

**MARK R. THOMPSON**  
Tariffs and Regulatory Compliance  
Tel: 503.721-2476  
Fax: 503.721.2516  
email: mrt@nwnatural.com



September 7, 2012

**VIA ELECTRONIC FILING**

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

Attn: Filing Center

Re: OPUC Docket UM 1027: Application for Reauthorization for Deferred Accounting of Refunds or Collections of Distribution Margin for Twelve Months

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the “Company”), hereby files the above-referenced Application for Reauthorization of Deferred Accounting of Refunds or Collections of Distribution Margin.

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

A Certificate of Service is attached as Exhibit C.

If you have any questions, please call Jennifer Gross at (503) 226-4211, ext. 3590.

Sincerely,

*/s/ Mark R. Thompson*

Mark Thompson  
Manager, Rates and Regulatory Affairs

attachments

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1027

NW Natural Application for Reauthorization  
For Deferred Accounting of Refunds or  
Collections of Distribution Margin

1 In accordance with ORS 757.259 and ORS 757.262, and OAR 860-030-0035,  
2 NW Natural (or the “Company”) files this application with the Public Utility Commission of  
3 Oregon (the “Commission”) for an order authorizing the Company to record and defer  
4 with interest, on an ongoing basis, the amount by which actual distribution margin per  
5 residential and commercial customer is different from the margin to be collected from  
6 residential and commercial customers based on “normal” consumption, as assumed in  
7 the Company’s most recent general rate case, UG 221. This request is for the twelve-  
8 month period beginning November 1, 2012 and ending October 31, 2013.

9 In support of this Application, NW Natural states:

10 **1. NW Natural**

11 NW Natural is a public utility in the state of Oregon and is subject to the  
12 jurisdiction of the Commission with regard to rates, service, and accounting practices.  
13 NW Natural also provides retail natural gas service in the states of Oregon and  
14 Washington.

15 **2. Statutory Authority**

16 This Application is filed pursuant to ORS 757.259 and ORS 757.262, which  
17 empower the Commission to authorize the deferral of expenses or revenues of a public  
18 utility for later incorporation in rates.

19 //

1 **3. Communications**

2 Communications regarding this Application should be addressed to:

3  
4 NW Natural  
5 e-filing for Regulatory Affairs  
6 220 NW Second Avenue  
7 Portland, Oregon 97209-3991  
8 Telephone: (503) 226-4211, ext. 3589  
9 Facsimile: (503) 721-2516  
10 E-mail: eFiling@nwnatural.com

11  
12 and

13  
14 Jennifer Gross  
15 Tariffs & Regulatory Compliance Consultant  
16 NW Natural  
17 220 NW Second Avenue  
18 Portland, OR 97209-3991  
19 Telephone: (503) 226- 4211, ext. 3590  
20 Facsimile (503) 721-2516  
21 E-mail: jennifer.gross@nwnatural.com  
22

23 **4. Description of Request - OAR 860-027-0300(3)(a)**

24 Parties to the Company's last general rate case, UG 221, have agreed to the  
25 continuation of the Company's decoupling mechanism. Notice of this agreement was  
26 provided to Administrative Law Judge Lisa Hardie through a letter from Jason Jones,  
27 Assistant Attorney General, dated August 14, 2012. As of September 7, 2012, the  
28 stipulation has not been filed but it will be shortly.

29 On September 7, 2012, the Company filed an application requesting re-  
30 authorization to use deferred accounting for the month of October 2012, and is now filing  
31 this request so that ongoing deferral periods for distribution margin entries will align with  
32 the Purchased Gas Adjustment (PGA) year, as agreed to in UG 221 settlements.

33 **5. Reason for Application for Reauthorization of Deferred Accounting - OAR**  
34 **860-027-0300(3)(b)**

35 In accordance with the statutory authority provided by ORS 767.259 and ORS  
36 757.262, and the agreement reached by parties in UG 221 to allow the Company to

1 continue its decoupling mechanism with minor but no substantive changes, NW Natural  
2 proposes to record and defer, with interest, the amount by which actual distribution  
3 margin per residential and commercial customer is different from the margin to be  
4 collected from residential and commercial customers based on “normal” consumption, as  
5 assumed in the Company’s most recent general rate case filing, UG 221.

6 **6. Accounting - OAR 860-027-0300(3)(c)**

7 NW Natural proposes to record the amounts described in paragraph (7) below of  
8 this Application in a sub-account of Account 186. In the absence of the Commission’s  
9 approval of this Application, the Company would record under- or over-collected  
10 distribution margin as utility operating revenue in FERC Account 400.

