						
11						
12						
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TOTALS			3,244,407	13,630	1,890	3,256,147

* Show separately and identify lines held under a title other than full ownership.

**TRANSMISSION MAINS
SHOW PARTICULARS CALLED FOR CONCERNING TRANSMISSION MAINS *
WASHINGTON SUPPLEMENT**

WASHINGTON

LINE NUMBER	KIND OF MATERIAL (A)	DIAMETER OF PIPE, INCHES (B)	TOTAL LENGTH IN USE BEGINNING OF YEAR, FEET (C)	LAI DURING YEAR, FEET (D)	TAKEN UP OR ABANDONED DURING YEAR, FEET (E)	TOTAL IN USE END OF YEAR, FEET (F)
1	High Pressure	8"	18,052	0	215	17,837
2						
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4						
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7						
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34						
TOTALS			18,052	0	215	17,837

* Show separately and identify lines held under a title other than full ownership.

**DISTRIBUTION MAINS
SHOW PARTICULARS CALLED FOR CONCERNING DISTRIBUTION MAINS
WASHINGTON SUPPLEMENT**

SYSTEM

LINE NUMBER	KIND OF MATERIAL (A)	DIAMETER OF PIPE, INCHES (B)	TOTAL LENGTH IN USE BEGINNING OF YEAR, FEET (C)	LAI DURING YEAR, FEET (D)	TAKEN UP OR ABANDONED DURING YEAR, FEET (E)	TOTAL IN USE END OF YEAR, FEET (F)
1	Low Pressure	2"	0			0
2	Low Pressure	3"	0			0
3	Low Pressure	4"	0			0
4	Low Pressure	6"	0			0
5	Low Pressure	Over 6"	0			0
6	High Pressure	Under 2"	18,566,796	58,312	107,289	18,517,819
7	High Pressure	2"	37,642,290	136,686	56,797	37,722,179
8	High Pressure	3"	161,028	16	147	160,897
9	High Pressure	4"	9,686,607	91,111	18,019	9,759,699
10	High Pressure	6"	2,926,684	12,430	16,646	2,922,468
11	High Pressure	Over 6"	1,467,817	31,742	8,295	1,491,264
12						
13						
14						
15						
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23						
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25						
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31						
32						
33						
34						
TOTALS			70,451,222	330,297	207,193	70,574,326

DISTRIBUTION MAINS
SHOW PARTICULARS CALLED FOR CONCERNING DISTRIBUTION MAINS
WASHINGTON SUPPLEMENT

WASHINGTON

LINE NUMBER	KIND OF MATERIAL (A)	DIAMETER OF PIPE, INCHES (B)	TOTAL LENGTH IN USE BEGINNING OF YEAR, FEET (C)	LAI DURING YEAR, FEET (D)	TAKEN UP OR ABANDONED DURING YEAR, FEET (E)	TOTAL IN USE END OF YEAR, FEET (F)
1	High Pressure	Under 2"	1,008,185	4,621	2,403	1,010,403
2	High Pressure	2"	5,945,683	32,652	3,882	5,974,453
3	High Pressure	3"	44,137	16	0	44,153
4	High Pressure	4"	1,405,930	8,827	1,104	1,413,653
5	High Pressure	6"	393,843	9,364	4,059	399,148
6	High Pressure	Over 6"	142,722	0	449	142,273
7						
8						
9						
10						
11						
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34						
TOTALS			8,940,500	55,480	11,897	8,984,083

SERVICE PIPES - GAS
SHOW PARTICULARS CALLED FOR CONCERNING THE LINE SERVICE PIPE
WASHINGTON SUPPLEMENT

SYSTEM

LINE NUMBER	KIND OF MATERIAL	DIAMETER OF PIPE, INCHES	NUMBER AT BEGINNING OF YEAR	NUMBER ADDED DURING YEAR	NUMBER REMOVED OR ABANDONED DURING YEAR	NUMBER AT CLOSE OF YEAR	AVERAGE LENGTH IN FEET
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	HP, LP	Under 1"	625,935	4,187	2101	628,021	-
2	HP, LP	1"	52,265	565	234	52,596	-
3	HP, LP	1 1/4"	5,283	0	11	5,272	-
4	HP, LP	2"	4,300	40	54	4,286	-
5	HP, LP	3"	52	0	2	50	-
6	HP, LP	4"	486	5	9	482	-
7	HP, LP	6"	19	1	3	17	-
8	HP, LP	Over 6"	14	0	0	14	-
9							
10							
11							
12							
13							
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34							
TOTALS			688,354	4,798	2,414	690,738	

SERVICE PIPES - GAS
SHOW PARTICULARS CALLED FOR CONCERNING THE LINE SERVICE PIPE
WASHINGTON SUPPLEMENT

WASHINGTON

LINE NUMBER	KIND OF MATERIAL	DIAMETER OF PIPE, INCHES	NUMBER AT BEGINNING OF YEAR	NUMBER ADDED DURING YEAR	NUMBER REMOVED OR ABANDONED DURING YEAR	NUMBER AT CLOSE OF YEAR	AVERAGE LENGTH IN FEET
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	HP	Under 1"	59,842	573	79	60,336	-
2	HP	1"	4,930	47	27	4,950	-
3	HP	1 1/4"	10	0	0	10	-
4	HP	2"	261	3	12	252	-
5	HP	4"	38	0	6	32	-
6	HP, LP	6"	7	0	0	7	-
7	HP, LP	Over 6"	0	0	0	0	-
8							
9							
10							
11							
12							
13							
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TOTALS			65,088	623	124	65,587	

NORTHWEST NATURAL GAS COMPANY
CUSTOMER METERS
SYSTEM 2011

Perf. #	Size	Type	Make	Capacity Cubic Ft.	In Service Begin. of Year	Add.	Retire-ments	In Service End of Year
0	Various	Orifice	Daniel	Various	370	2		372
2	RWR3	Rotary	Rockwell	3,000	1			1
7	RM5M	Rotary	Romet	5,000	1			1
8	RM7M	Rotary	Romet	7,000	1		1	0
9	RM11	Rotary	Romet	11,000	2			2
10	A5BT	Diaphragm	American	175	8			8
13	RS8C	Rotary	Roots	800	30			30
20	10BT	Diaphragm	American	250	1			1
22	1.5M	Rotary	Roots	1,500	25		6	19
23	1.5M TC	Rotary	Roots	1,500	38		13	25
24	1.5M ID	Rotary	Roots	1,500	87		18	69
26	R2M9	Rotary	Roots	2,000	1			1
32	3M125	Rotary	Roots	3,000	9	2		11
33	RS3M TC	Rotary	Roots	3,000	8		2	6
34	RS3M ID	Rotary	Roots	3,000	30		3	27
35	RS3M TC ID	Rotary	Roots	3,000	60			60
36	R3.7	Rotary	Roots	3,600	2			2
42	5M125	Rotary	Roots	5,000	8			8
43	RS5M TC	Rotary	Roots	5,000	18	1		19
44	RS5M ID	Rotary	Roots	5,000	75	1	1	75
52	7M125	Rotary	Roots	7,000	5			5
53	RS7M TC	Rotary	Roots	7,000	25	1	1	25
54	RS7M ID	Rotary	Roots	7,000	42		5	37
64	RS11 ID	Rotary	Roots	11,000	71	2	1	72
65	RS11 TC ID	Rotary	Roots	11,000	1			1
73	RS16 ID	Rotary	Roots	16,000	8			8
83	RS23 ID	Rotary	Roots	23,000	34	1		35
93	RS38 ID	Rotary	Roots	38,000	15	1		16
95	RS56 ID	Rotary	Roots	56,000	5			5
120	R175	Diaphragm	Rockwell	175	55,151	1	605	54,547
125	R200	Diaphragm	Rockwell	200	22,366		313	22,053
130	A175	Diaphragm	American	175	88,313	1	858	87,456
140	S175	Diaphragm	Sprague	175	25,459		719	24,740
260	Misc.	Various	Various	Various	5		2	3
270	1000A	Diaphragm	Schlemberger	1,000	227		19	208
272	1000A	Diaphragm	Actaris	1,000	79		1	78
300	1600 ID	Diaphragm	Rockwell	800	5		1	4
305	1600 TC ID	Diaphragm	Rockwell	800	7			7
310	RW3M ID	Diaphragm	Rockwell	1,450	63		3	60
315	RW3M TC ID	Diaphragm	Rockwell	1,450	51		2	49
320	RW5M ID	Diaphragm	Rockwell	2,500	50		8	42
325	RW5M TC ID	Diaphragm	Rockwell	2,500	52		4	48
390	1400 ID	Diaphragm	American	1,400	228		9	219
395	1400 TC ID	Diaphragm	American	1,400	11			11
400	2300 ID	Diaphragm	American	2,300	185		17	168
405	2300 TC ID	Diaphragm	American	2,300	1		1	0
410	AL5M	Diaphragm	American	5,000	107		23	84
411	DU5M	Diaphragm	American	5,000	1			1
415	AL5M	Diaphragm	American	5,000	9			9
450	400A	Diaphragm	Schlemberger	400	1,637		32	1,605
452	400A	Diaphragm	Actaris	400	723		17	706
470	A425	Diaphragm	American	425	2,756		100	2,656
471	AL425	Diaphragm	American	425	2,774	127	16	2,885
472	A425	Diaphragm	American	425	3,075		55	3,020
475	AL-630	Diaphragm	American	630	4,773	1,126	9	5,890
480	A800 ID	Diaphragm	American	800	1,246		125	1,121
485	A800 TC ID	Diaphragm	American	800	1,411		146	1,265
486	A800	Diaphragm	American	800	8			8
490	S305	Diaphragm	Sprague	305	4			4
500	AL1M ID	Diaphragm	American	1,000	566		40	526
502	AL 1000	Diaphragm	American	1,000	393		6	387
505	AL1M TC ID	Diaphragm	American	1,000	628	1	27	602
507	AL 1000	Diaphragm	American	1,000	2,810	452	10	3,252
510	R310	Diaphragm	Rockwell	310	4,351	1	266	4,086
515	R315	Diaphragm	Rockwell	315	192		5	187
520	R415	Diaphragm	Rockwell	415	5,528	1	169	5,360

NORTHWEST NATURAL GAS COMPANY
CUSTOMER METERS
SYSTEM 2011

Perf. #	Size	Type	Make	Capacity Cubic Ft.	In Service Begin. of Year	Add.	Retire-ments	In Service End of Year
530	RW1M ID	Diaphragm	Rockwell	1,000	30		2	28
535	RW1M TC ID	Diaphragm	Rockwell	1,000	10			10
540	R750 ID	Diaphragm	Rockwell	750	736		57	679
545	R750 TC ID	Diaphragm	Rockwell	750	86		3	83
555	A310	Diaphragm	American	310	1,567		111	1,456
560	A250	Diaphragm	American	250	150,148	2	700	149,450
561	AC250	Diaphr	American	250	100,925	10,848	134	111,639
565	RX250	Diaphragm	American	250	1,130			1,130
570	R275	Diaphragm	Rockwell	275	104,070		357	103,713
572	275	Diaphr	Invensys	275	49,761	92	118	49,735
575	G2	Diaphragm	Westinghouse	200	18			18
580	SPRM	D+Reg	Sprague	175	488		2	486
585	S250	Diaphragm	Sprague	250	27,566		163	27,403
590	S250	Diaphragm	Lancaster	250	23,377		183	23,194
595	METRIS 250	Diaphragm	Schlemberger	250	15,071		497	14,574
613	8C	Rotary	Roots	800	44			44
616	8C175TQM	Rotary	Roots	800	28	2		30
617	8C175TQM	Rotary	Dresser/Roots	800	47	3		50
620	1M1480B3-HPC	Rotary	Dresser/Roots	1,000	4			4
621	1M300TQM-CD	Rotary	Dresser/Roots	1,000	1			1
622	1.5M	Rotary	Roots	1,500	328	2	30	300
623	1.5M	Rotary	Roots	1,500	32		6	26
625	15C175TQM	Rotary	Dresser/Roots	1,500	170	34		204
626	15CTQM	Rotary	Roots	1,500	561	16	1	576
632	3M	Rotary	Roots	3,000	326	11	3	334
633	RS3M	Rotary	Roots	3,000	113	2	7	108
636	5M175TQM	Rotary	Roots	3,000	996	31	2	1,025
637	3M175TQM	Rotary	Dresser/Roots	3,000	573	76	2	647
638	3M1480B3-HPC	Rotary	Dresser/Roots	3,000	4			4
642	5M	Rotary	Roots	5,000	217	11		228
643	RS5M TC	Rotary	Roots	5,000	133		1	132
644	5M175	Rotary	Roots	5,000	15			15
645	5M125	Rotary	Roots	5,000	3			3
646	5M175TQM	Rotary	Roots	5,000	683	12		695
647	5M175TQM	Rotary	Dresser/Roots	5,000	298	47	1	344
652	7M	Rotary	Roots	7,000	127	4		131
653	RS7M	Rotary	Roots	7,000	56	1		57
654	7M175	Rotary	Roots	7,000	34			34
655	7M175TQM	Rotary	Dresser/Roots	7,000	115	30		145
656	7M175TQM	Rotary	Roots	7,000	244	7		251
657	7M175TQM	Rotary	Roots	7,000	87	2		89
662	11M	Rotary	Roots	11,000	7			7
663	RS11	Rotary	Roots	11,000	48		3	45
664	RS11 ID	Rotary	Roots	11,000	48		1	47
665	RS11	Rotary	Roots	11,000	16			16
666	11M175TQM	Rotary	Roots	11,000	335	17		352
667	11M175TQM	Rotary	Roots	11,000	4			4
672	16M	Rotary	Roots	16,000	3			3
673	16M175	Rotary	Roots	16,000	61		1	60
674	RS16 TC ID	Rotary	Roots	16,000	21			21
675	RS16 TC	Rotary	Roots	16,000	48			48
676	16M175TQM	Rotary	Roots	16,000	201	2	1	202
686	23M125TQM	Rotary	Roots	23,000	14			14
690	23M232TQM	Rotary	Dresser/Roots	23,000	31	1	1	31
696	38M125TQM	Rotary	Roots	23,000	20			20
698	56M175TQM	Rotary	Dresser/Roots	56,000	1			1
702	RT18	Turbine	Rockwell	38,000	1			1
703	RT18	Turbine	Rockwell	18,000	35			35
708	RT60	Turbine	Rockwell	30,000	22			22
709	RT60	Turbine	Rockwell	60,000	12			12
711	T140	Turbine	Rockwell	60,000	1			1
713	T140	Turbine	Rockwell	60,000	2			2
714	T140	Turbine	Rockwell	140,000	1			1
731	A4GT	Turbine	American	18,000	1			1
732	A6GT	Turbine	American	30,000	1			1
734	A8GT	Turbine	American	60,000	1			1
736	12GT	Turbine	American	150,000	2			2

NORTHWEST NATURAL GAS COMPANY
CUSTOMER METERS
SYSTEM 2011

Perf. #	Size	Type	Make	Capacity Cubic Ft.	In Service Begin. of Year	Add.	Retire-ments	In Service End of Year
751	AAT-18	Turbine	Invensys	18,000	2			2
756	AAT-27	Turbine	Invensys	27,000	1			1
760	AAT-35/45	Turbine	Sensus	35,000	2			2
766	AAT-57	Turbine	Invensys	57,000	2			2
770	AAT-60/45	Turbine	Sensus	60,000	1			1
771	AAT-60	Turbine	Invensys	60,000	1			1
776	AAT-90	Turbine	Invensys	90,000	2			2
791	AAT-140/45	Turbine	Sensus	140,000	2			2
792	AAT-140/45	Turbine	Sensus	140,000	2			2
803	3M125e	rotary	Dresser/Roots	3,000	1		1	0
805	7M125e	rotary	Dresser/Roots	7,000	0	1		1
806	11M125e	rotary	Dresser/Roots	11,000	0	1		1
813	3M175e	rotary	Dresser/Roots	3,000	2			2
815	7M175e	rotary	Dresser/Roots	7,000	2	2		4
816	11M175e	rotary	Dresser/Roots	11,000	0	1		1
817	16M175e	rotary	Dresser/Roots	16,000	3			3
822	15c175TQMe	rotary	Dresser/Roots	1,500	4			4

Continued on Next Page
(Continued)

Page 514C System

823	3M175TQMe	rotary	Dresser/Roots	3,000	4	3		7
824	5M175TQMe	rotary	Dresser/Roots	5,000	9	6	1	14
825	7M175TQMe	rotary	Dresser/Roots	7,000	4	9		13
826	11M175TQMe	rotary	Dresser/Roots	11,000	3	15	1	17
827	16M175TQMe	ROTARY	Dresser/Roots	16,000	4	3		7
830	38M175TQMe	Rotary	Dresser/Roots	38,000	0	1		1
901	TURB	Turbine	Unkown	0	1			1
904	SDIA	Diaphragm	Unkown	500	54,068			54,068
TOTALS					761,505	13,016	6,049	768,472