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

12 NW Natural cannot estimate what amounts will be recorded in the distribution  
13 margin normalization “use balancing account” for the upcoming twelve-month period  
14 because the amount is dependent on volume variance resulting from the actual price  
15 and conservation responses.

16 **8. Entries in Deferred Account To-Date– OAR 860-027-0300(4)(a)**

17 In 2003 and 2004, the Company deferred 90% of its distribution margin  
18 differential in accordance with Commission Order No. Since 2005, the Company has  
19 deferred 100% of its distribution margin differential in accordance with the terms  
20 established in Commission Order No. 05-934. Work papers, attached as Exhibit A,  
21 demonstrate the distribution margin differential deferred under this docket (UM 1027) for  
22 the past two years.

23 **9. Reason for Continuation of Deferral Account – OAR 860-027-0300(4)(b)**

24 NW Natural seeks continuation of this deferral account in accordance with the  
25 agreement reached by parties in UG 221 to continue to allow the Company to recover  
26 one hundred percent (100%) of the difference between the actual distribution margin per

1 residential and commercial customer and the margin to be collected from residential and  
2 commercial customers based on “normal” consumption, as assumed in the Company’s  
3 most recent general rate case, UG 221.

4 **10. Requirements per Commission Order No. 09-263**

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

7 **a. A completed Summary Sheet, the location in the PGA filing, and an**  
8 **account map that highlights the transfer of dollars from one account to**  
9 **another**

10 Exhibit A includes the Summary Sheet which shows the amounts deferred for  
11 residential and commercial customers and demonstrates the transfer of  
12 dollars from one account to another. Exhibit A was included in our 2012-13  
13 PGA filing as work papers and attached to the electronic filing as a file  
14 entitled, “Proposed Temps Oregon 2012-2013 PGA August filing.xls.”

15 **b. The effective date of the deferral**

16 This application is for the twelve-month period beginning November 1, 2012  
17 and ending October 31, 2013.

18 **c. Prior year Order Number approving the deferral**

19 Permission to defer 100% of the Company’s distribution margin differential  
20 was last granted on February 14, 2012 in Commission Order No. 12-048.

21 **d. The amount deferred last year**

22 See Exhibit A.

23 **e. The amount amortized last year**

24 See Exhibit A.

25 **f. The interest rate that will apply to the accounts**

26 The interest rate for deferral accounts is 8.618%.

1 **g. An estimate of the upcoming PGA-period deferral and / or amortization**

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

5 WHEREFORE, NW Natural respectfully requests that in accordance with ORS  
6 757.259, as amended, the Commission authorize the Company to record and defer, on  
7 an ongoing basis and commencing as of the date of this filing, the amount by which  
8 actual distribution margin per residential and commercial customer is different from the  
9 margin assumed in UG 221 to be collected from residential and commercial customers  
10 based on "normal" consumption.

11 DATED this 7th day of September 2012.

12 Respectfully submitted,

13 NW NATURAL

14  
15 /s/ Mark R. Thompson  
16 Mark R. Thompson  
17 Manager, Rates and Regulatory Affairs  
18 NW Natural  
19 220 NW Second Avenue  
20 Portland, Oregon 97209  
21 Phone: (503) 721-2476  
22 Facsimile: (503) 721-2516  
23 E-mail: mrt@nwnatural.com  
24

Exhibit A

Company: Northwest Natural Gas Company  
 State: Oregon  
 Description: Deferral of Oregon Residential Decoupling  
 Account Number: 186275  
 Authorized in dockets UG 143 and UM 1027  
 Last deferral reauthorization was Order 12-048 in UM 1027

1	Debit (Credit)						
2							
3							
4	Month/Year	Note	Deferral	Transfers	8.618% Interest	Activity	Total Balance
5	(a)	(b)	(c)	(d)	(e)	(f)	(g)
6							
7	Beginning Balance						
58	Nov-10	<b>1</b>	3,620,281.21	(13,210,032.04)	23,271.28	(9,566,479.55)	5,073,784.59
59	Dec-10		1,303,079.58		41,117.37	1,344,196.95	6,417,981.54
60	Jan-11		2,864,206.99		56,376.69	2,920,583.68	9,338,565.22
61	Feb-11		3,049,640.33		78,017.21	3,127,657.54	12,466,222.76
62	Mar-11		1,674,149.89		95,539.85	1,769,689.74	14,235,912.50
63	Apr-11		2,493,837.21		111,192.53	2,605,029.74	16,840,942.24
64	May-11		1,017,299.49		124,598.99	1,141,898.48	17,982,840.72
65	Jun-11		(1,115,005.41)		125,142.97	(989,862.44)	16,992,978.28
66	Jul-11		(547,711.96)		120,071.16	(427,640.80)	16,565,337.48
67	Aug-11		(34,067.82)		118,844.40	84,776.58	16,650,114.06
68	Sep-11		238,212.90		120,430.95	358,643.85	17,008,757.91
69	Oct-11		1,132,450.02		126,217.67	1,258,667.69	18,267,425.60
70	Nov-11	<b>1</b>	680,278.70	(17,130,909.14)	10,604.85	(16,440,025.59)	1,827,400.01
71	Dec-11		5,277,359.02		32,073.89	5,309,432.91	7,136,832.92
72	Jan-12		2,032,497.05		58,552.71	2,091,049.76	9,227,882.68
73	Feb-12		1,600,421.64		72,018.42	1,672,440.06	10,900,322.74
74	Mar-12		2,567,971.65		87,503.64	2,655,475.29	13,555,798.03
75	Apr-12		812,518.05		100,270.84	912,788.89	14,468,586.92
76	May-12		207,884.52		104,655.05	312,539.57	14,781,126.49
77	Jun-12		(958,586.95)		102,711.00	(855,875.95)	13,925,250.54
78	Jul-12		(1,070,811.79)		96,161.40	(974,650.39)	12,950,600.15
79	Aug-12				93,006.89	93,006.89	13,043,607.04
80	Sep-12				93,674.84	93,674.84	13,137,281.88
81							
82							
83							
84		<b>2</b>	<b>Amount Deferred during Oct 11 - Sep 11 with interest:</b>				<b>13,259,433.11</b>
85							
86							
87	<b>History truncated for ease of viewing</b>						
88							
89	<b>NOTES</b>						
90	<b>1</b> - October balance transferred to account 186277 for amortization.						
91	<b>2</b> - Based on deferrals recognized as of the date of this application.						

Exhibit A

Company: Northwest Natural Gas Company  
 State: Oregon  
 Description: Amortization of Oregon Residential Decoupling  
 Account Number: 186277  
 Dockets UG 209 and UM 1027  
 Amortization of 2010-11 deferral balance approved in Order 11-460 in UG 209

1	Debit	(Credit)						
2								
3						Interest		
4	Month/Year	Note	Amortization	Transfers	Interest	Rate	Activity	Balance
5	(a)	(b)	(c)	(d)	(e1)	(e2)	(f)	(g)
6								
7	Beginning Balance							
61	Nov-10	old rates	(433,116.03)		1,848.29	2.05%	(431,267.74)	867,214.81
62		new rates <b>(1)</b>	(474,789.19)	13,210,032.04	24,215.59	2.24%	12,759,458.44	13,626,673.25
63	Dec-10		(2,105,858.70)		23,470.99	2.24%	(2,082,387.71)	11,544,285.54
64	Jan-11		(2,453,417.81)		19,259.48	2.24%	(2,434,158.33)	9,110,127.21
65	Feb-11		(1,928,746.28)		15,205.41	2.24%	(1,913,540.87)	7,196,586.34
66	Mar-11		(2,040,749.19)		11,528.93	2.24%	(2,029,220.26)	5,167,366.08
67	Apr-11		(1,499,168.07)		8,246.53	2.24%	(1,490,921.54)	3,676,444.54
68	May-11		(1,138,487.09)		5,800.11	2.24%	(1,132,686.98)	2,543,757.56
69	Jun-11		(690,740.79)		4,103.66	2.24%	(686,637.13)	1,857,120.43
70	Jul-11		(376,085.46)		3,115.61	2.24%	(372,969.85)	1,484,150.58
71	Aug-11		(305,130.96)		2,485.63	2.24%	(302,645.33)	1,181,505.25
72	Sep-11		(309,616.99)		1,916.50	2.24%	(307,700.49)	873,804.76
73	Oct-11	<b>2</b>	(470,986.44)	(208.00)	1,191.51	2.24%	(470,002.93)	403,801.83
74	Nov-11	old rates	(581,260.84)		211.25	2.24%	(581,049.59)	(177,247.76)
75		new rates <b>(1)</b>	(736,169.13)	17,130,909.14	28,077.73	2.01%	16,422,817.74	16,245,569.98
76	Dec-11		(2,684,898.37)		24,962.73	2.01%	(2,659,935.64)	13,585,634.34
77	Jan-12		(2,976,092.47)		20,263.46	2.01%	(2,955,829.01)	10,629,805.33
78	Feb-12		(2,416,446.83)		15,781.15	2.01%	(2,400,665.68)	8,229,139.65
79	Mar-12		(2,337,971.99)		11,825.76	2.01%	(2,326,146.23)	5,902,993.42
80	Apr-12		(1,806,385.13)		8,374.67	2.01%	(1,798,010.46)	4,104,982.96
81	May-12		(1,052,612.08)		5,994.28	2.01%	(1,046,617.80)	3,058,365.16
82	Jun-12		(710,703.18)		4,527.55	2.01%	(706,175.63)	2,352,189.53
83	Jul-12		(466,482.31)		3,549.24	2.01%	(462,933.07)	1,889,256.46
84	Aug-12	forecast	(401,011.85)		2,828.66	2.01%	(398,183.19)	1,491,073.27
85	Sep-12	forecast	(433,765.44)		2,134.27	2.01%	(431,631.17)	1,059,442.10