Page 514C System

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NORTHWEST NATURAL GAS COMPANY
CUSTOMER METERS
WASHINGTON 2011

Perf. #	Size	Type	Make	Capacity Cubic Ft.	In Service Begin. of Year	Add.	Retire-ments	In Service End of Year
0	Various	Orifice	Daniel	Various	1			1
7	RM5M	Rotary	Romet	5,000	1			1
13	RS8C 125	Rotary	Roots	800	7			7
22	1.5M	Rotary	Roots	1,500	1		1	0
23	1.5M TC	Rotary	Roots	1,500	4		4	0
24	1.5M ID	Rotary	Roots	1,500	8		1	7
33	RS3M TC	Rotary	Roots	3,000	4		1	3
34	RS3M ID	Rotary	Roots	3,000	5			5
36	R3.7	Rotary	Roots	3,600	1			1
42	5M125	Rotary	Roots	5,000	1			1
43	RS5M TC	Rotary	Roots	5,000	1			1
44	RS5M ID	Rotary	Roots	5,000	6			6
52	7M125	Rotary	Roots	3,000	4			4
53	RS7M TC	Rotary	Roots	7,000	1		1	0
54	RS7M ID	Rotary	Roots	7,000	3		1	2
64	RS11 ID	Rotary	Roots	11,000	4			4
83	RS23 ID	Rotary	Roots	23,000	5			5
93	RS38 ID	Rotary	Roots	38,000	1			1
120	R175	Diaphragm	Rockwell	175	3,063		26	3,037
125	R200	Diaphragm	Rockwell	200	796		8	788
130	A175	Diaphragm	American	175	3,788		37	3,751
140	S175	Diaphragm	Sprague	175	1,166		11	1,155
230	175C	Diaphragm	Sprague	175	1			1
260	Misc.	Various	Various	Various	2		1	1
270	1000A	Diaphragm	Schlumberger	1,000	10			10
272	1000A	Diaphragm	Actaris	1,000	5			5
300	1600 ID	Diaphragm	Rockwell	800	1			1
310	RW3M ID	Diaphragm	Rockwell	1,450	1			1
320	RW5M ID	Diaphragm	Rockwell	2,500	9			9
325	RW5M TC ID	Diaphragm	Rockwell	2,500	2			2
390	1400 ID	Diaphragm	American	1,400	21		1	20
400	2300 ID	Diaphragm	American	2,300	10			10
410	AL5M	Diaphragm	American	5,000	16		1	15
450	400A	Diaphragm	Schlumberger	400	153		1	152
452	400A	Diaphragm	Actaris	400	78		1	77
470	A425	Diaphragm	American	425	170		6	164
471	AL425	Diaphr	American	425	261	2	1	262
472	A425	Diaphragm	American	425	240		4	236
475	AL-630	Diaphr	American	630	307	97		404
480	A800 ID	Diaphragm	American	800	106		7	99
485	A800 TC ID	Diaphragm	American	800	98		11	87
486	A800	Diaphragm	American	800	3			3
500	AL1M ID	Diaphragm	American	1,000	46		1	45
502	AL 1000	Diaphragm	American	1,000	28			28
505	AL1M TC ID	Diaphragm	American	1,000	31		1	30
507	AL 1000	Diaphr	American	1,000	256	27	2	281
510	R310	Diaphragm	Rockwell	310	212		20	192
515	R315	Diaphragm	Rockwell	315	7			7
520	R415	Diaphragm	Rockwell	415	363		10	353
530	RW1M ID	Diaphragm	Rockwell	1,000	2			2
535	RW1M TC ID	Diaphragm	Rockwell	1,000	2			2

NORTHWEST NATURAL GAS COMPANY
CUSTOMER METERS
WASHINGTON 2011

Perf. #	Size	Type	Make	Capacity Cubic Ft.	In Service Begin. of Year	Add.	Retire-ments	In Service End of Year
540	R750 ID	Diaphragm	Rockwell	750	64		6	58
545	R750 TC ID	Diaphragm	Rockwell	750	6			6
550	A175	Diaphragm	American	175	0			0
555	A310	Diaphragm	American	310	110		7	103
560	A250	Diaphragm	American	250	17,219		44	17,175
561	AC250	Diaphr	American	250	12,087	1,066	8	13,145
565	RX250	Diaphragm	American	250	150			150
570	R275	Diaphragm	Rockwell	275	14,581		28	14,553
571	S-275	Diaphragm	Rockwell	275	0			0
572	275	Diaphr	Invensys	275	7,192	1	5	7,188
580	SPRM	D+Reg	Sprague	175	8			8
585	S250	Diaphragm	Sprague	250	3,802		20	3,782
590	S250	Diaphragm	Lancaster	250	2,879		16	2,863
595	METRIS 250	Diaphragm	Schlumberger	250	2,097		42	2,055
613	8C	Rotary	Roots	800	1			1
616	8C175TQM	Rotary	Dresser/Roots	800	4	1		5
617	8C175TQM	Rotary	Dresser/Roots	800	7			7
622	1.5M	Rotary	Roots	1,500	25		2	23
625	15C175TQM	Rotary	Dresser/Roots	1,500	13	4		17
626	15CTQM	Rotary	Roots	1,500	50	3		53
632	3M	Rotary	Roots	3,000	32	1		33
633	RS3M	Rotary	Roots	3,000	12			12
636	5M175TQM	Rotary	Roots	3,000	94	2		96
637	3M175TQM	Rotary	Dresser/Roots	3,000	50	12		62
642	5M	Rotary	Roots	5,000	28			28
643	RS5M TC	Rotary	Roots	5,000	12			12
645	5M125	Rotary	Roots	5,000	0			0
646	5M175TQM	Rotary	Roots	5,000	63	1		64
647	5M175TQM	Rotary	Dresser/Roots	5,000	32	9		41
652	7M	Rotary	Roots	7,000	13			13
653	RS7M	Rotary	Roots	7,000	5			5
654	7M175	Rotary	Roots	7,000	4			4
656	7M175TQM	Rotary	Roots	7,000	28	1		29
657	7M175TQM	Rotary	Roots	7,000	10			10
662	11M	Rotary	Roots	11,000	0			0
665	RS11	Rotary	Roots	11,000	1			1
666	11M175TQM	Rotary	Roots	11,000	17	1		18
673	16M	Rotary	Roots	16,000	0			0
674	RS16 TC ID	Rotary	Roots	16,000	2			2
709	RT60	Turbine	Rockwell	60,000	0			0
732	A6GT	Turbine	American	30,000	0			0
734	A8GT	Turbine	American	60,000	0			0
735	A8GT	Turbine	American	60,000	0			0
736	12GT	Turbine	American	150,000	0			0
901	TURB	Turbine	Unkown	0	0			0
902	ROTY	Rotary	Unkown	0	0			0
904	SDIA	Diaphragm	Unkown	500	0			0
813	3M175e	rotary	Dresser/Roots	3,000	0			0
817	16M175e	rotary	Dresser/Roots	16,000	0			0
822	15c175TQMe	rotary	Dresser/Roots	1,500	2			2
824	5M175TQMe	rotary	Dresser/Roots	5,000	1			1
825	7M175TQMe	rotary	Dresser/Roots	7,000	0	3		3
826	11M175TQMe	rotary	Dresser/Roots	11,000	0	1		1
827	16M175TQMe	ROTARY	Dresser/Roots	16,000	0			0
TOTALS					80,626	1,232	337	81,521

Name of Respondent Northwest Natural Gas Company	This Report Is: X An Original A resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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WASHINGTON	GAS ACCOUNT - NATURAL GAS
<p>1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.</p> <p>2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.</p> <p>3. Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.</p> <p>4. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.</p> <p>5. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose. Use copies of pages 520.</p> <p>6. Also indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate</p>	<p>facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market of that were not transported through any interstate portion of the reporting pipeline.</p> <p>7. Also indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.</p> <p>8. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional rows as necessary to report all data, numbered 14.01, 14.02, etc.</p>

01 NAME OF SYSTEM			
Line No.	Item (a)	Ref. Page No. (b)	Amount of Dth (c)
2	GAS RECEIVED		
3	Gas Purchases (Accounts 800-805)		
4	Gas of Others Received for Gathering (Account 489.1)		7,526,439
5	Gas of Others Received for Transmission (Account 489.2)	305	N/A
6	Gas of Others Received for Distribution (Account 489.3) Transportation	301	1,623,886
7	Gas of Others Received for Contract Storage (Account 489.4)	307	N/A
8	Exchanged Gas Received from Others (Account 806)	328	N/A
9	Gas Received as Imbalances (Account 806)	328	N/A
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332	N/A
11	Other Gas Withdrawn from Storage (Explain)		
12	Gas Received from Shippers as Compressor Station Fuel		
13	Gas Received from Shippers as Lost and Unaccounted for		
14	Other Receipts (Specify)		
15	Total Receipts (Total of lines 3 thru 14.?)		9,150,325
16	GAS DELIVERED		
17	Gas Sales (Accounts 480-484)		7,559,451
18	Deliveries of Gas Gathered for Others (Account 489.1)	303	N/A
19	Deliveries of Gas Transported for Others (Account 489.2)	305	N/A
20	Deliveries of Gas Distributed for Others (Account 489.3)	301	1,623,886
21	Deliveries of Contract Storage Gas (Account 489.4)	307	N/A
22	Exchange Gas Delivered to Others (Account 806)	328	N/A
23	Gas Delivered as Imbalances (Account 806)	328	N/A
24	Deliveries of Gas to Others for Transportation (Account 858)	332	N/A
25	Other Gas Delivered to Storage (Explain)		
26	Gas Used for Compressor Station Fuel	509	N/A
27	Other Deliveries (Specify): Unbilled		(6,768)
28	Total Deliveries (Total of lines 17 thru 27)		9,176,569
29	GAS UNACCOUNTED FOR		
30	Production System Losses		
31	Gathering System Losses		
32	Transmission System Losses		
33	Distribution System Losses		(26,244)
34	Storage System Losses		
35	Other Losses (Specify)		
36	Total Unaccounted for (Total of lines 30 thru 35)		(26,244)
37	Total Deliveries & Unaccounted for (Total of lines 28 and 36)		9,150,325

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A resubmission	(Mo, Da, Yr)	Dec. 31, 2011

WASHINGTON EXECUTIVE SALARY SUPPLEMENTAL DETAILS

- Report below the name, title and salary for each executive officer. An "executive officer" of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
- If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent and the date the change in incumbency was made.

Line No.	Name of Officer (a)	Salary for Year ⁽¹⁾ (b)	Account Number (c)	Amount Assigned to WA (d)	Percent Increase Over Prior Year	Reason for Increase (f)
1	Gregg S. Kantor	464,428	921.1	N/A	2%	Market Adj. + Perf
2	David H. Anderson	357,167	921.1	N/A	2%	Market Adj. + Perf
3	Margaret D. Kirkpatrick	275,000	921.1	N/A	2%	Market Adj. + Perf
4	Lea Anne Doolittle	251,167	921.1	N/A	2%	Market Adj. + Perf
5	J. Keith White	228,667	921.1	N/A	1%	Market Adj. + Perf
6	David R. Williams	214,333	921.1	N/A	2%	Market Adj. + Perf
7	Grant M. Yoshihara	214,333	921.1	N/A	2%	Market Adj. + Perf
8	C. Alex Miller	188,500	921.1	N/A	2%	Market Adj. + Perf
9	MardiLyn Saathoff	207,333	921.1	N/A	3%	Market Adj. + Perf
10	Stephen P. Feltz	223,667	921.1	N/A	4%	Market Adj. + Perf

⁽¹⁾ Salary amounts do not include bonuses paid to executives

EXECUTIVE COUNT BY CLASS AND TOTAL SALARIES BY CLASS

- Pursuant to RCW 80.04.080, report below the number of employees by class (per company definition to be provided), and the total amount of salaries and wages paid each class.

	Employee Class (a)	Number of Employees (b)	Total Salaries and Wages Paid Each Class (c) ⁽²⁾
10	Officers & Exempt	452	36,903,481
11	Bargaining Unit	598	36,058,637
13	Total	1,050	72,962,118

⁽²⁾ Salaries and wages do not include bonuses paid

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NORTHWEST NATURAL GAS COMPANY

Oregon Supplement to FERC Form 2

December 31, 2011

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**ANNUAL REPORT
OREGON SUPPLEMENT TO FERC FORM 2
for
MULTI-STATE GAS COMPANIES**

INDEX

<u>PAGE</u>	<u>TITLE</u>
1	Statement of Utility Operating Income for the Year
2	Gas Operating Revenues
3	Interdepartmental Sales - Natural Gas
3	Rent from Gas Property and Interdepartmental Rents
4 - 9	Gas Operation and Maintenance Expenses
10	Depreciation, Depletion, and Amortization of Gas Plant
11	Taxes, Other Than Income Taxes
12	Calculation of Current Federal Income Tax Expense
13	Calculation of Current State Income Taxes (Excise) Tax Expense
14 - 15	Accumulated Deferred Income Taxes, Account 190
16 - 17	Accumulated Deferred Income Taxes - Accelerated Amortization Property, Account 281
18 - 19	Accumulated Deferred Income Taxes - Other Property, Account 282
20 - 21	Accumulated Deferred Income Taxes - Other, Account 283
22	Accumulated Deferred Investment Tax Credits, Account 255
23	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization & Depletion - Situs
24 - 27	Gas Plant in Service by Account - Situs
28	Gas Plant Held for Future Use - Situs
29	Construction Work in Progress - Situs
30	Accumulated Provision for Depreciation of Gas Utility Plant - Situs
31	Summary of Utility Plant & Accumulated Provisions for Depreciation, Amortization & Depletion - Allocated
32 - 35	Gas Plant in Service by Account - Allocated
36	Gas Plant Held for Future Use - Allocated
37	Construction Work in Progress - Allocated
38	Accumulated Provision for Depreciation of Gas Utility Plant - Allocated
39	Gas Stored
40 - 42	Gas Purchases
43	Gas Used in Utility Operations - Credit
44 - 45	Gas Account - Natural Gas
46	Miscellaneous General Expenses
47	Political Advertising
48	Political Contributions
49	Expenditures to Any Person or Organization Having an Affiliated Interest for Services, etc.
50	Donations and Memberships
51	Officers' Salaries
52	Donations or Payments for Services Rendered By Persons Other Than Employees and Charged to Oregon Operating Accounts
53	Oregon Gas Utility Statistics

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Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATEMENT OF INCOME FOR THE YEAR

- | | |
|---|---|
| <p>1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i, j) in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.</p> | <p>2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.</p> <p>3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.</p> |
|---|---|

Line No.	ACCOUNT (a)	(REF) PAGE NO. (b)	GAS UTILITY	
			CURRENT YEAR (c)	PREVIOUS YEAR (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	2		
3	Operating Expenses			
4	Operation Expenses (401)	4-9		
5	Maintenance Expenses (402)	4-9		
6	Depreciation Expense (403)	10		
7	Amort. & Depl. of Utility Plant (404-405)	10		
8	Amort. of Utility Plant Acq. Adj. (406)	10		
9	Amort of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)			
10	Amort. of Conversion Expenses (407)			
11	Taxes Other Than Income Taxes (408.1)	11		
12	Income Taxes - Federal (409.1)	12		
13	- Other (409.1)	13		
14	Provision for Deferred Income Taxes (410.1)	14-21		
15	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	14-21		
16	Investment Tax Credit Adj. - Net (411.4)	22		
17	(Less) Gains from Disp. of Utility Plant (411.6)			
18	Losses from Disp. of Utility Plant (411.7)			
19	TOTAL Utility Operating Expenses (Total of lines 4 thru 18)			
20	Net Utility Operating income (Enter Total of line 2 less 19)			

SEE FERC ANNUAL REPORT

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		(1) X An Original (2) A Resubmission		Dec. 31, 2011
STATE OF OREGON - GAS OPERATING REVENUES (Account 400)				
<p>1. Report below natural gas operating revenues for each prescribed account, and manufactured gas revenues in total.</p> <p>2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.</p> <p>3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted</p> <p>for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.</p> <p>4. Report quantities of natural gas sold in Dth.</p> <p>5. If increases or decreases from previous year (columns (c) (e) and (g), are not derived from previously reported figures,</p>				
Line No.	Title of Account (a)	OPERATING REVENUES		
		Amount for Current Year (b)	Amount for Previous Year (c)	
1	GAS SERVICE REVENUES			
2	480 Residential Sales	439,881,295	412,360,800	
3	481 Commercial and Industrial Sales			
4	Small (or Comm.) (See Instr. 6)	222,966,807	209,956,073	
5	Large (or Ind.) (See instr. 6)	60,262,366	61,332,627	
6	482 Other Sales to Public Authorities			
7	484 Interdepartmental Sales			
8	TOTAL Sales to Ultimate Consumers	723,110,468	683,649,500	
9	483 Sales for Resale			
10	TOTAL Nat. Gas Service Revenues	723,110,468	683,649,500	
11	Revenues from Manufactured Gas			
12	TOTAL Gas Service Revenues	723,110,468	683,649,500	
13	OTHER OPERATING REVENUES			
14	485 Intercompany Transfers			
15	487 Late Payment Charge	2,621,754	2,493,663	
16	488 Misc. Service Revenues	1,504,306	1,298,185	
17	489 Rev. From Trans. of Gas of Others	14,595,604	13,033,472	
18	490 Sales of Prod. Ext. from Natural Gas			
19	491 Rev. from Nat. Gas Proc. by Others			
20	492 Incidental Gasoline and Oil Sales			
21	493 Rent from Gas Property	260,115	386,681	
22	494 Interdepartmental Rents			
23	495 Other Gas Revenues	4,401,204	6,495,427	
24	TOTAL Other Operating Revenues	23,382,983	23,707,428	
25	TOTAL Gas Operating Revenues	746,493,451	707,356,928	
26	(Less) 496 Provision for Rate Refunds			
27	TOTAL Gas Operating Revenues Net of Provision for refund	746,493,451	707,356,928	
28	Dist. Type Sales by State (Incl. Main Line Sales to Resid. and Comm. Custrs.)	723,110,468	683,649,500	
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)			
30	Sales for Resale			
31	Other Sales to Pub. Auth. (Local Dist. Only)			
32	Interdepartmental Sales			
33	TOTAL (Same as Line 10, Columns (b) and (d))	723,110,468	683,649,500	