**Amount Amortized during Oct 11 - Sep 12 with interest: (16,945,271.80)**

History truncated for ease of viewing

**NOTES**

**1** - Transfer in is from the October balance of deferral account 186275

**2** - Transfer represents a balance true-up adjustment



Exhibit A

Company: Northwest Natural Gas Company  
 State: Oregon  
 Description: Deferral of Oregon Commercial Decoupling  
 Account Number: 186270  
 Authorized in dockets UG 143 and UM 1027  
 Last deferral reauthorization was Order 12-048 in UM 1027

1	Debit	(Credit)					
2							
3					8.618%		
4	Month/Year	Note	Deferral	Transfers	Interest	Activity	Balance
5	(a)	(b)	(c)	(d)	(e)	(f)	(g)
6							
7	Beginning Balance						
58	Nov-10	<b>1</b>	1,014,549.41	(2,365,527.28)	4,308.60	(1,346,669.27)	1,111,527.85
59	Dec-10		8,452.16		8,012.97	16,465.13	1,127,992.98
60	Jan-11		543,323.34		10,051.85	553,375.19	1,681,368.17
61	Feb-11		512,592.24		13,915.66	526,507.90	2,207,876.07
62	Mar-11		81,416.60		16,148.58	97,565.18	2,305,441.25
63	Apr-11		189,252.50		17,236.48	206,488.98	2,511,930.23
64	May-11		(119,099.67)		17,612.18	(101,487.49)	2,410,442.74
65	Jun-11		(297,288.37)		16,243.48	(281,044.89)	2,129,397.85
66	Jul-11		102,559.51		15,660.90	118,220.41	2,247,618.26
67	Aug-11		38,708.45		16,280.64	54,989.09	2,302,607.35
68	Sep-11		97,950.86		16,888.28	114,839.14	2,417,446.49
69	Oct-11		156,648.69		17,923.79	174,572.48	2,592,018.97
70	Nov-11	<b>1</b>	117,104.25	(2,434,807.78)	1,549.54	(2,316,153.99)	275,864.98
71	Dec-11		1,142,977.76		6,085.41	1,149,063.17	1,424,928.15
72	Jan-12		111,728.68		10,634.56	122,363.24	1,547,291.39
73	Feb-12		147,614.32		11,642.19	159,256.51	1,706,547.90
74	Mar-12		196,776.60		12,962.45	209,739.05	1,916,286.95
75	Apr-12		(6,589.29)		13,738.47	7,149.18	1,923,436.13
76	May-12		(45,443.26)		13,650.30	(31,792.96)	1,891,643.17
77	Jun-12		(223,946.04)		12,781.00	(211,165.04)	1,680,478.13
78	Jul-12		(433,966.50)		10,510.33	(423,456.17)	1,257,021.96
79	Aug-12				9,027.51	9,027.51	1,266,049.47
80	Sep-12				9,092.35	9,092.35	1,275,141.82
81							
82							
83							
84		<b>2</b>	<b>Amount Deferred during Oct 11 - Sep 12 with interest:</b>				<b>1,292,503.11</b>
85							
86							

87 **History truncated for ease of viewing**

88 **NOTES**

89 **1** - October balance transferred to account 186271 for amortization.