Name of Respondent	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report	
Northwest Natural Gas Company	(1) X An Original (2) A Resubmission		Dec. 31, 2011	
GAS OPERATING REVENUES (Account 400) (Continued)				
explain any inconsistencies in a footnote. 6. Commercial and Industrial Sales, Account 481, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 2000, Mcf per year or approximately 800 Mcf		per day of normal requirements. (See Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.) 7. See page 108, Important Changes During Year, for important new territory added and important rate increases or decreases.		
DTHS OF GAS SOLD		AVG. NO. OF NAT. GAS CUSTOMERS PER MO.		Line No.
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
				1
37,689,609	33,420,305	548,866	544,247	2
			56,961	3
				4
23,517,940	21,231,858	57,246	56,961	5
9,003,704	8,826,763	876	864	6
				7
70,211,253	63,478,926	606,988	602,072	8
				9
70,211,253	63,478,926	606,988	602,072	10
				11
				12
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				15
				16
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				26
70,211,253				27
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				31
				32
70,211,253				33

Name of Respondent Northwest Natural Gas Company		This Report is: X An Original A Resubmission		Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
STATE OF OREGON - INTERDEPARTMENTAL SALES - NATURAL GAS (Account 484)					
Report particulars concerning sales of natural gas included in Account 484					
LINE NO.	DEPARTMENT AND BASIS OF CHARGES (a)	POINT OF DELIVERY (b)	MCF (14.73 psia at 60° F) (c)	REVENUE (d)	
NOT APPLICABLE					
RENT FROM GAS PROPERTY AND INTERDEPARTMENTAL RENTS (Accounts 493, 494)					
<ol style="list-style-type: none"> Report particulars concerning rents received, included in Accounts 493 and 494. Minor rents may be entered at the total amount for each class of such rents. If rents are included which were arrived at under an arrangement for apportioning expenses of a joint facility, whereby the amount included in this account represents profit or return on property, depreciation, and taxes, give particulars and the basis of apportionment of such charges to Account 493 or 494. Provide a subheading and total for each account. 					
Line No.	NAME OF LESSEE OR DEPARTMENT (Designate associated companies) (a)	DESCRIPTION OF PROPERTY (b)	AMOUNT OF REVENUE FOR YEAR		
			NATURAL GAS PROPERTY (c)	MANUFACTURED GAS PROPERTY (d)	
ACCOUNT 493 - RENT FROM GAS PROPERTY					
	1. Koppers Co. Inc.	Facilities, equip., gasco plant Communication	161,731.92	98,383.08	
	2. Other				
		Totals	161,731.92	98,383.08	

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES If the amount for previous year is not derived from previously reported figures, explain in footnotes.				
Line No.	Account (a)	Current Year (b)	Previous Year (c)	
1	1. PRODUCTION EXPENSES			
2	A. Manufactured Gas Production			
3	Manufactured Gas Production (Submit Supplemental Statement)			
4	B. Natural Gas Production			
5	B1. Natural Gas Production and Gathering			
6	Operation			
7	750 Operation Supervision and Engineering			
8	751 Production Maps and Records			
9	752 Gas Wells Expenses			
10	753 Field Lines Expenses			
11	754 Field Compressor Station Expenses			
12	755 Field Compressor Station Fuel and Power			
13	756 Field Measuring and Regulating Station Expenses			
14	757 Purification Expenses	INFORMATION NOT AVAILABLE		
15	758 Gas Well Royalties			
16	759 Other Expenses			
17	760 Rents			
18	TOTAL Operation (Total of lines 7 thru 17)			
19	Maintenance			
20	761 Maintenance Supervision and Engineering			
21	762 Maintenance of Structures and Improvements			
22	763 Maintenance of Producing Gas Wells			
23	764 Maintenance of Field Lines			
24	765 Maintenance of Field Compressor Station Equipment			
25	766 Maintenance of Field Meas. and Reg. Station Equipment			
26	767 Maintenance of Purification Equipment			
27	768 Maintenance of Drilling and Cleaning Equipment			
28	769 Maintenance of Other Equipment			
29	TOTAL Maintenance (Total of lines 20 thru 28)			
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)			
31	B2. Products Extraction			
32	Operation			
33	770 Operation Supervision and Engineering			
34	771 Operation Labor			
35	772 Gas Shrinkage			
36	773 Fuel			
37	774 Power			
38	775 Materials			
39	776 Operation Supplies and expenses			
40	777 Gas Processed by Others			
41	778 Royalties on Products Extracted			
42	779 Marketing expenses			
43	780 Products Purchased for Resale			
44	781 Variation in Products Inventory			
45	(Less) 782 Extracted Products Used by the Utility-Credit			
46	783 Rents			
47	Total Operation (Total of Lines 33 thru 46)			

Name of Respondent		This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011
STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Account (a)	Current Year (b)	Previous Year (c)	
1	A. Manufactured Gas Production Detail			
2				
3				
4				
5				
6				
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9	INFORMATION NOT AVAILABLE			
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Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Account (a)	Current Year (b)	Previous Year (c)	
31	B2. Products Extraction (Con't)			
32	Operation			
48	Maintenance			
49	784 Maintenance Supervision and Engineering			
50	785 Maintenance of Structures and Improvements			
51	786 Maintenance of Extraction and Refining Equipment			
52	787 Maintenance of Pipe Lines			
53	788 Maintenance of Extracted Products Storage Equipment			
54	789 Maintenance of Compressor Equipment			
55	790 Maintenance of Gas Measuring and Regulating Equipment			
56	791 Maintenance of Other Equipment			
57	TOTAL Maintenance (Total of lines 49 thru 56)			
58	TOTAL Products Extraction (Total of lines 47 and 57)			
59	C. Exploration and Development			
60	Operation			
61	795 Delay Rentals			
62	796 Nonproductive Well Drilling			
63	797 Abandoned Leases			
64	798 Other Exploration			
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	INFORMATION NOT AVAILABLE		
	D. Other Gas Supply Expenses			
66	Operation			
67	800 Natural Gas Well Head Purchases			
68	800.1 Natural Gas Well Head Purchases, Intracompany Transfers			
69	801 Natural Gas Field Line Purchases			
70	802 Natural Gas Gasoline Plant Outlet Purchases			
71	803 Natural Gas Transmission Line Purchases			
72	804 Natural Gas City Gate Purchases			
73	804.1 Liquefied Natural Gas Purchases			
74	805 Other Gas Purchases			
75	(Less) 805.1 Purchase Gas Cost Adjustments			
76	805.2 Incremental Gas Cost Adjustments			
77	TOTAL Purchased Gas (Total of Lines 67 thru 76)			
78	806 Exchange Gas			
79	Purchased Gas Expense			
80	807.1 Well Expense-Purchased Gas			
81	807.2 Operation of Purchased Gas Measuring Stations			
82	807.3 Maintenance of Purchased Gas Measuring Stations			
83	807.4 Purchased Gas Calculations Expense			
84	807.5 Other Purchased Gas Expenses			
85	TOTAL Purchased Gas Expense (Total of lines 80 thru 84)			
86	808.1 Gas Withdrawn from Storage-Debit			
87	(Less) 808.2 Gas Delivered to Storage-Credit			
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit			
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit			
90	(Less) Gas used in Utility Operation-Credit			
91	810 Gas Used for Compressor Station Fuel-Credit			
92	811 Gas Used for Products Extraction-Credit			
93	812 Gas Used for Other Utility Operations-Credit			
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)			
95	813 Other Gas Supply Expenses			
96	TOTAL Other Gas Supply Exp. (Total of lines 77, 78, 85, 86 thru 89, 94, 95)			
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)			

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Account (a)	Current Year (b)	Previous Year (c)	
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering			
102	815 Maps and Records			
103	816 Well Expenses			
104	817 Lines Expenses			
105	818 Compressor Station Fuel and Power			
106	819 Compressor Station Fuel and Power			
107	820 Measuring and Regulating Station Expenses			
108	821 Purification Expenses			
109	822 Exploration and Development			
110	823 Gas Losses			
111	824 Other Expenses			
112	825 Storage Well Royalties			
113	826 Rents			
114	TOTAL Operation (Total of lines of 101 thru 113)			
115	Maintenance			
116	830 Maintenance Supervision and Engineering			
117	831 Maintenance of Structures and Improvements	INFORMATION NOT AVAILABLE		
118	832 Maintenance of Reservoirs and Wells			
119	833 Maintenance of Lines			
120	834 Maintenance of Compressor Station Equipment			
121	835 Maintenance of Measuring and Regulating Station Equipment			
122	836 Maintenance of Purification Equipment			
123	837 Maintenance of Other Equipment			
124	TOTAL Maintenance (Total of lines 116 thru 123)			
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)			
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering			
129	841 Operation Labor and Expenses			
130	842 Rents			
131	842.1 Fuel			
132	842.2 Power			
133	842.3 Gas Losses			
134	TOTAL Operation (Total of lines 128 thru 133)			
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering			
137	843.2 Maintenance of Structures and Improvements			
138	843.3 Maintenance of Gas Holders			
139	843.4 Maintenance of Purification Equipment			
140	843.5 Maintenance of Liquefaction Equipment			
141	843.6 Maintenance of Vaporizing Equipment			
142	843.7 Maintenance of Compressor Equipment			
143	843.8 Maintenance of Measuring and Regulating Equipment			
144	843.9 Maintenance of Other Equipment			
145	TOTAL Maintenance (Total of lines 136 thru 144)			
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)			

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Account (a)	Current Year (b)	Previous Year (c)	
147	C. Liquefied Natural Gas Terminaling and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering			
150	844.2 LNG Processing Terminal Labor and Expenses			
151	844.3 Liquefaction Processing Labor and Expenses			
152	844.4 Liquefaction Transportation Labor and Expenses			
153	844.5 Measuring and Regulating Labor and Expenses			
154	844.6 Compressor Station Labor and Expenses			
155	844.7 Communication system Expenses			
156	844.8 System Control and Load Dispatching			
157	845.1 Fuel			
158	845.2 Power			
159	845.3 Rents			
160	(Less) 845.4 Demurrage Charges			
161	845.5 Wharfage Receipts-Credit			
162	845.6 Processing Liquefied of Vaporized Gas by Others			
163	846.1 Gas Losses			
164	846.2 Other Expenses			
165	TOTAL Operation (Total of lines 149 thru 164)			
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering	INFORMATION NOT AVAILABLE		
168	847.2 Maintenance of Structures and Improvements			
169	847.3 Maintenance of LNG Processing Terminal Equipment			
170	847.4 Maintenance of LNG Transportation Equipment			
171	847.5 Maintenance of Measuring and Regulating Equipment			
172	847.6 Maintenance of Compressor Station Equipment			
173	847.7 Maintenance of Communication Equipment			
174	847.8 Maintenance of Other Equipment			
175	TOTAL Maintenance (Total of lines 167 thru 174)			
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 & 175)			
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)			
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering			
181	851 System Control and Load Dispatching			
182	852 Communication system Expenses			
183	853 Compressor Station Labor and Expenses			
184	854 Gas for Compressor Station Fuel			
185	855 Other Fuel and Power for Compressor Stations			
186	856 Mains Expenses			
187	857 Measuring and Regulating Station Expenses			
188	858 Transmission and Compression of Gas by Others			
189	859 Other Expenses			
190	860 Rents			
191	TOTAL Operations (Total of lines 180 thru 190)			
192	Maintenance			
193	861 Maintenance Supervision and Engineering			
194	862 Maintenance of Structures and Improvements			
195	863 Maintenance of Mains			
196	864 Maintenance of Compressor Station Equipment			
197	865 Maintenance of Measuring and Regulating Station Equipment			
198	866 Maintenance of Communication Equipment			
199	867 Maintenance of Other Equipment			

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Account (a)	Current Year (b)	Previous Year (c)	
200	TOTAL Maintenance (Total of lines 193 thru 199)			
201	TOTAL Transmission Expenses (Total of lines 191 and 200)			
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering			
205	871 Distribution Load Dispatching			
206	872 Compressor Station Labor and Expenses			
207	873 Compressor Station Fuel and Power			
208	874 Mains and Services Expenses			
209	875 Measuring and Regulating Station Expenses-General			
210	876 Measuring and Regulating Station Expenses-Industrial			
211	877 Measuring and Regulating Station Expenses-City Gas Check Station			
212	878 Meter and House Regulator Expenses			
213	879 Customer Installations Expenses			
214	880 Other Expenses			
215	881 Rents			
216	TOTAL Operations (Total of lines 204 thru 215)			
217	Maintenance			
218	885 Maintenance Supervision and Engineering			
219	886 Maintenance of Structures and Improvements			
220	887 Maintenance of Mains		INFORMATION NOT AVAILABLE	
221	888 Maintenance of Compressor Station Equipment			
222	889 Maintenance of Measuring & Regulating Station Equipment-General			
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial			
224	891 Maintenance of Meas & Reg Station Equip-City Gate Check Station			
225	892 Maintenance of Services			
226	893 Maintenance of Meters and House Regulators			
227	894 Maintenance of Other Equipment			
228	TOTAL Maintenance (Total of lines 218 thru 227)			
229	TOTAL Distribution Expenses (Total of lines 216 and 228)			
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision			
233	902 Meter Reading Expenses			
234	903 Customer Records and Collection Expenses			
235	904 Uncollectible Accounts			
236	905 Miscellaneous Customer Accounts Expenses			
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)			
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSE			
239	Operation			
240	907 Supervision			
241	908 Customer Assistance Expense			
242	909 Informational and Instructional Expenses			
243	910 Miscellaneous Customer Service and Informational Expenses			
244	TOTAL Customer Service & Information Expenses (Total of lines 240 thru 243)			
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision			
248	912 Demonstration and Selling Expenses			

Name of Respondent		This Report is:		Date of Report		Year of Report	
Northwest Natural Gas Company		X An Original A Resubmission		(Mo, Da, Yr)		Dec. 31, 2011	
STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES							
Line No.	Account (a)			Current Year (b)		Previous Year (c)	
249	913	Advertising Expenses					
250	916	Miscellaneous Sales Expenses					
251	TOTAL Sales Expenses (Total of lines 247 thru 250)						
252	8. ADMINISTRATIVE AND GENERAL EXPENSES						
253	Operation						
254	920	Administrative and General Salaries					
255	921	Office Supplies and Expenses		INFORMATION NOT AVAILABLE			
256	922	Administrative Expenses Transferred - Credit					
257	923	Outside Services Employed					
258	924	Property Insurance					
259	925	Injuries and Damages					
260	926	Employee Pensions and Benefits					
261	927	Franchise Requirements					
262	928	Regulatory Commission Expenses					
263	929	Duplicate Charges - Credit					
264	930.1	General Advertising Expenses					
265	930.2	Miscellaneous General Expenses					
266	931	Rents					
267	TOTAL Operation (Total of lines 254 thru 266)						
268	Maintenance						
269	935	Maintenance of General Plant					
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)						
271	TOTAL Gas O & M Expenses (Total of lines 97,177,201,229,237,244,251,and 270)						

STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES					
LINE NO.	FUNCTIONAL CLASSIFICATIONS (a)		OPERATION (b)	MAINTENANCE (c)	TOTAL (d)
272	Production				
273	Manufactured Gas				
274	Natural gas:				
275	Production and Gathering				
276	Products Extraction				
277	Exploration and Dev.				
278	TOTAL Natural Gas				
279	Other Gas Supply Expenses				
280	TOTAL Production			INFORMATION NOT AVAILABLE	
281	Underground Storage				
282	Other Storage				
283	LNG Terminaling and Processing				
284	Transmission Expenses				
285	Distribution Expenses				
286	Customer Accounts Expenses				
287	Customer Service and Informational Expenses				
288	Sales Expenses				
289	Adm. And General Expenses				
290	TOTAL Gas O. & M. Expenses				

Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	(1) X An Original (2) A Resubmission	(Mo, Day, Yr)	Dec. 31, 2011

STATE OF OREGON - ALLOCATED

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION

Line No.	FUNCTIONAL CLASSIFICATION (a)	DEPRECIATION EXPENSE (ACCOUNT 403) (b)	AMORTIZATION & DEPLETION OF PRODUCING NATURAL GAS LAND & LAND RIGHTS (ACCOUNT 404.1) (c)	AMORTIZATION OF UNDERGROUND STORAGE LAND & LAND RIGHTS (ACCOUNT 404.2) (d)	AMORTIZATION OF OTHER LIMITED-TERM GAS PLANT (ACCOUNT 404.3) (e)	AMORTIZATION OF OTHER GAS PLANT (ACCOUNT 405) (f)	TOTAL (g)
1	Intangible Plant						
2	Production Plant, Manufactured Gas						
3	Production and Gathering Plant, Natural Gas						
4	Products Extraction Plant						
5	Underground Gas Storage Plant						
6	Other Storage Plant						
7	Base Load LNG Terminaling and Processing Plant						
8	Transmission Plant	INFORMATION NOT AVAILABLE					
9	Distribution Plant						
10	General Plant						
11	Common Plant - Gas						
12							
13							
14							
15							
16							
17							
18							
19	TOTAL						

Name of Respondent Northwest Natural Gas Company		This Report is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
STATE OF OREGON - ALLOCATED TAXES, OTHER THAN INCOME TAXES (Account 408.1)				
Line No.	KIND OF TAX (a)			AMOUNT (b)
	SEE FERC ANNUAL REPORT			
	TOTAL (Must agree with page 1, line 11)			

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
STATE OF OREGON - ALLOCATED CALCULATION OF CURRENT FEDERAL INCOME TAX EXPENSE (Account 409.1)				
<p>1. Report amounts used to derive current Federal income tax expense, Account 409.1, for the reporting period. If amounts are shown in thousands, show (000) in the heading for column (b).</p> <p>2. Show amounts increasing taxable income as positive values and amounts decreasing taxable income as negative.</p> <p>3. Current tax expense on this schedule must match the amount reported on page 1, line 12 of this report. Separately identify adjustments arising from revisions of prior year accruals.</p> <p>4. Minor amounts of other additions (subtractions) may be grouped.</p>				
Line No.	PARTICULARS (Details) (a)			AMOUNT (b)
1	Gas Operating Revenues			
2	Operations and Maintenance Expenses			
3	Taxes, Other than Income			
4	State Income (Excise) Tax			
5	Interest			
6	Federal Income Tax Depreciation			
7	Other Additions (Subtractions) to Derive Taxable Income			
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27	Federal Tax Net Income			
28	Show Computation of Tax: SEE FERC ANNUAL REPORT PAGE 261 A-1 and 261 B-2			

Name of Respondent		This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011
STATE OF OREGON - ALLOCATED CALCULATION OF CURRENT STATE INCOME (EXCISE) TAX EXPENSE (Account 409.1)				
1. Report amounts used to derive current STATE income (EXCISE) tax expense, Account 409.1, for the reporting period. If amounts are shown in thousands, show (000) in the heading for column (b).				
2. Show amounts increasing taxable income as positive values and amounts decreasing taxable income as negative.				
3. Current tax expense on this schedule must match the amount reported on page 1, line 13 of this report. Separately identify adjustments arising from revisions of prior year accruals.				
4. Minor amounts of other additions (subtractions) may be grouped.				
Line No.	PARTICULARS (Details)			AMOUNT
	(a)			(b)
1	Gas Operating Revenues			
2	Operations and Maintenance Expenses			
3	Taxes, Other than Income			
4	Interest			
5	State Income (Excise) Tax Depreciation			
6	Other Additions (Subtractions) to Derive Taxable Income			
7				
8				
9				
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11				
12				
13				
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21				
22				
23				
24				
25				
26	State Tax Net Income			
27	Show Computation of Tax: SEE FERC ANNUAL REPORT PAGE 262-C			

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. In the space provided:
(a) identify, by amount and classification, significant items for which deferred taxes are being provided.

Line No.	ACCOUNT SUBDIVISIONS (a)	BALANCE BEGINNING OF YEAR (b)	CHANGES DURING YEAR	
			AMOUNTS DEBITED ACCOUNT 410.1 (c)	AMOUNTS CREDITED ACCOUNT 411.1 (d)
1	Electric			
2				
3				
4				
5				
6				
7	Other			
8	TOTAL ELECTRIC			
9	Gas			
10				
11				
12				
13				
14				
15	Other			
16	TOTAL GAS			
17	Other (Specify)			
18	TOTAL (ACCOUNT 190)			
19	Classification of Totals			
20	Federal Income Tax			
21	State Income Tax			
22	Local Income Tax			

NOT APPLICABLE

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
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STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Con't)

(b) Indicate insignificant amounts under OTHER.

- 3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.
- 4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				BALANCE END OF YEAR (k)	Line No.
AMOUNTS DEBITED ACCOUNT 410.2 (e)	AMOUNTS CREDITED ACCOUNT 411.2 (f)	DEBITS		CREDITS			
		ACCT. NO. (g)	AMOUNT (h)	ACCT. NO. (i)	AMOUNT (j)		
							1
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							22

NOT APPLICABLE

Name of Respondent	This Report is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company			Dec. 31, 2011

STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amortizable property.
2. In the space provided furnish explanations, including the following in clumnar order:

(a) State each certification number with a brief description of property	(c) Date amortization for tax purposes commenced.
(b) Total and amortizable cost of such property.	(d) "Normal" depreciation rate used in computing the deferred tax.

Line No.	ACCOUNT (a)	BALANCE BEGINNING OF YEAR (b)	CHANGES DURING YEAR	
			AMOUNTS DEBITED ACCOUNT 410.1 (c)	AMOUNTS CREDITED ACCOUNT 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities			
5	Other			
6				
7				
8	TOTAL Electric (Total of lines 3 thru 7)			
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12	Other			
13				
14				
15	TOTAL Gas (Total of lines 10 thru 14)			
16	Gas (Specify)			
17	TOTAL (Acct 281) Total of 8, 15 & 16)			
18	Classification of TOTAL			
19	Federal Income Tax			
20	State Income Tax			
21	Local Income Tax			

NOT APPLICABLE

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
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STATE OF OREGON - ALLOCATED ACCELERATED AMORTIZATION PROPERTY (Account 281) (Con't)

(e) Tax rate used originally defer amounts and the tax rate used during the current year to amortize previous deferrals.

3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.
4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				BALANCE END OF YEAR (k)	Line No.
AMOUNTS DEBITED ACCOUNT 410.2 (e)	AMOUNTS CREDITED ACCOUNT 411.2 (f)	DEBITS		CREDITS			
		ACCT. NO. (g)	AMOUNT (h)	ACCT. NO. (i)	AMOUNT (j)		
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							21

NOT APPLICABLE

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
2. In the space provided furnish explanations, including the following in columnar order:
 - (a) State the general method or methods of liberalized depreciation being used (sem-of-year digits, declining balance, etc.
 - (b) Estimated lives (i.e. useful life, guideline life, guideline class life, etc.)
 - (c) Classes of plant to which each method is being applied and date method was adopted.

Line No.	ACCOUNT SUBDIVISIONS (a)	BALANCE BEGINNING OF YEAR (b)	CHANGES DURING YEAR	
			AMOUNTS DEBITED ACCOUNT 410.1 (c)	AMOUNTS CREDITED ACCOUNT 411.1 (d)
1	Account 282			
2	Electric			
3	Gas			
4	Other			
5	TOTAL (Total of lines 2 thru 4)			
6	Other (Specify)			
7				
8				
9	TOTAL (Acct 282) (Total of 5 thru 8)			
10	Classification of TOTAL			
11	Federal Income Tax			
12	State Income Tax			
13	Local Income Tax			

NOT APPLICABLE

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
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STATE OF OREGON - ALLOCATED OTHER PROPERTY (Account 282) (Con't)

3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.
4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				BALANCE END OF YEAR (k)	Line No.
AMOUNTS DEBITED ACCOUNT 410.2 (e)	AMOUNTS CREDITED ACCOUNT 411.2 (f)	DEBITS		CREDITS			
		ACCT. NO. (g)	AMOUNT (h)	ACCT. NO. (i)	AMOUNT (j)		
							1
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							11
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NOT APPLICABLE

Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

- Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
- In the space provided below include amounts relating to insignificant items under Other.

Line No.	ACCOUNT SUBDIVISIONS (a)	BALANCE BEGINNING OF YEAR (b)	CHANGES DURING YEAR	
			AMOUNTS DEBITED ACCOUNT 410.1 (c)	AMOUNTS CREDITED ACCOUNT 411.1 (d)
1	Account 283			
2	Electric			
3				
4				
5				
6				
7				
8	Other			
9	TOTAL Electric (Total of 2 thru 8)			
10	Gas			
11				
12				
13				
14				
15				
16	Other			
17	TOTAL Gas (Total of lines 10 thru 16)			
18	Other (Specify)			
19	TOTAL (Acct 283) (Total of 9, 17, & 18)			
20	Classification of TOTAL			
21	Federal Income Tax			
22	State Income Tax			
23	Local Income Tax			

SEE FERC ANNUAL REPORT
PAGE 276

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
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STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Con't)

- 3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.
- 4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				BALANCE END OF YEAR (k)	Line No.
AMOUNTS DEBITED ACCOUNT 410.2 (e)	AMOUNTS CREDITED ACCOUNT 411.2 (f)	DEBITS		CREDITS			
		ACCT. NO. (g)	AMOUNT (h)	ACCT. NO. (i)	AMOUNT (j)		
							1
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SEE FERC ANNUAL REPORT
PAGE 277

Name of Respondent Northwest Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATE OF OREGON - ALLOCATED ACCUMULATED DEFERED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Explain by footnote any correction to the account balance shown in column (g). Include in column (l) the average period over which the tax credits are amortized.

Line No.	ACCOUNT (a)	BALANCE AT BEGINNING OF YEAR (b)	DEFERRED FOR YEAR		ALLOCATION TO CURRENT YEAR'S INCOME		ADJUSTMENTS (g)	BALANCE AT END OF YEAR (h)
			ACCOUNT NO. (c)	AMOUNT (d)	ACCOUNT NO. (e)	AMOUNT (f)		
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13	INFORMATION NOT AVAILABLE							
14								
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24								
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28								
29								
30								

Name of Respondent Northwest Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report
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STATE OF OREGON - ALLOCATED ACCUMULATED DEFERED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Explain by footnote any correction to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	ACCOUNT (a)	BALANCE AT BEGINNING OF YEAR (b)	DEFERRED FOR YEAR		ALLOCATION TO CURRENT YEAR'S INCOME		ADJUSTMENTS (g)	BALANCE AT END OF YEAR (h)
			ACCOUNT NO. (c)	AMOUNT (d)	ACCOUNT NO. (e)	AMOUNT (f)		
1	Gas Utility							
2	3%							
3	4%							
4	7%							
5	10%							
6	TOTAL							
7	Other (List separately and show							
8	3%, 4%, 7% , 10% and TOTAL							
9								
10								
11								
12								
13	INFORMATION NOT AVAILABLE							
14								
15								
16								
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28								
29								
30								

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report			
Northwest Natural Gas Company		(1) X An Original (2) A Resubmission		Dec. 31, 2011			
STATE OF OREGON - SITUS UTILITY PLANT							
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION							
Line No.	Item	Total	Electric	Gas	Other (Specify)	Other (Specify)	Common
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	UTILITY PLANT						
2	In Service						
3	Plant in Service (Classified)	1,876,052,213		1,876,052,213			
4	Property Under Capital Leases						
5	Plant Purchased or Sold						
6	Completed Construction not Classified	235,877,899		235,877,899			
7	Experimental Plant Unclassified						
8	TOTAL (Enter total of lines 3 thru 7)	2,111,930,112		2,111,930,112			
9	Leased to Others						
10	Held for Future Use	264,641		264,641			
11	Construction Work in Progress	34,717,118		34,717,118			
12	Acquisition Adjustments						
13	TOTAL Utility Plant (Enter total of lines 8 thru 12)	2,146,911,871		2,146,911,871			
14	Accum. Prov. for Depr., Amort., & Depl.	937,658,820		937,658,820			
15	Net Utility Plant (Line 13 less 14)	1,209,253,051		1,209,253,051			
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION						
17	In Service:						
18	Depreciation	873,832,217		873,832,217			
19	Amort. and Depl. of Producing Natural Gas Land and Land Rights						
20	Amort. of Underground Storage Land and Land Rights	18,040		18,040			
21	Amort. of Other Utility Plant	73,833,811		73,833,811			
22	Salvage Work In Progress	0		0			
23	Less Removal Work in Progress	10,025,248		10,025,248			
24	TOTAL in Service (Lines 18 thru 21)	937,658,820		937,658,820			
25	Leased to Others						
26	Depreciation						
27	Amortization and Depletion						
28	TOTAL Leased to Others (Lines 24 and 25)						
29	Held for Future Use						
30	Depreciation						
31	Amortization						
32	TOTAL Held for Future Use (Lines 28 and 29)						
33	Abandonment of Leases (Natural Gas)						
34	Amort. of Plant Acquisition Adjustment						
35	TOTAL Accumulated Provisions (Should agree with line 14 above) (Lines 22, 26, 30, 31, and 32)	937,658,820		937,658,820			

ACCOUNT SUMMARY BY FUNTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
UTILITY						
Intangible Plant						
301 ORGANIZATION	\$852	\$0	\$0	\$0	\$0	\$852
302 FRANCHISES & CONSENTS	83,496	0	0	0	0	83,496
303.1 COMPUTER SOFTWARE	47,684,904	6,397,233	0	0	0	54,082,137
303.2 CUSTOMER INFORMATION SYSTEM	29,340,118	231,622	0	0	0	29,571,739
303.3 INDUSTRIAL & COMMERCIAL BIL	4,146,951	0	0	0	0	4,146,951
303.4 CRMS	1,401,734	0	0	0	0	1,401,734
303.5 POWERPLANT SOFTWARE	0	0	0	0	0	0
Intangible Plant Subtotal	82,658,056	6,628,854	0	0	0	89,286,910
Production Plant - Oil Gas						
304.1 LAND	24,998	0	0	0	0	24,998
305.2 P P O G STRU & IMPR-SEWER S	0	0	0	0	0	0
305.5 P P O G STRU & IMPR-OTHER Y	13,156	0	0	0	0	13,156
312.3 P P O G FUEL HANDLING AND S	0	0	0	0	0	0
318.3 P P O G LIGHT OIL REFINING	144,896	0	0	0	0	144,896
318.5 P P O G TAR PROCESSING	243,551	0	0	0	0	243,551
325 NATURAL GAS PROD AND GATHER	0	0	0	0	0	0
327 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
328 NATURAL GAS PROD AND GATHER	0	0	0	0	0	0
331 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
332 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
333 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
334 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
Production Plant - Oil Gas Subtotal	426,601	0	0	0	0	426,601
Production Plant - Other						
305.11 GAS PRODUCTION - COTTAGE G	8,320	0	0	0	0	8,320
305.17 STRUCTURES MIXING STATION	46,587	0	0	0	0	46,587
311 P P OTHER-LIQUEFIED PETROLE	0	0	0	0	0	0
311.4 P P OTHER-L P G GRANGER	0	0	0	0	0	0
311.7 LIQUIFIED GAS EQUIPMENT COO	4,033	0	0	0	0	4,033
311.8 LIQUIFIED GAS EQUIPMENT LIN	4,209	0	0	0	0	4,209
319 GAS MIXING EQUIPMENT GASCO	185,448	0	0	0	0	185,448
Production Plant - Other Subtotal	248,597	0	0	0	0	248,597

ACCOUNT SUMMARY BY FUNTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
UTILITY						
Natural Gas Underground Storage						
350.1 LAND	106,549	0	0	0	0	106,549
350.2 RIGHTS-OF-WAY	109,625	0	0	0	0	109,625
351 STRUCTURES AND IMPROVEMENTS	6,555,425	0	0	0	0	6,555,425
352 WELLS	20,047,076	0	0	0	0	20,047,076
352.1 STORAGE LEASEHOLD & RIGHTS	3,538,491	0	0	0	0	3,538,491
352.2 RESERVOIRS	4,654,246	0	0	476,149	0	5,130,395
352.3 NON-RECOVERABLE NATURAL GAS	6,440,890	0	0	0	0	6,440,890
353 LINES	6,552,220	0	0	0	0	6,552,220
354 COMPRESSOR STATION EQUIPMENT	27,431,454	0	0	526,206	0	27,957,660
355 MEASURING / REGULATING EQUIPM	6,318,797	0	0	152,838	0	6,471,635
356 PURIFICATION EQUIPMENT	297,363	0	0	0	0	297,363
357 OTHER EQUIPMENT	1,331,924	0	0	0	0	1,331,924
Natural Gas Underground Storage Subtotal	83,384,061	0	0	1,155,193	0	84,539,254
Local Storage Plant						
360.11 LAND - LNG LINNTON	83,598	0	0	0	0	83,598
360.12 LAND - LNG NEWPORT	536,675	0	0	0	0	536,675
360.2 LAND - OTHER	128,860	0	0	0	0	128,860
361.11 STRUCTURES & IMPROVEMENTS	4,247,918	221,065	0	0	0	4,468,983
361.12 STRUCTURES & IMPROVEMENTS	4,511,163	60,720	0	0	0	4,571,883
361.2 STRUCTURES & IMPROVEMENTS -	26,757	0	0	0	0	26,757
362.11 GAS HOLDERS - LNG LINNTON	2,690,579	0	0	0	0	2,690,579
362.12 GAS HOLDERS - LNG NEWPORT	5,791,956	0	0	0	0	5,791,956
362.2 GAS HOLDERS - LNG OTHER	1,600	0	0	0	0	1,600
363.11 LIQUEFACTION EQUIP. - LINN	2,848,702	0	0	0	0	2,848,702
363.12 LIQUEFACTION EQUIP - NEWPO	6,951,260	0	0	0	0	6,951,260
363.21 VAPORIZING EQUIP - LINNTON	2,629,836	0	0	0	0	2,629,836
363.22 VAPORIZING EQUIP - NEWPORT	2,481,000	1,113,015	0	0	0	3,594,015
363.31 COMPRESSOR EQUIP - LINNTON	180,903	0	0	0	0	180,903
363.32 COMPRESSOR EQUIPMENT - NE	300,951	0	0	0	0	300,951
363.41 MEASURING & REGULATING EQU	737,149	0	0	0	0	737,149
363.42 MEASURING & REGULATING EQU	113,414	0	0	0	0	113,414
363.5 CNG REFUELING FACILITIES	1,828,161	0	0	0	0	1,828,161
363.6 LNG REFUELING FACILITIES	739,473	0	0	0	0	739,473
Local Storage Plant Subtotal	36,829,956	1,394,799	0	0	0	38,224,755