90 **2** - Based on deferrals recognized as of the date of this application.

Exhibit A

Company: Northwest Natural Gas Company  
 State: Oregon  
 Description: Amortization of Oregon Commercial Decoupling  
 Account Number: 186271  
 Dockets UG 209 and UM 1027  
 Amortization of 2010-11 deferral balance approved in Order 11-460 in UG 209

1	Debit	(Credit)						
2								
3						Interest		
4	Month/Year	Note	Amortization	Transfers	Interest	Rate	Activity	Balance
5	(a)	(b)	(c)	(d)	(e)		(f)	(g)
6								
7	Beginning Balance							
61	Nov-10	old rates	(20,532.63)		211.52	2.10%	(20,321.11)	110,815.65
62		new rates <b>(1)</b>	(79,276.15)	2,365,527.28	4,341.66	2.24%	2,290,592.79	2,401,408.44
63	Dec-10		(348,826.43)		4,157.06	2.24%	(344,669.37)	2,056,739.07
64	Jan-11		(407,195.93)		3,459.20	2.24%	(403,736.73)	1,653,002.34
65	Feb-11		(325,210.22)		2,782.07	2.24%	(322,428.15)	1,330,574.19
66	Mar-11		(345,605.99)		2,161.17	2.24%	(343,444.82)	987,129.37
67	Apr-11		(257,836.08)		1,601.99	2.24%	(256,234.09)	730,895.28
68	May-11		(205,475.93)		1,172.56	2.24%	(204,303.37)	526,591.91
69	Jun-11		(143,515.48)		849.02	2.24%	(142,666.46)	383,925.45
70	Jul-11		(95,152.60)		627.85	2.24%	(94,524.75)	289,400.70
71	Aug-11		(82,456.11)		463.26	2.24%	(81,992.85)	207,407.85
72	Sep-11		(82,105.90)		310.53	2.24%	(81,795.37)	125,612.48
73	Oct-11		(104,284.37)		137.14	2.24%	(104,147.23)	21,465.25
74	Nov-11	old rates	(107,601.66)		(60.36)	2.24%	(107,662.02)	(86,196.77)
75		new rates <b>(1)</b>	(88,289.87)	2,434,807.78	4,004.36	2.01%	2,350,522.27	2,264,325.50
76	Dec-11		(339,818.31)		3,508.15	2.01%	(336,310.16)	1,928,015.34
77	Jan-12		(380,605.21)		2,910.67	2.01%	(377,694.54)	1,550,320.80
78	Feb-12		(315,339.94)		2,332.69	2.01%	(313,007.25)	1,237,313.55
79	Mar-12		(302,663.48)		1,819.02	2.01%	(300,844.46)	936,469.09
80	Apr-12		(244,068.67)		1,364.18	2.01%	(242,704.49)	693,764.60
81	May-12		(154,404.15)		1,032.74	2.01%	(153,371.41)	540,393.19
82	Jun-12		(117,087.52)		807.10	2.01%	(116,280.42)	424,112.77
83	Jul-12		(88,907.18)		635.93	2.01%	(88,271.25)	335,841.52
84	Aug-12	forecast	(83,262.51)		492.80	2.01%	(82,769.71)	253,071.81
85	Sep-12	forecast	(84,292.43)		353.30	2.01%	(83,939.13)	169,132.68

**Amount Amortized during Oct 11 - Sep 12 with interest: (2,391,287.58)**

History truncated for ease of viewing

**NOTES**

**1** - Transfer in is from the October balance of deferral account 186275



September 7, 2012

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

**To All Parties Who Participated in UG 221:**

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

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

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

**NW Natural**  
**Attn: Jennifer Gross**  
**220 NW Second Avenue**  
**Portland, Oregon 97209-3991**  
**Telephone: (503) 226-4211 ext 3590**

**Public Utility Commission of Oregon**  
**Attn: Judy Johnson**  
**550 Capitol St., NE, Ste 215**  
**PO Box 2148**  
**Salem, Oregon 97308-2148**  
**Telephone: (503) 378-6636**

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

\*\*\*\*\*



**CERTIFICATE OF SERVICE**

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

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

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

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

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

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

**PAULA E PYRON W**  
NORTHWEST INDUSTRIAL GAS USERS  
ppyron@nwigu.org

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

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

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

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

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

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

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

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

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

DATED at Portland, Oregon, this 7<sup>th</sup> day of September 2012.

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