ACCOUNT SUMMARY BY FUNTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
 Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
UTILITY						
Transmission Plant						
365.1 LAND	89,772	0	0	0	0	89,772
365.2 LAND RIGHTS	6,455,177	0	0	0	0	6,455,177
366.3 STRUCTURES & IMPROVEMENTS -	1,041,984	0	0	0	0	1,041,984
367 MAINS	33,319,352	8,504,237	0	0	0	41,823,589
367.21 NORTH MIST TRANSMISSION LI	1,563,157	430,717	0	0	0	1,993,874
367.22 SOUTH MIST TRANSMISSION LI	14,949,264	0	0	0	0	14,949,264
367.23 SOUTH MIST TRANSMISSION LI	34,007,331	0	0	0	0	34,007,331
367.24 11.7M S MIST TRANS LINE	17,466,182	0	0	0	0	17,466,182
367.25 12M NORTH S MIST TRANS	18,530,259	0	0	0	0	18,530,259
367.26 38M NORTH S MIST TRANS	68,232,676	0	0	0	0	68,232,676
368 TRANSMISSION COMPRESSOR	0	0	0	0	0	0
369 MEASURING & REGULATE STATION	3,661,168	0	0	0	0	3,661,168
370 COMMUNICATION EQUIPMENT	0	0	0	0	0	0
Transmission Plant Subtotal	199,316,321	8,934,954	0	0	0	208,251,276
Distribution Plant						
374.1 LAND	76,386	0	0	0	0	76,386
374.2 LAND RIGHTS	1,811,970	3,992	0	0	0	1,815,962
375 STRUCTURES & IMPROVEMENTS	49,372	0	0	0	0	49,372
376.11 MAINS < 4"	423,578,722	10,499,938	(308,912)	0	0	433,769,749
376.12 MAINS 4" & >	383,231,698	13,203,433	(752,282)	0	0	395,682,849
377 COMPRESSOR STATION EQUIPMENT	818,380	0	0	0	0	818,380
378 MEASURING & REG EQUIP - GENER	20,709,022	1,269,726	0	0	0	21,978,747
379 MEASURING & REG EQUIP - GATE	1,146,579	59,272	0	0	0	1,205,851
380 SERVICES	547,084,439	16,938,130	(474,164)	0	0	563,548,406
381 METERS	62,093,111	2,287,028	(366,466)	0	0	64,013,673
381.1 METERS (ELECTRONIC)	507,007	0	0	0	0	507,007
381.2 ERT (ENCODER RECEIVER TRANS	29,169,859	481,450	(249,277)	0	0	29,402,032
382 METER INSTALLATIONS	53,816,582	2,180,118	(1,567,611)	0	0	54,429,088
382.1 METER INSTALLATIONS (ELECTR	518,377	0	0	0	0	518,377
382.2 ERT INSTALLATION (ENCODER	8,959,330	0	(49,911)	0	0	8,909,419
383 HOUSE REGULATORS	538,750	45,623	0	0	0	584,373
386 OTHER PROPERTY ON CUSTOMERS P	0	0	0	0	0	0
387.1 CATHODIC PROTECTION TESTING	138,950	15,533	0	0	0	154,483

ACCOUNT SUMMARY BY FUNTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
UTILITY						
387.2 CALORIMETERS @ GATE STATIONS	69,794	0	0	0	0	69,794
387.3 METER TESTING EQUIPMENT	72,671	0	0	0	0	72,671
Distribution Plant Subtotal	1,534,390,999	46,984,241	(3,768,622)	0	0	1,577,606,618
General Plant						
389 LAND	2,850,886	0	0	0	0	2,850,886
390 STRUCTURES & IMPROVEMENTS	23,556,183	3,228,664	0	0	0	26,784,847
391.1 OFFICE FURNITURE & EQUIPMEN	10,094,957	639,307	(132,475)	0	0	10,601,789
391.2 COMPUTERS	13,848,967	2,214,961	(238,295)	0	0	15,825,634
391.3 ON SITE BILLING	938,788	0	0	0	0	938,788
391.4 CUSTOMER INFORMATION SYSTEM	1,308,391	0	0	0	0	1,308,391
392 TRANSPORTATION EQUIPMENT	21,006,775	4,140,060	(2,232,500)	0	0	22,914,335
393 STORES EQUIPMENT	119,406	0	0	0	0	119,406
394 TOOLS - SHOP & GARAGE EQUIPUI	13,358,576	250,339	0	0	0	13,608,915
395 LABORATORY EQUIPMENT	68,293	0	0	0	0	68,293
396 POWER OPERATED EQUIPMENT	6,769,265	690,231	(490,429)	0	0	6,969,067
397 GEN PLANT-COMMUNICATION EQU	48,831	17,137	0	0	0	65,967
397.1 MOBILE	1,295,887	0	0	0	0	1,295,887
397.2 OTHER THAN MOBILE & TELEMET	1,759,910	0	0	0	0	1,759,910
397.3 TELEMETERING - OTHER	3,458,886	478,534	0	0	0	3,937,420
397.4 TELEMETERING - MICROWAVE	2,011,868	44,217	0	0	0	2,056,084
397.5 TELEPHONE EQUIPMENT	2,057,416	0	0	0	0	2,057,416
398 GEN PLANT-MISCELLANEOUS EQU	0	0	0	0	0	0
398.1 PRINT SHOP	83,249	0	0	0	0	83,249
398.2 KITCHEN EQUIPMENT	12,812	0	0	0	0	12,812
398.3 JANITORIAL EQUIPMENT	14,873	0	0	0	0	14,873
398.4 INSTALLED IN LEASED BUILDINGS	5,393	0	0	0	0	5,393
398.5 OTHER MISCELLANEOUS EQUIPMENT	66,739	0	0	0	0	66,739
General Plant Subtotal	104,736,351	11,703,450	(3,093,699)	0	0	113,346,102
Oregon Utility Property Grand Total	\$2,041,990,941	\$75,646,299	(\$6,862,321)	\$1,155,193	\$0	\$2,111,930,112

ACCOUNT SUMMARY BY FUNTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
Intangible Plant						
303.1 COMPUTER SOFTWARE	\$163,357	\$0	\$0	\$0	\$0	\$163,357
303.2 CUSTOMER INFORMATION SYSTEM	61,429	0	0	0	0	61,429
Non Utility Intangible Plant Subtotal	224,786	0	0	0	0	224,786
Natural Gas Underground Storage						
352 WELLS	16,792,086	0	0	0	0	16,792,086
352.1 STORAGE LEASEHOLD & RIGHTS	1,020	0	0	0	0	1,020
352.2 RESERVOIRS	6,162,308	0	0	(476,149)	0	5,686,159
353 LINES	1,649,744	0	0	0	0	1,649,744
354 COMPRESSOR STATION EQUIPMENT	14,759,826	929,501	0	(526,206)	0	15,163,121
355 MEASURING / REGULATING EQUIPM	8,656,907	367,961	0	(152,838)	0	8,872,031
357 OTHER EQUIPMENT	63,256	0	0	0	0	63,256
Non Utility Natural Gas Underground Storage Subtotal	48,085,147	1,297,463	0	(1,155,193)	0	48,227,416
Transmission Plant						
368 TRANSMISSION COMPRESSOR	7,723,454	0	0	0	0	7,723,454
Non Utility Transmission Plant Subtotal	7,723,454	0	0	0	0	7,723,454
Distribution Plant						
376.12 MAINS 4" & >	878,618	0	0	0	0	878,618
Non Utility Distribution Plant Subtotal	878,618	0	0	0	0	878,618
General Plant						
389 LAND	438,739	0	0	0	0	438,739
390 STRUCTURES & IMPROVEMENTS	111,719	0	0	0	0	111,719
Non Utility General Plant Subtotal	550,458	0	0	0	0	550,458
Non Utility Other						
121.1 NON-UTIL PROP-DOCK	1,956,033	0	0	0	0	1,956,033
121.2 NON-UTIL PROP-LAND	125,102	0	0	0	0	125,102
121.3 NON-UTIL PROP-OIL ST	2,607,096	0	0	0	0	2,607,096

ACCOUNT SUMMARY BY FUNTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
 Period Ending: Dec 2011

Functional Class	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
FERC Plant Account						
121.7 NON-UTIL PROP-APPL CENTER	61,113	0	0	0	0	61,113
121.8 NON-UTIL PROP-STORAGE	448,174	0	(64,025)	0	0	384,149
Non Utility Other	5,197,518	0	(64,025)	0	0	5,133,493
Oregon Non Utility Property Grand Total	\$62,659,981	\$1,297,463	(\$64,025)	(\$1,155,193)	\$0	\$62,738,226

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
STATE OF OREGON - SITUS GAS PLANT HELD FOR FUTURE USE (Account 105)				
1. Report separately each property held for future use at end of the year having an original cost of \$100,000 or more. Other items of property held for future use may be grouped provided that the number of properties so grouped is indicated.				
2. For property having an original cost of \$100,000 or more previously used in utility operations, now held for future use, give in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.				
Line No.	DESCRIPTION AND LOCATION OF PROPERTY (a)	DATE ORIGINALLY INCLUDED IN THIS ACCOUNT (b)	DATE EXPECTED TO BE USED IN UTILITY SERVICE (c)	BALANCE END OF YEAR (d)
1	Natural gas lands, leaseholds, and gas rights held for future utility use			
2				
3	Underground Storage	07/2009	12/2019	127,921
4	Easement	11/2011	12/2021	136,720
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39				
40	TOTALS			264,641

Name of Respondent		This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011
STATE OF OREGON - SITUS CONSTRUCTION WORK IN PROGRESS - GAS (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (Account 107) 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts). 3. Minor projects (less than \$1,000,000) may be grouped.				
Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)	
1	Misc Mains and Service Jobs	5,772,016	2,992,127	
2	Mist Underground Storage	6,938,578	225,000	
3	Other Projects:			
4	Misc IS Projects	3,733,299	750,000	
5	Transmission Integrity Aurora	1,302,910	600,000	
6	System Reinforcement Aurora to Brooks	5,589,139	252,000	
7	System Reinforcement Corvallis Reinforcement	4,567,174	13,224,000	
8	Bare Steel Perrydale to Corvallis	1,451,164	10,000	
9	Tools	1,071,084	48,000	
10	Other	4,291,754	793,531	
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45	Total	34,717,118	18,894,658	

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
 Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
Intangible Plant								
301 ORGANIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302 FRANCHISES & CONSENTS	0	0	0	0	0	0	0	0
303.1 COMPUTER SOFTWARE	25,968,170	1,995,386	0	0	0	0	0	27,963,556
303.2 CUSTOMER INFORMATION SYSTEM	25,001,867	2,057,518	0	0	0	0	0	27,059,385
303.3 INDUSTRIAL & COMMERCIAL BIL	4,315,884	(168,933)	0	0	0	0	0	4,146,951
303.4 CRMS	1,401,734	0	0	0	0	0	0	1,401,734
303.5 POWERPLANT SOFTWARE	(478,482)	478,482	0	0	0	0	0	0
Intangible Plant Subtotal	56,209,173	4,362,453	0	0	0	0	0	60,571,626
Production Plant - Oil Gas								
304.1 LAND	0	0	0	0	0	0	0	0
305.2 P P O G STRU & IMPR-SEWER S	0	0	0	0	0	0	0	0
305.5 P P O G STRU & IMPR-OTHER Y	13,814	0	0	0	0	0	0	13,814
312.3 P P O G FUEL HANDLING AND S	0	0	0	0	0	0	0	0
318.3 P P O G LIGHT OIL REFINING	152,141	0	0	0	0	0	0	152,141
318.5 P P O G TAR PROCESSING	255,729	0	0	0	0	0	0	255,729
325 NATURAL GAS PROD AND GATHER	0	0	0	0	0	0	0	0
327 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
328 NATURAL GAS PROD AND GATHER	0	0	0	0	0	0	0	0
331 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
332 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
333 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
334 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
Production Plant - Oil Gas Subtotal	421,683	0	0	0	0	0	0	421,683
Production Plant - Other								
305.11 GAS PRODUCTION - COTTAGE G	8,736	0	0	0	0	0	0	8,736
305.17 STRUCTURES MIXING STATION	51,246	0	0	0	0	0	0	51,246
311 P P OTHER-LIQUEFIED PETROLE	0	(0)	0	0	0	0	0	0
311.4 P P OTHER-L P G GRANGER	0	0	0	0	0	0	0	0
311.7 LIQUIFIED GAS EQUIPMENT COO	8,066	0	0	0	0	0	0	8,066
311.8 LIQUIFIED GAS EQUIPMENT LIN	6,585	0	0	0	0	0	0	6,585
319 GAS MIXING EQUIPMENT GASCO	194,720	0	0	0	0	0	0	194,720
Production Plant - Other Subtotal	269,353	(0)	0	0	0	0	0	269,353
Natural Gas Underground Storage								
350.1 LAND	0	0	0	0	0	0	0	0
350.2 RIGHTS-OF-WAY	16,264	1,776	0	0	0	0	0	18,040

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class	FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
351	STRUCTURES AND IMPROVEMENTS	1,960,279	112,098	0	0	0	0	0	2,072,376
352	WELLS	8,900,691	414,974	0	0	0	0	0	9,315,665
352.1	STORAGE LEASEHOLD & RIGHTS	1,161,738	69,001	0	0	0	0	0	1,230,738
352.2	RESERVOIRS	1,068,560	99,931	0	0	0	76,655	0	1,245,146
352.3	NON-RECOVERABLE NATURAL GAS	2,593,263	121,089	0	0	0	0	0	2,714,352
353	LINES	2,231,190	135,012	0	0	0	0	0	2,366,202
354	COMPRESSOR STATION EQUIPMENT	12,047,560	739,198	0	0	0	157,060	0	12,943,818
355	MEASURING / REGULATING EQUIPM	3,256,945	139,347	0	0	0	46,703	0	3,442,995
356	PURIFICATION EQUIPMENT	180,823	7,375	0	0	0	0	0	188,197
357	OTHER EQUIPMENT	645,176	30,368	0	0	0	0	0	675,543
	Natural Gas Underground Storage Subtotal	34,062,488	1,870,166	0	0	0	280,418	0	36,213,072
Local Storage Plant									
360.11	LAND - LNG LINNTON	0	0	0	0	0	0	0	0
360.12	LAND - LNG NEWPORT	0	0	0	0	0	0	0	0
360.2	LAND - OTHER	0	0	0	0	0	0	0	0
361.11	STRUCTURES & IMPROVEMENTS	712,203	233,819	0	0	0	0	0	946,022
361.12	STRUCTURES & IMPROVEMENTS	1,682,511	142,115	0	0	0	0	0	1,824,626
361.2	STRUCTURES & IMPROVEMENTS -	8,166	466	0	0	0	0	0	8,631
362.11	GAS HOLDERS - LNG LINNTON	1,946,211	63,229	0	0	0	0	0	2,009,439
362.12	GAS HOLDERS - LNG NEWPORT	4,650,870	157,541	0	0	0	0	0	4,808,411
362.2	GAS HOLDERS - LNG OTHER	1,067	21	0	0	0	0	0	1,088
363.11	LIQUEFACTION EQUIP. - LINN	2,132,947	82,062	0	0	0	0	0	2,215,009
363.12	LIQUEFACTION EQUIP - NEWPO	6,836,170	57,019	0	0	0	0	0	6,893,189
363.21	VAPORIZING EQUIP - LINNTON	2,440,582	36,821	0	0	0	0	0	2,477,403
363.22	VAPORIZING EQUIP - NEWPORT	2,605,050	764	0	0	0	0	0	2,605,814
363.31	COMPRESSOR EQUIP - LINNTON	157,057	12,845	0	0	1,500	0	0	171,402
363.32	COMPRESSOR EQUIPMENT - NE	162,931	14,176	0	0	0	0	0	177,107
363.41	MEASURING & REGULATING EQU	596,620	295	0	0	0	0	0	596,915
363.42	MEASURING & REGULATING EQU	114,156	828	0	0	0	0	0	114,984
363.5	CNG REFUELING FACILITIES	1,828,161	0	0	0	0	0	0	1,828,161
363.6	LNG REFUELING FACILITIES	739,473	0	0	0	0	0	0	739,473
	Local Storage Plant Subtotal	26,614,172	802,001	0	0	1,500	0	0	27,417,674
Transmission Plant									
365.1	LAND	0	0	0	0	0	0	0	0
365.2	LAND RIGHTS	1,154,315	122,003	0	0	0	0	0	1,276,318
366.3	STRUCTURES & IMPROVEMENTS -	175,373	20,319	0	0	0	0	0	195,692
367	MAINS	9,433,814	1,116,899	0	0	0	0	0	10,550,713
367.21	NORTH MIST TRANSMISSION LI	789,834	39,717	0	0	0	0	0	829,551
367.22	SOUTH MIST TRANSMISSION LI	8,094,602	367,916	0	0	0	0	0	8,462,518

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class		Beginning	Provision	Retirements	Cost of	Salvage and	Transfers and		Ending
FERC Plant Account		Reserve			Removal	Other Credits	Adjustments	Loss/(Gain)	Reserve
367.23	SOUTH MIST TRANSMISSION LI	7,210,387	908,368	0	0	0	0	0	8,118,755
367.24	11.7M S MIST TRANS LINE	2,557,441	452,566	0	0	0	0	0	3,010,007
367.25	12M NORTH S MIST TRANS	2,394,980	483,843	0	0	0	0	0	2,878,822
367.26	38M NORTH S MIST TRANS	9,002,128	1,774,797	0	0	0	0	0	10,776,925
368	TRANSMISSION COMPRESSOR	(9)	0	0	0	0	0	0	(9)
369	MEASURING & REGULATE STATION	823,376	98,139	0	0	0	0	0	921,516
370	COMMUNICATION EQUIPMENT	0	0	0	0	0	0	0	0
Transmission Plant Subtotal		41,636,241	5,384,567	0	0	0	0	0	47,020,808
Distribution Plant									
374.1	LAND	0	0	0	0	0	0	0	0
374.2	LAND RIGHTS	572,026	135,988	0	0	0	0	0	708,014
375	STRUCTURES & IMPROVEMENTS	46,835	217	0	0	0	0	0	47,053
376.11	MAINS < 4"	216,136,984	10,702,303	(308,912)	(1,219,785)	24,368	0	0	225,334,959
376.12	MAINS 4" & >	141,193,472	9,389,119	(752,282)	(798,577)	25,686	0	0	149,057,418
377	COMPRESSOR STATION EQUIPMENT	515,988	19,068	0	0	0	0	0	535,056
378	MEASURING & REG EQUIP - GENER	7,597,234	459,049	0	0	0	0	0	8,056,283
379	MEASURING & REG EQUIP - GATE	619,656	49,003	0	0	0	0	0	668,659
380	SERVICES	283,305,301	15,021,066	(474,164)	(1,159,072)	0	0	0	296,693,131
381	METERS	14,414,119	1,451,771	(366,466)	0	0	0	0	15,499,424
381.1	METERS (ELECTRONIC)	507,007	0	0	0	0	0	0	507,007
381.2	ERT (ENCODER RECEIVER TRANS	4,864,670	1,951,418	(249,277)	0	0	0	0	6,566,811
382	METER INSTALLATIONS	12,358,554	1,286,512	(1,567,611)	0	0	0	0	12,077,455
382.1	METER INSTALLATIONS (ELECTR	518,377	0	0	0	0	0	0	518,377
382.2	ERT INSTALLATION (ENCODER	1,357,857	595,200	(49,911)	0	0	0	0	1,903,146
383	HOUSE REGULATORS	27,322	16,632	0	0	0	0	0	43,953
386	OTHER PROPERTY ON CUSTOMERS P	0	0	0	0	0	0	0	0
387.1	CATHODIC PROTECTION TESTING	138,950	19	0	0	0	0	0	138,969
387.2	CALORIMETERS @ GATE STATIONS	69,794	0	0	0	0	0	0	69,794
387.3	METER TESTING EQUIPMENT	72,671	0	0	0	0	0	0	72,671
Distribution Plant Subtotal		684,316,816	41,077,367	(3,768,622)	(3,177,434)	50,054	0	0	718,498,181
General Plant									
389	LAND	0	0	0	0	0	0	0	0
390	STRUCTURES & IMPROVEMENTS	8,511,659	437,801	0	0	0	0	0	8,949,460
391.1	OFFICE FURNITURE & EQUIPMEN	5,355,678	835,443	(132,475)	0	2,000	0	0	6,060,647
391.2	COMPUTERS	9,755,694	2,398,953	(238,295)	0	21,287	0	0	11,937,639
391.3	ON SITE BILLING	938,788	0	0	0	0	0	0	938,788
391.4	CUSTOMER INFORMATION SYSTEM	354,853	261,678	0	0	0	0	0	616,532
392	TRANSPORTATION EQUIPMENT	9,755,342	1,045,388	(2,232,500)	0	154,173	0	0	8,722,403
393	STORES EQUIPMENT	119,406	0	0	0	0	0	0	119,406

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
394 TOOLS - SHOP & GARAGE EQUIPUI	5,278,038	934,780	0	0	9,284	0	0	6,222,102
395 LABORATORY EQUIPMENT	63,788	2,493	0	0	0	0	0	66,281
396 POWER OPERATED EQUIPMENT	3,880,133	141,737	(490,429)	0	119,294	0	0	3,650,735
397 GEN PLANT-COMMUNICATION EQU	7,237	3,671	0	0	0	0	0	10,908
397.1 MOBILE	1,186,871	8,812	0	0	0	0	0	1,195,683
397.2 OTHER THAN MOBILE & TELEMET	1,516,617	75,324	0	0	0	0	0	1,591,942
397.3 TELEMETERING - OTHER	3,075,167	2,669	0	0	0	0	0	3,077,837
397.4 TELEMETERING - MICROWAVE	1,863,269	19,385	0	0	0	0	0	1,882,654
397.5 TELEPHONE EQUIPMENT	2,057,416	0	0	0	0	0	0	2,057,416
398 GEN PLANT-MISCELLANEOUS EQU	0	0	0	0	0	0	0	0
398.1 PRINT SHOP	83,249	0	0	0	0	0	0	83,249
398.2 KITCHEN EQUIPMENT	460	525	0	0	0	0	0	985
398.3 JANITORIAL EQUIPMENT	14,873	0	0	0	0	0	0	14,873
398.4 INSTALLED IN LEASED BUILDINGS	5,393	0	0	0	0	0	0	5,393
398.5 OTHER MISCELLANEOUS EQUIPMENT	66,739	0	0	0	0	0	0	66,739
General Plant Subtotal	53,890,673	6,168,660	(3,093,699)	0	306,038	0	0	57,271,671
Utility Property Grand Total	\$897,420,598	\$59,665,214	(\$6,862,321)	(\$3,177,434)	\$357,592	\$280,418	\$0	\$947,684,067

NON UTILITY

Intangible Plant								
303.1	COMPUTER SOFTWARE	\$3,049	\$7,041	\$0	\$0	\$0	\$0	10,089
303.2	CUSTOMER INFORMATION SYSTEM	16,575	4,275	0	0	0	0	20,850
Non Utility	Intangible Plant Subtotal	19,624	11,316	0	0	0	0	30,940

Natural Gas Underground Storage

352	WELLS	1,499,003	347,596	0	0	0	0	1,846,599
352.1	STORAGE LEASEHOLD & RIGHTS	82	20	0	0	0	0	102
352.2	RESERVOIRS	834,365	113,975	0	0	(76,655)	0	871,686
353	LINES	151,295	33,994	0	0	0	0	185,289
354	COMPRESSOR STATION EQUIPMENT	3,604,712	384,391	0	0	(157,060)	0	3,832,042
355	MEASURING / REGULATING EQUIPM	1,059,874	185,997	0	0	(46,703)	0	1,199,168
357	OTHER EQUIPMENT	1,502	1,442	0	0	0	0	2,944
Non Utility	Natural Gas Underground Storage Subtotal	7,150,833	1,067,415	0	0	(280,418)	0	7,937,831

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
 Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
Transmission Plant								
368 TRANSMISSION COMPRESSOR	655,247	238,655	0	0	0	0	0	893,901
Non Utility Transmission Plant Subtotal	655,247	238,655	0	0	0	0	0	893,901
Distribution Plant								
376.12 MAINS 4" & >	86,887	21,272	0	0	0	0	0	108,159
Non Utility Distribution Plant Subtotal	86,887	21,272	0	0	0	0	0	108,159
General Plant								
389 LAND	0	0	0	0	0	0	0	0
390 STRUCTURES & IMPROVEMENTS	13,570	2,033	0	0	0	0	0	15,604
Non Utility General Plant Subtotal	13,570	2,033	0	0	0	0	0	15,604
Non Utility Other								
121.1 NON-UTIL PROP-DOCK	1,796,292	41,468	0	0	0	0	0	1,837,760
121.2 NON-UTIL PROP-LAND	0	0	0	0	0	0	0	0
121.3 NON-UTIL PROP-OIL ST	2,201,485	0	0	0	0	0	0	2,201,485
121.7 NON-UTIL PROP-APPL CENTER	8,946	4,219	0	0	0	0	0	13,165
121.8 NON-UTIL PROP-STORAGE	(1)	0	0	0	0	0	0	(1)
Non Utility Other	4,006,721	45,687	0	0	0	0	0	4,052,409
Non Utility Property Grand Total	\$11,932,883	\$1,386,379	\$0	\$0	\$0	(\$280,418)	\$0	\$13,038,843

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS
NW Natural

Period Beginning: Jan 2011
 Period Ending: Dec 2011

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
TOTAL SUMMARY OREGON UTILITY DEPRECIATION RESERVES 12/31/2011								
OREGON								
108010	(\$14,260,981)							
108011	710,501,450							
108012	10,281,896							
108013	(1,513,142)							
108014	(60,615)							
108015	3,680,303							
108100	241,646,909							
108002	(2,573,796)							
108003	(52,839)							
108004	35,058							
108666	(174)							
SUBTOTAL								\$947,684,067
ADD:								
108001 REMOVAL WORK IN PROCESS								(10,025,248)
TOTAL OREGON UTILITY DEPRECIATION								937,658,819
 TOTAL SUMMARY OREGON NON-UTILITY RESERVES DEPRECIATION								
122027	4,098,953							
122028	8,131,159							
122100	838,937							
122002	(30,206)							
TOTAL OREGON NON UTILITY DEPRECIATION								13,038,843

Name of Respondent		This Report is:	Date of Report	Year of Report			
Northwest Natural Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011			
STATE OF OREGON - ALLOCATED							
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION							
Line No.	ITEM (a)	TOTAL (b)	ELECTRIC (c)	GAS (d)	OTHER (SPECIFY) (e)	OTHER (SPECIFY) (f)	COMMON (g)
1	UTILITY PLANT						
2	In Service						
3	Plant in Service (Classified)						
4	Property Under Capital Leases						
5	Plant Purchased or Sold						
6	Completed Construction not Classified						
7	Experimental Plant Unclassified						
8	TOTAL (Enter Total of lines 3 thru 7)	INFORMATION NOT AVAILABLE					
9	Leased to Others						
10	Held for Future Use						
11	Construction Work in Progress						
12	Acquisition Adjustments						
13	TOTAL Utility Plant (Lines 8 thru 12)						
14	Accum. Prov. For Depr., Amort., & Depl.						
15	Net Utility Plant (line 13 less 14)						
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION & DEPLETION						
17	In Service:						
18	Depreciation						
19	Amort. & Depl. Of Producing Natural Gas Land & Land Rights						
20	Amort. Of Underground Storage Land & Land Rights						
21	Amort. Of Other Utility Plant						
22	TOTAL In Service (Lines 18 thru 21)						
23	Leased to Others						
24	Depreciation						
25	Amortization and Depletion						
26	TOTAL Leased to Others (Lines 24 and 25)						
27	Held for Future Use						
28	Depreciation						
29	Amortization						
30	TOTAL held for Future Use (Lines 28 and 29)						
31	Abandonment of Leases (Natural Gas)						
32	Amort. Of Plant Acquisition Adj.						
33	TOTAL Accumulated Provisions (should agree with line 14) (Lines 22, 26, 30, 31 & 32)						

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report			
Northwest Natural Gas Company		(1) X An Original (2) A Resubmission		Dec. 31, 2011			
STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE							
1. Report below the original cost of gas plant in service		4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.		appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)			
2. In addition to Account 101, <i>Gas Plant In Service (Classified)</i> , this page and the next include Account 102, <i>Gas Plant Purchased or Sold</i> , Account 103, <i>Completed Construction Not Classified - Gas</i> .		5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions or prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on Estimated basis, with		reversals of tentative distributions of prior year unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in column (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at the end of the year. (Continued on page 33)			
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.							
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1	1. Intangible Plant						
2	301 Organization						
3	302 Franchises and Consents						
4	303 Miscellaneous Intangible Plant						
5	TOTAL Intangible Plant						
6	2. Production Plant						
7	Natural Gas Production & Gathering Plant						
8	325.1 Producing Lands						
9	325.2 Producing Leaseholds						
10	325.3 Gas Rights						
11	325.4 Rights-of-Way						
12	325.5 Other Land and Land Rights						
13	326 Gas Well Structures						
14	327 Field Compressor Station Structures						
15	328 Field Meas. And Reg. Sta. Structures						
16	329 Other Structures						
17	330 Producing Gas Wells - Well Construction						
18	331 Producing Gas Wells - Well Equipment						
19	332 Field Lines						
20	333 Field Compressor Station Equipment						
21	334 Field Mess. And Reg. Sta. Equipment						
22	335 Drilling and Cleaning Equipment						
23	336 Purification Equipment						
24	337 Other Equipment						
25	338 Unsuccessful Explor. & Devel. Costs						
26	TOTAL Production & Gathering Plant						
27	Products Extraction Plant						
28	340 Land and Land Rights						
29	341 Structures and Improvements						
30	342 Extraction and Refining Equipment						
31	343 Pipe lines						
32	344 Extracted Products Storage Equipment						

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report			
Northwest Natural Gas Company		(1) X An Original (2) A Resubmission		Dec. 31, 2011			
STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE (CONT'D)							
6. Show in column (f) reclassifications or transfers within utility plant account. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the with respect to accumulated provision for depreciation, acquisition adjustments, etc. and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.				7. For account 399, state the nature and use of plant included in this account and if substantial amount, submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.			
				8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.			
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
	2. Production Plant (Con't) Products Extraction Plant (Con't)						
33	345 Compressor Equipment						
34	345 Gas Meas. And Reg. Equipment						
35	347 Other Equipment						
36	TOTAL Products Extraction Plant						
37	TOTAL Nat. Gas Production Plant						
38	Mfd. Gas Prod. Plant (<i>Submit Suppl. Stmt</i>)						
39	TOTAL Production Plant						
40	3. Natural Gas Storage & Proc. Plant						
41	Underground Storage Plant						
42	350.1 Land						
43	350.2 Rights-of-Way						
44	351 Structures & Improvements						
45	352 Wells						
46	352.1 Storage Leaseholds & Rights						
47	352.2 Reservoirs						
48	352.3 Non-recoverable Natural Gas						
49	353 Lines						
50	354 Compressor Station Equipment						
51	355 Measuring & Reg. Equipment						
52	356 Purification Equipment						
53	357 Other Equipment						
54	TOTAL Underground Storage Plant						
55	Other Storage Plant						
56	360 Land and Land Rights						
57	361 Structures and Improvements						
58	362 Gas Holders						
59	363 Purification Equipment						
60	363.1 Liquefaction Equipment						
61	363.2 Vaporizing Equipment						
62	363.3 Compressor Equipment						
63	363.4 Meas. And Reg. Equipment						
64	363.5 Other Equipment						
65	TOTAL Other Storage Plant						

Name of Respondent		This Report is:		Date of Report (Mo, Da, Yr)		Year of Report	
Northwest Natural Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission				Dec. 31, 2011	
STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE (CONT'D)							
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
66	Base Load Liquefied Natural Gas Terminaling and Processing Plant						
67	364.1 Land and Land Rights						
68	364.2 Structures and Improvements						
69	364.3 LNG Processing Terminal Equipment						
70	364.4 LNG Transportation Equipment						
71	364.5 Measuring and Regulating Equipment						
72	364.6 Compressor Station Equipment						
73	364.7 Communications Equipment						
74	364.8 Other Equipment						
75	TOTAL Base Load Liquefied Natural Gas, Terminaling, & Processing Plant						
76	TOTAL Nat. Gas Storage & Proc. Plant						
77		INFORMATION NOT AVAILABLE					
78	4. Transmission Plant						
79	365.1 Land and Land Rights						
80	365.2 Rights-of-Way						
81	366 Structures and Improvements						
82	367 Mains						
83	368 Compressor Station Equipment						
84	369 Measuring and Reg. Sta. Equipment						
85	370 Communication Equipment						
86	371 Other Equipment						
87	TOTAL Transmission Plant						
88	5. Distribution Plant						
89	374 Land and Land Rights						
90	375 Structures and Improvements						
91	376 Mains						
92	377 Compressor Station Equipment						
93	378 Meas. And Reg. Sta. Equip. - General						
94	379 Meas. And Reg. Sta. Equip. - City Gate						
95	380 Services						
96	381 Meters						
97	382 Meter Installations						
98	383 House Regulators						
99	384 House Reg. installations						
100	385 Industrial Meas. & Reg. Sta. Equip						
101	386 Other Prop. On Customers' premises						
102	387 Other Equipment						
103	TOTAL Distribution Plant						

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report			
Northwest Natural Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Dec. 31, 2011			
STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE (CONT'D)							
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
104	6. General Plant						
105	389 Land and Land Rights						
106	390 Structures and Improvements						
107	391 Office Furniture and Equipment						
108	392 Transportation Equipment						
109	393 Store Equipment	INFORMATION NOT AVAILABLE					
110	394 Tools, Shop, and Garage Equipment						
111	395 Laboratory Equipment						
112	396 Power Operated Equipment						
113	397 Communication Equipment						
114	398 Miscellaneous Equipment						
115	Subtotal						
116	399 Other Intangible Property						
117	TOTAL General Plant						
118	TOTAL (Accounts 101 and 106)						
119	Gas Plant Purchased (<i>See Instr. 8</i>)						
120	(Less) Gas Plant Sold (<i>See Instr. 8</i>)						
121	Experimental Gas Plant Unclassified						
122	TOTAL Gas Plant In Service						

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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Gas Plant Held for Future Use (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of \$100,000 or more. Other items of property held for future use may be grouped provided that the number of properties so grouped is indicated.
2. For property having an original cost of \$100,000 or more previously used in utility operations, now held for future use, give in addition to other required information, the date that utility use of such property was discontinued, and the date the original costs were transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in this account (b)	Date Expected to be Used In Utility Service (c)	Balance at End of Year (d)
1	Natural gas lands, leaseholds, and gas rights held for future utility use			
2				
3				
4				
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50	TOTALS			

INFORMATION NOT AVAILABLE

Name of Respondent Northwest Natural Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
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STATE OF OREGON - ALLOCATED - ALLOCATED CONSTRUCTION WORK IN PROGRESS - GAS (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research", development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Natural gas lands, leaseholds, and gas rights held for future utility use		\$
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11	INFORMATION NOT AVAILABLE		
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44	TOTALS		

Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

STATE OF OREGON - ALLOCATED ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108)

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Explain in a footnote any important adjustments during the year. 2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for gas plant in service, pages 32-35, column (d) excluding retirements of non-depreciable property. 3. The provisions of Account 108 of the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the | <p>respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year-end in the appropriate functional classifications.</p> <ol style="list-style-type: none"> 4. Show separately interest credits under a sinking fund of similar method of depreciation accounting. |
|---|---|

Section A. Balances and Changes During Year

	ITEM (a)	TOTAL (c+d+e) (b)	GAS PLANT IN SERVICE (c)	GAS PLANT HELD FOR FUTURE USE (d)	GAS PLANT LEASED TO OTHERS (e)
1	Balance Beginning of Year				
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense				
4	(413) Exp. Of Gas Plt. Lease to Others				
5	Transportation Expenses - Clearing				
6	Other Clearing Accounts				
7	Other Accounts (Specify):				
8					
9	Total Deprec. Prov. For Year (Enter total of lines 3-8)		INFORMATION NOT AVAILABLE		
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired				
12	Cost of Removal				
13	Salvage (Credit)				
14	TOTAL Net Charges for Plant Ret. (Enter Total of lines 11-13)				
15	Other Debit or Credit Items (Describe):				
16					
17	Balance End of Year (Enter Total of Lines 1,9, 14, 15,& 16)				

Section B. Balances at End of Year According to Functional Classifications

18	Production - Manufactured Gas				
19	Prod. And Gathering - Natural Gas				
20	Products Extraction - Natural Gas				
21	Underground Gas Storage				
22	Other Storage Plant				
23	Base Load LNG Term and Proc. Plt.				
24	Transmission				
25	Distribution				
26	General				
27	TOTAL (Total of Lines 18 thru 26)				

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

STATE OF OREGON - GAS STORED (Account 117, 164.1, 164.2 and 164.3)

1. If during the year adjustments were made to the stored gas inventory reported in columns (f) and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
2. Report in column (e) all encroachments during the year upon the volumes designated as gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).

Line No.	Description	NONCURRENT (ACCOUNT 117) (a)	CURRENT (ACCOUNT 164.1) (b)	LNG (ACCOUNT 164.2) (c)	LNG (ACCOUNT 164.3) (d)	Total (e)
1	Balance, beginning of year					
2	Gas delivered to storage					
3	(Contra Account)		SEE FERC ANNUAL REPORT			
4	Gas withdrawn from storage		PAGE 220			
5	(Contra Account)					
6	Other debits or credits					
7	(Explain)					
8						
9						
10						
11						
12	Balance, end of year					
13	MCF					
14	Amount per Mcf					
15	State basis of segregation of inventory between current and noncurrent portions.					
16						
17	Gas delivered to storage:					
18	Mcf					
19	Amount per Mcf					
20	Cost basis of gas delivered to storage:					
21	Specify: Own production (give production area, see					
22	uniform system of accounts); average system purchases					
23	specific purchases (state which purchases).					
24	Does cost of gas delivered to storage include any expenses					
25	for use of respondent's transmission, storage, or other					
26	facilities? If so, give particulars and date of Commission					
27	approval of the accounting.					
28						
29	Gas withdrawn from storage:					
30	Mcf					
31	Amount per Mcf					
32	Cost basis of withdrawals:					
33	Specify: average cost, lifo, fifo. (Explain any change in					
34	inventory basis during year and give date of Commission;					
35	approval of the change or approval of an inventory basis					
36	different from that referred to in uniform system of accounts)					
37						
38						
39						

Name of Respondent	This Report Is:	Date of Report	Year of Report												
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011												
STATE OF OREGON - GAS PURCHASES (Accounts 800, 801, 802, 803, 804.1 and 805)															
<p>1. Report particulars of gas purchases during the year in the manner prescribed below. (Code numbers to be used in reporting for Columns (d), (e) and (f) will be supplied by the Commission.)</p> <p>2. Provide subheadings and totals for prescribed accounts as follows:</p> <table border="0" data-bbox="306 646 905 898"> <tr><td>800</td><td>Natural Gas Well Head Purchases</td></tr> <tr><td>801</td><td>Natural Gas Field Line Purchases</td></tr> <tr><td>802</td><td>Natural Gas Gasoline Plant Outlet Purchases</td></tr> <tr><td>803</td><td>Natural gas Transmission Line Purchases</td></tr> <tr><td>804</td><td>Natural Gas City Gate Purchases</td></tr> <tr><td>804.1</td><td>Liquefied natural Gas Purchases</td></tr> <tr><td>805</td><td>Other gas Purchases</td></tr> </table> <p>Purchases are to be reported in account number sequence, e.g. all purchases charged to Account 800, followed by charges to Account 801, etc. Under each account number, purchases should be reported by states in alphabetical order. Totals are to be shown for each account in Columns (d) and (l) and should agree with the books of accounts, or any differences reconciled.</p> <p>3. Purchases may be reported by gas purchase contract totals (at the option of the respondent) where one contract includes two or more FERC producer rate schedules or small producer certificates, provided that the same price is being paid for all gas purchased under the contract. If two or more prices are in effect under the same contract, separate details for each price shall be reported. The name, and FERC rate schedule or small producer certificate docket number of each seller included in the contract total shall be listed on separate sheets, clearly cross-referenced. Where two or more prices are in effect, the sellers at each price are to be listed separately.</p> <p>4. Purchases of less than 100,000 MCF per year per contract from sellers not affiliated with the reporting company may (at the option of the respondent) be grouped by account number, except when the purchases were permanently discontinued during the reporting year. When grouped purchases are reported, the number of grouped purchases is to be reported in Column (a). Only Columns (a), (k), (l), and (m) are to be completed for grouped purchases; however, the Commission may request additional details when necessary. Grouped non-jurisdictional purchases should be shown on a separate line.</p> <p>5. Column instructions are as follows:</p> <p><u>Columns (a) and (d)</u> - In reporting the names of sellers under FERC rate schedules, use the names as they appear on the filed rate schedules. Abbreviations may be used where necessary. The code number to be used is the Commission assigned number.</p> <p><u>Column (b)</u> - Give the name of the producing field only for purchases at the wellhead or from field lines. The plant name should be given for purchases from gasoline plant outlets. If purchases under a contract are from more than one field or plant, use the name of the one contributing the largest volume. Use a footnote to list the other fields or plants involved.</p>	800	Natural Gas Well Head Purchases	801	Natural Gas Field Line Purchases	802	Natural Gas Gasoline Plant Outlet Purchases	803	Natural gas Transmission Line Purchases	804	Natural Gas City Gate Purchases	804.1	Liquefied natural Gas Purchases	805	Other gas Purchases	<p><u>Column (c)</u> - State the net rate in cents per MCF as of December 31 for the reported year, applicable to the volume shown in Column (k). The net rate includes all applicable deductions and downward adjustments. The rate is effective if filed pursuant to applicable statues and regulations and (as to FERC rates schedules) permitted by the commission to become effective.</p> <p><u>Columns (e) and (f)</u> - General Services Administration location code designations are to be used to designate the state and county where the gas is received. Where gas is received in more than one county, use the code designation for the county having the largest volume, and by footnote list the other counties involved.</p> <p><u>Column (g)</u> - List the assigned commission rate schedule number or small producer certificate docket number. Use the designation "NF" in Column (g) to indicate non-jurisdictional purchases.</p> <p><u>Column (h)</u> - In some cases, two or more lines will be required to report a purchase, as when two or more rates are being paid under the same contract, or when purchases under the same rate schedule are charged to more than one account. If for such reasons the producer rate schedule or non-jurisdictional purchase contract appears on more than one line, enter a numerical code (selected by the respondent) in Column (h) to so indicate. Once established, the same numerical suffix is to be used for all subsequent-year reporting of the purchase. If the purchase was permanently discontinued during the reporting year, so indicate by an asterisk (*) in column (h). Column (h) is to be used also, to enter any Commission assigned letter rate schedule suffix (e.g. R.S. No. 22A).</p> <p><u>Column (i)</u> - Show date of the gas purchase contract. If gas is purchased under a renegotiated contract show the dates of the original and renegotiated contracts on the following line in brackets. If new acreage is dedicated by ratification of an existing contract, show the date of the ratification, rather than the date of the original contract. If gas is being sold from a different reservoir than the original dedicated acreage pursuant to Section 2.56 (f) (2) of the Commission's Rules of Practice and Procedure, place the letter "A" after the contract date.</p> <p><u>Column (j)</u> - Show, for each purchase, the approximate BTU per cubic foot, determined in accordance with the definition in item No. 7 of the General Instructions for FERC Form 2.</p> <p><u>Column (k)</u> - State the volume of purchased gas as finally measured for purpose of determining the amount payable for the gas. Include current year receipts of make-up gas that was paid for in prior years.</p> <p><u>Column (l)</u> - State the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in Column (k).</p> <p><u>Column (m)</u> - State the average cost per MCF to the nearest hundredth of a cent. (Column (l) divided by Column (k) multiplied by 100).</p>
800	Natural Gas Well Head Purchases														
801	Natural Gas Field Line Purchases														
802	Natural Gas Gasoline Plant Outlet Purchases														
803	Natural gas Transmission Line Purchases														
804	Natural Gas City Gate Purchases														
804.1	Liquefied natural Gas Purchases														
805	Other gas Purchases														

Name of Respondent Northwest Natural Gas Company	This Report Is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATE OF OREGON - GAS PURCHASES (Account 800, 801, 802, 803, 804, 804.1 and 805) Con't

Line No.	NAME OF SELLER (DESIGNATE ASSOCIATED COMPANIES) (a)	NAME OF PRODUCING FIELD OR GASOLINE PLANT (b)	NET RATE EFFECTIVE DECEMBER 31 (c)
1	SEE FERC ANNUAL REPORT		
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Name of Respondent Northwest Natural Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of Report Dec. 31, 2011
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STATE OF OREGON - GAS PURCHASES (Account 800, 801, 802, 803, 804, 804.1 and 805) Con't)

Seller Code (d)	State Code (e)	County Code (f)	Rate Schedule		Date of Contract (i)	Approx BTU Per CU Ft. (j)	Gas Purchased - MCF (14.73 PSIA 60°F) (k)	Cost of Gas (l)	Cost Per MCF (Cents) (m)	Line No.
			No. (g)	Suffix (h)						
										1
										2
										3
										4
										5
										6
										7
			SEE FERC ANNUAL REPORT							8
										9
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Name of Respondent Northwest Natural Gas Company	This Report Is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATE OF OREGON - GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 810, 811 and 812)

- Report below particulars of credits during the year to Accounts 810, 811 and 812, which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.
- Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.
- If the reported MCF for any use is an estimated quantity, state such fact.
- If any natural gas was used by the respondent for which charge was not made to the appropriate operating expenses or other account, list separately in column (c) the MCF of gas so used, omitting entries in columns (d) and (e).
- Pressure base of measurement, to be reported in columns (c) and (f) is 14.73 psia at 60° F.

Line No.	PURPOSE FOR WHICH GAS WAS USED (a)	ACCOUNT CHARGED (b)	NATURAL GAS			MANUFACTURED GAS	
			Dth OF GAS USED (14.73 PSIA AT 60° F) (c)	AMOUNT OF CREDIT (d)	AMOUNT PER Dth (CENTS) (e)	MCF OF GAS USED (14.73 PSIA AT 60° F) (f)	AMOUNT OF CREDIT (g)
1	810 Gas used for Compressor Station Fuel - Credit						
2	811 Gas used for Products Extraction - Credit						
3	(a) Gas shrinkage & other usage in respondent's own processing						
4	(b) Gas shrinkage, etc. for respondent's gas processed by others						
5	812 Gas used for Other Utility Operations - Credit						
6	(Report separately for each principal use. Group minor uses.)						
7							
8	Portland and District Centers		192,355	413,360			
9	Storage Plants		146,997	Included in the Cost of Inventory			
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25	TOTAL		339,352	413,360	1.22		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	(1) X An Original (2) A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

STATE OF OREGON - GAS ACCOUNT - NATURAL GAS

1. The purpose of this page is to account for the quantity of natural gas received and delivered by the respondent, taking into consideration differences in pressure bases used in measuring Mcf of natural gas received and delivered.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.

01 NAME OF SYSTEM		OREGON	
Line No.	Item (a)	Ref. Page No. (b)	Amount of Dth (c)
1	GAS RECEIVED		
2	Natural Gas Produced		
3	LPG Gas Produced and Mixed with Natural Gas		
4	Manufactured Gas Produced and Mixed with Natural Gas		
5	Purchased Gas		
6	(a.) Wellhead		
7	(b.) Field Lines		1,086,566
8	(c.) Gasoline Plants		
9	(d.) Transmission Line		
10	(e.) City Gate Under FERC Rate Schedules		71,906,632
11	(f.) LNG		
12	(g.) Other		
13	TOTAL, Gas Purchased (Enter Total of lines 7 thru 13)		72,993,198
14	Gas of Others Received for Transportation		35,781,309
15	Receipts of Respondents' Gas Transported or Compressed by Others		
16	Exchange Gas Received		
17	Gas Withdrawn from Underground Storage	512	7,184,691
18	Gas Received from LNG Storage	512	554,274
19	Gas Received from LNG Processing		
20	Other Receipts (Specify)		
21	TOTAL Receipts (Enter Total of lines 3 thru 5, 14, and 15 thru 21)		116,513,472

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		(1) X An Original (2) A Resubmission		Dec. 31, 2011
STATE OF OREGON - GAS ACCOUNT - NATURAL GAS (Continued)				
01 NAME OF SYSTEM OREGON				
Line No.	Item (a)	Ref. Page No. (b)	Amount of Dth (c)	
22	GAS DELIVERED			
23	Natural Gas Sales			
24	Field Sales			
25	(i) To Interstate Pipeline Companies for Resale Pursuant to FERC Rate Schedules			
26	(ii) Retail Industrial Sales			
27	(iii) Other Field Sales			
28	TOTAL, Field Sales (Enter Total of lines 26 thru 28)			
29	Transmission System Sales			
30	(i) To Interstate Pipeline Co. for Resale Under FERC Rate Schedules			
32	(ii) To Interstate Pipeline Co. and Gas Utilities for Resale Under FERC Rate Schedules			
33	(iii) Mainline Industrial Sales Under FERC Certification			
34	(iv) Other Mainline Industrial Sales			
35	(v) Other Transmission System Sales			
36	TOTAL, Transmission System Sales (Enter Total of lines 31 thru 35)			
37	Local Distribution by Respondent			
38	(i) Retail Industrial Sales		9,003,704	
39	(ii) Other Distribution System Sales		61,207,549	
40	TOTAL, Distribution System Sales (Lines 38 + 39)		70,211,253	
41	Unbilled Therms		68,781	
42	TOTAL SALES (Enter Total of lines 29, 36, 40, and 41)		70,280,034	
43	Deliveries of Gas Transported or Compressed for:			
44	(a.) Other Interstate Pipeline Companies			
45	(b.) Others - Transportation		35,781,309	
46	TOTAL, Gas Transported or Compressed for Others (Enter Total of lines 44 and 45)		35,781,309	
47	Deliveries of Respondent's Gas for Trans. or Compression by Others			
48	Exchange Gas Delivered			
49	Natural Gas Used by Respondent		0	
50	Natural Gas Delivered to Underground Storage	512	9,291,800	
51	Natural Gas Delivered to LNG Storage	512	532,854	
52	Natural Gas Delivered to LNG Processing	331	339,352	
53	Natural Gas for Franchise Requirements			
54	Other Deliveries (Specify): FIK			
55	TOTAL SALES & OTHER DELIVERIES (Lines 42, 46, 47 thru 54)		116,225,349	
56	UNACCOUNTED FOR			
57	Production System Losses			
58	Storage Losses: Mist Gas Loss			
59	Transmission System Losses		288,123	
60	Distribution System Losses		\	
61	Other Losses (Leakage)			
62	TOTAL Unaccounted for (Enter Total of lines 57 thru 61)		288,123	
63	TOTAL SALES, OTHER DELIVERIES, AND UNACCOUNTED FOR (Enter Total of lines 55 and 62)		116,513,472	

Name of Respondent Northwest Natural Gas Company		This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
STATE OF OREGON - MISCELLANEOUS GENERAL EXPENSES (Account 930.2)				
Report below the information called for concerning items included in miscellaneous general expenses.				
LINE NO.	ITEMS (a)	TOTAL (b)	AMOUNT APPLICABLE TO STATE OF OREGON (c)	AMOUNT APPLICABLE TO OTHER STATES (d)
			SEE FERC ANNUAL REPORT	

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATE OF OREGON - POLITICAL ADVERTISING

1. List all payments for advertising, the purpose of which is to aid or defeat any measure before the people or to promote or prevent the enactment of any national, state, district or municipal legislation.
2. Give the specific purpose of such advertising, when and where placed, and the account or accounts charged.
3. Report whole dollars only. Provide a total for each account and a grand total.

Line No.	DESCRIPTION (a)	ACCOUNT CHARGED (b)	AMOUNT (c)
	NONE		

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2011
STATE OF OREGON - POLITICAL CONTRIBUTIONS				
1. List all payments or contributions to persons and organizations for the purpose of aiding or defeating any measure before the people or to promote or prevent the enactment of any national, state, district or municipal legislation. 2. The purpose of all contributions or payments should be clearly explained 3. Report whole dollars only. Provide a total for each account and a grand total.				
Line No.	Description of Investment (a)	Account Charged (b)	Amount (c)	
1	AOI PAC	426-04935	5,000	
2	CITIZENS FOR SCHOOL SUPPORT	426-04935	5,000	
3	FRIENDS OF CLACKAMAS	426-04935	2,500	
4	GROW OREGON	426-04935	15,000	
5	KEEP CLARK COUNTY MOVING	426-04935	1,000	
6	OREGON BUSINESS ASSOCIATION	426-04935	6,000	
7	OREGON LEAGUE OF CONSERVATION VOTERS	426-04935	1,250	
8	PORTLAND BUSINESS ALLIANCE	426-04935	2,500	
9	REQUIRE LOCAL VOTE ON URBAN RENEWAL	426-04935	2,500	
10	YES FOR PARKROSE	426-04935	1,500	
11	OTHER < \$1,000	426-04935	13,410	
12	Total 426-04935	Total	55,660	
13				
14				
15	NATURAL GAS POLITICAL COMMITTEE	426-04955	126,000	
16	Total 426-04955	Total	126,000	
17				
18				
19	INTERNAL LOBBY AND INTERNAL RESOURCES	426-04950	249,535	
20	OREGON HOME BUILDERS ASSOCIATION	426-04950	1,000	
21	OTHER < \$1,000	426-04950	1,786	
22	Total 426-04950	Total	252,321	
23				
24				
25		Total	433,981	

Name of Respondent		This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company		(1) X An Original (2) A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011
STATE OF OREGON - EXPENDITURES TO ANY PERSON OR ORGANIZATION HAVING AN AFFILIATED INTEREST FOR SERVICES, ETC.				
1. Report all expenditures to any person or organization having an affiliated interest for service, advice, auditing, associating, sponsoring, engineering, managing, operating, financial, legal or other services. See Oregon Revised Statute 757.015 for definition of "affiliated interest."				
2. Give reference if such expenditures have in the past been approved by the Commission. Describe the services received and the account or accounts charged. Report whole dollars only.				
Line No.	Description (a)	Account Number (b)	Total Amount (c)	Amount assigned to Oregon (d)
1	All expenditures shown below are reflected in the Statement of Income of			
2	Northwest Natural Gas for the year ended December 31, 2010			
3	All expenditures are based upon the accrual method of accounting.			
4				
5	Name of Affiliated Party: Gill Ranch Storage, LLC			
6	Relationship: Wholly Owned Subsidiary of NW Natural Gas Storage, LLC			
7	Corporate income taxes accrued and charged on behalf of affiliated party			
8	Federal income tax expense (benefit) - see FERC Form 2 p. 263B	409-43075	2,378,325	N/A
9	State income tax expense (benefit) - see FERC Form 2 p. 263C	409-43145	(121,022)	N/A
10	Total of transactions with affiliated party		2,257,303	
11				
12				
13	Name of Affiliated Party: Northwest Natural Energy, LLC			
14	Relationship: Wholly Owned Subsidiary of Northwest Natural Gas Company			
15	NW Energy LLC Investment	123.1	172,355,978	N/A
16	Shared Services Agreement - see FERC Form 2 p. 358	421-61505, 421-61510, 921-01505	520,766	N/A
17	Corporate income taxes accrued and charged on behalf of affiliated party			
18	Federal income tax expense (benefit) - see FERC Form 2 p. 263B	409-49001	(331,479)	N/A
19	State income tax expense (benefit) - see FERC Form 2 p. 263C	409-49002	(72,906)	N/A
20	Total of transactions with affiliated party		172,472,359	
21				
22	Name of Affiliated Party: NW Natural Gas Storage LLC			
23	Relationship: Wholly Owned Subsidiary of NW Energy LLC			
24	Shared Services Agreement - see FERC Form 2 p. 358	421-61505, 421-61510, 921-01505	82,911	N/A
25	Corporate income taxes accrued and charged on behalf of affiliated party			
26	Federal income tax expense (benefit) - see FERC Form 2 p. 263B	409-44001	(107,597)	N/A
27	State income tax expense (benefit) - see FERC Form 2 p. 263C	409-44002	(1,242)	N/A
28	Total of transactions with affiliated party		(25,928.00)	
29				
30	Name of Affiliated Party: NNG Financial Corporation			
31	Relationship: Wholly Owned Subsidiary of Northwest Natural Gas Company			
32	Pipeline capacity charges (KB Pipeline)	804-02910	224,256	N/A
33	NNG Financial Corporation Investment	123.1	870,106	N/A
34	Corporate income taxes accrued and charged on behalf of affiliated party			
35	Federal income tax expense (benefit) - see FERC Form 2 p. 263B	409-23075	(14,310)	N/A
36	State income tax expense (benefit) - see FERC Form 2 p. 263C	409-23145	(1,583)	N/A
37	Total of transactions with affiliated party		1,078,469	
38				
39	Name of Affiliated Party: Northwest Biogas, LLC			
40	NW Biogas LLC Investment	123.1	150,000	N/A
41	Total of transactions with affiliated party		150,000	
42				
43				
44				
45				
46	Total of transactions with all affiliated parties		173,674,900	N/A

**NORTHWEST NATURAL
DONATIONS FOR THE YEAR ENDED DECEMBER 31, 2011**

DESCRIPTION	AMOUNT ASSIGNED TO OREGON	AMOUNT ASSIGNED TO WASHINGTON
UNITED WAY	\$ 146,400.00	
OREGON COMMUNITY FOUNDATION	70,122.14	
THE FRESHWATER TRUST	70,000.00	
CAMP FIRE USA	38,630.84	
BIG BROTHERS BIG SISTERS NORTHWEST	35,000.00	
REGIONAL ARTS & CULTURE COUNCIL	31,100.00	
ENVIRONMENTAL FEDERATION OF OREGON	27,500.00	
SCHOOLHOUSE SUPPLIES INC	21,900.00	
CHILDREN'S RELIEF NURSERY	18,000.00	
SELF ENHANCEMENT INC	18,000.00	
BLACK UNITED FUND OF OREGON	17,500.00	
UNIVERSITY OF OREGON FOUNDATION	16,400.00	
BEAVER ATHLETIC SCHOLARSHIP FUND	15,000.00	
CITY OF ASTORIA	15,000.00	
CENTRAL CITY CONCERN INC	12,500.00	
PORTLAND SCHOOLS FOUNDATION	12,500.00	
PORTLAND CENTER STAGE	12,250.00	
E3: EMPLOYERS FOR	10,000.00	
FOREST PARK CONSERVANCY	10,000.00	
FRIENDS OF THE CHILDREN - PORTLAND	10,000.00	
HANDS ON PORTLAND	10,000.00	
OREGON ALLIANCE OF INDEPENDENT	10,000.00	
OREGON FOOD BANK INC	10,000.00	
OREGON STATE PARKS TRUST	10,000.00	
PORTLAND CLASSICAL CHINESE GARDEN	10,000.00	
PORTLAND OPERA ASSOCIATION INC	10,000.00	
URBAN LEAGUE OF PORTLAND	10,000.00	
COMMUNITY ACTION ORGANIZATION	7,500.00	
DRESS FOR SUCCESS OF OREGON INC	7,500.00	
MEDICAL TEAMS INTERNATIONAL	7,500.00	
THE LIBRARY FOUNDATION	7,500.00	
THE OREGON ZOO FOUNDATION	7,500.00	
VOLUNTEERS OF AMERICA	7,500.00	
WILLAMETTE RIVERKEEPER	7,425.00	
PORTLAND STATE	7,250.00	
THE WETLANDS CONSERVANCY	6,850.00	
DE LA SALLE	6,500.00	
NEIGHBORHOOD HOUSE	6,500.00	
UNITED WAY OF LINN COUNTY	6,500.00	
PORTLAND IMPACT INC	6,000.00	
1000 FRIENDS OF OREGON	5,350.00	
NORTHWEST EARTH INSTITUTE	5,325.00	
AMERICAN CANCER SOCIETY	5,000.00	
AOI FOUNDATION	5,000.00	
BASIC RIGHTS EDUCATION FUND	5,000.00	
BUSINESS FOR CULTURE & THE ARTS	5,000.00	
CASCADE AIDS PROJECT INC	5,000.00	
CASH OREGON	5,000.00	

**NORTHWEST NATURAL
DONATIONS FOR THE YEAR ENDED DECEMBER 31, 2011**

DESCRIPTION	AMOUNT ASSIGNED TO OREGON	AMOUNT ASSIGNED TO WASHINGTON
CATHOLIC CHARITIES	5,000.00	
CLACKAMAS COUNTY COMMUNITY	5,000.00	
COMMUNITY ENERGY PROJECT INC	5,000.00	
COMMUNITY WAREHOUSE	5,000.00	
CONCORDIA UNIVERSITY	5,000.00	
FRIENDS OF THE RIDGEFIELD		5,000.00
FRIENDS OF TREES	5,000.00	
GUIDE DOGS FOR THE BLIND INC	5,000.00	
HOUSING AND COMMUNITY SERVICES	5,000.00	
JANE A THEATER COMPANY	5,000.00	
JAPANESE GARDEN	5,000.00	
MID-COLUMBIA COMMUNITY	5,000.00	
OPEN MEADOW ALTERNATIVE SCHOOLS INC	5,000.00	
OREGON BALLET THEATRE	5,000.00	
PARTNERS FOR A HUNGER-FREE OREGON	5,000.00	
PORTLAND COMMUNITY COLLEGE	5,000.00	
PORTLAND PARKS AND RECREATION	5,000.00	
PORTLAND READING FOUNDATION	5,000.00	
SHARE		5,000.00
STAND FOR CHILDREN	5,000.00	
THE BLACK PARENT INITIATIVE	5,000.00	
THE CHILDREN'S CENTER	5,000.00	
THE NATURE CONSERVANCY	5,000.00	
TRANSITION PROJECTS INC	5,000.00	
TUALATIN RIVERKEEPERS	5,000.00	
VANCOUVER NATIONAL		4,000.00
WORDSTOCK	4,000.00	
PORTLAND GENERAL ELECTRIC	3,500.00	
BOYS AND GIRLS CLUB	3,000.00	
CHESS FOR SUCCESS	3,000.00	
I HAVE A DREAM FOUNDATION OREGON	3,000.00	
OREGON PARTNERSHIP	3,000.00	
AMERICAN HEART ASSOCIATION	2,500.00	
AMERICAN RED CROSS	2,500.00	
AUDUBON SOCIETY OF PORTLAND	2,500.00	
BOYS & GIRLS CLUB OF SOUTHWESTERN	2,500.00	
BRADLEY-ANGLE HOUSE	2,500.00	
BUSINESS FOR EXCELLENCE IN YOUTH	2,500.00	
CHILDREN'S INSTITUTE	2,500.00	
CHILDREN'S TRUST FUND	2,500.00	
CLACKAMAS WOMEN'S SERVICES	2,500.00	
CLASSROOM LAW PROJECT	2,500.00	
CREATIVE ADVOCACY NETWORK	2,500.00	
INTERSERVICE WALK & KNOCK		2,500.00
JOIN	2,500.00	
LOAVES AND FISHES CENTERS INC	2,500.00	
LOWER COLUMBIA RIVER	2,500.00	

**NORTHWEST NATURAL
DONATIONS FOR THE YEAR ENDED DECEMBER 31, 2011**

DESCRIPTION	AMOUNT ASSIGNED TO OREGON	AMOUNT ASSIGNED TO WASHINGTON
NATIONAL MULTIPLE SCLEROSIS SOCIETY	2,500.00	
OREGON AREA JEWISH COMMITTEE	2,500.00	
OREGON CHILDREN'S THEATRE	2,500.00	
OREGON HISTORICAL SOCIETY	2,500.00	
OREGON MENTORS	2,500.00	
PORTLAND ART MUSEUM	2,500.00	
PORTLAND FESTIVAL SYMPHONY	2,500.00	
PORTLAND STATE UNIVERSITY	2,500.00	
PRICEWATERHOUSECOOPERS LLP	2,500.00	
SALEM SCHOOLS FOUNDATION	2,500.00	
VIRGINIA GARCIA	2,500.00	
PORTLAND HABITAT FOR HUMANITY	2,322.00	
UNIVERSITY OF OREGON ATHLETICS	2,100.00	
DAVID DOUGLAS	2,000.00	
FOOD FOR LANE COUNTY	2,000.00	
JESUIT HIGH SCHOOL	2,000.00	
LINCOLN COUNTY FOOD SHARE	2,000.00	
OFFICE CONTRACT WORK	2,000.00	
PORTLAND JAZZ FESTIVAL INC	2,000.00	
PORTLAND PUBLIC SCHOOLS FOUNDATION	2,000.00	
REACH COMMUNITY DEVELOPMENT	2,000.00	
THE CIRCUS PROJECT	2,000.00	
UNITED WAY OF LANE COUNTY	2,000.00	
PORTLAND BUSINESS ALLIANCE CHAR INS	1,911.00	
MERCY CORPS	1,800.00	
NATIVE AMERICAN YOUTH	1,750.00	
NATIONAL MARROW DONOR PROGRAM	1,550.00	
CHINESE AMERICAN CITIZENS ALLIANCE	1,500.00	
EMANUEL MEDICAL CENTER FOUNDATION	1,500.00	
FRIENDLY HOUSE INC	1,500.00	
OREGON NEWSPAPERS FOUNDATION INC	1,500.00	
OREGON NIKKEI ENDOWMENT INC	1,500.00	
RURAL DEVELOPMENT INITIATIVES INC	1,500.00	
SERENDIPITY CENTER INC	1,500.00	
UNITED WAY OF SOUTHWESTERN OREGON	1,500.00	
NORTHWEST NATURAL GAS CO	1,300.00	
ALBINA ROTARY CLUB FOUNDATION	1,000.00	
BEAVERTON EDUCATION FOUNDATION	1,000.00	
FAMILY BUILDING BLOCKS	1,000.00	
HISPANIC METROPOLITAN CHAMBER	1,000.00	
INNOVATIVE SERVICES NW		1,000.00
MAYOR'S CHARITY BALL	1,000.00	
MT HOOD COMMUNITY	1,000.00	
NEIGHBORS FOR KIDS	1,000.00	
OREGON HEAT	1,000.00	
OREGON INSTITUTE OF TECHNOLOGY	1,000.00	
PORTLAND AFTER-SCHOOL TENNIS	1,000.00	

**NORTHWEST NATURAL
DONATIONS FOR THE YEAR ENDED DECEMBER 31, 2011**

DESCRIPTION	AMOUNT ASSIGNED TO OREGON	AMOUNT ASSIGNED TO WASHINGTON
REVOLUTION CHURCH	1,000.00	
SISTERS OF THE ROAD CAFE	1,000.00	
STREET ROOTS	1,000.00	
SUMMER JUBILEE	1,000.00	
THE BLOSSER CENTER	1,000.00	
UNITED WAY OF CLATSOP COUNTY	1,000.00	
UNITED WAY OF COLUMBIA COUNTY	1,000.00	
UNITED WAY OF HOOD RIVER	1,000.00	
VIETNAMESE COMMUNITY OF OREGON	1,000.00	
YWCA OF GREATER PORTLAND	1,000.00	
Under 1K	69,388.44	3,350.00
Grand Total	<u>\$ 1,141,624.42</u>	<u>\$ 20,850.00</u>
Total of Donations > \$1,000	1,072,235.98	17,500.00
Various Charities < \$1,000	69,388.44	3,350.00
Total Donations	<u>\$ 1,141,624.42</u>	<u>\$ 20,850.00</u>

Name of Respondent	This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

State of Oregon - Officers' Salaries

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration, or finance), and any other person who performs similar policy-making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent and date change in incumbency was made.
3. Utilities which are required to file similar data with the Securities and Exchange Commission, may substitute a copy of Item 4, Regulation S-K, identified as this schedule page. The substituted page(s) should be conformed to the size of this page.

Line No.	Title (a)	Name of Officer (b)	Salary for Year	
			Total (c)	Oregon (d)
1	President and Executive Officer	Gregg S. Kantor	464,428	464,428
2	Senior Vice President and Chief Financial Officer	David H. Anderson	357,167	357,167
3	Vice President and General Counsel	Margaret D. Kirkpatrick	275,000	275,000
4	Senior Vice President	Lea Anne Doolittle	251,167	251,167
5	Vice President	J. Keith White	228,667	228,667
6	Vice President	David R. Williams	214,333	214,333
7	Vice President	Grant M. Yoshihara	214,333	214,333
8	Vice President	C. Alex Miller	188,500	188,500
9	Chief Governance Officer and Corp. Secretary	MardiLyn Saathoff	207,333	207,333
10	Treasurer and Controller	Stephen P. Feltz	223,667	223,667

Name of Respondent Northwest Natural Gas Comp	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Year of Report Dec. 31, 2011
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**STATE OF OREGON - DONATIONS OR PAYMENTS FOR SERVICES RENDERED BY PERSONS
OTHER THAN EMPLOYEES AND CHARGED TO OREGON OPERATING ACCOUNTS**

- Report for each service rendered (including materials furnished incidental to the service which are impracticable of (separation) by recipient and in total the aggregate of all payments made during the year where the aggregate of such payments to a recipient was \$25,000 or more including fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payments for services, traffic settlements, amounts paid for construction or maintenance of plant to persons other than affiliatesto any one corporation, institution, association, firm partnership, committee, or person (not an employee of the respondent). Indicate by an asterisk in column (c) each item that includes payments for materials furnished incidental to the services performed. Payments to a recipient by two or more companies within a single system under a cost sharing or other joint arrangement shall be considered a single item for reporting in this schedule and shall be shown in the report of the principal company in the joint arrangement (as measured by gross operating revenues) with references thereto in the reports of the other system companies in the joint arrangement.
- If more convenient, this schedule may be filled out for a group of companies considered as one system and shown only in the report of the principal company in the system, with references thereto in the reports of the other companies.

Line No.	NAME OF RECIPIENT (a)	NATURE OF SERVICE (b)	AMOUNT OF PAYMENT (c)
	SEE FERC ANNUAL REPORT PAGE 357		

Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011

In order to help us with production of our Oregon Utility Statistics publication, please indicate:

Oregon Production Statistics (Dths)

Gas Produced	0
Gas Purchased	72,993,198
Total Receipts	72,993,198

Gas Sales	70,211,253
Gas Used by Company	339,352
Gas Delivered to LNG Storage - Net	2,085,689
Losses & billing Delay	356,904
Total Disbursements	72,993,198

Oregon Revenue by Service Class

Residential	439,881,295
Commercial & Industrial	250,930,362
Firm	32,298,811
Interruptible	14,595,562
Transportation	0
Total	737,706,030

Gas Sold in Therms (Oregon)

Residential	376,896,094
Commercial & Industrial	
Firm	269,897,145
Interruptible	55,319,288
Transportation	357,813,087
Total	1,059,925,614

Average Number of Oregon Customers

Residential	548,866
Commercial & Industrial	
Firm	57,792
Interruptible	140
Transportation	190
Total	606,988