

Rates and Regulatory Affairs  
Facsimile: 503.721.2532



**VIA ELECTRONIC FILING**

August 15, 2005

Public Utility Commission of Oregon  
550 Capitol Street, Northeast, Suite 215  
P. O. Box 2148  
Salem, Oregon 97308-2148

ATTN: Vikie Bailey-Goggins, Administrator  
Regulatory Operations Division

Re: **OPUC Docket UM \_\_\_; NW Natural Advice No. OPUC 05-9:**  
Application for Reauthorization to Defer Certain Expenses or Revenues

Northwest Natural Gas Company, dba NW Natural (NW Natural or company), files herewith, in quintuplicate, the above-referenced Application for Reauthorization to Defer Certain Expenses and Revenues. The application is filed in order to continue deferrals relative to the company's purchased gas cost adjustment increment.

An estimate of the amount to be recorded in the deferred accounts for the 12-month period subsequent to the Application is attached hereto as Exhibit A. A notice of this Application has been served on all parties who participated in the company's most recent general rate case, UG 152, and is attached thereto as Exhibit B.

Please call me at 1-503-721-2452 if you have any questions or require any further information.

Sincerely,

Onita R. King, Manager  
Tariffs & Regulatory Compliance

enclosures

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BEFORE THE PUBLIC UTILITY COMMISSION

OF

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

APPLICATION FOR REAUTHORIZATION  
TO DEFER CERTAIN EXPENSES OR REVENUES

Northwest Natural Gas Company, dba NW Natural (NW Natural or company),  
hereby files with the Public Utility Commission of Oregon (Commission) this application for  
reauthorization (Application) to use deferred accounting pursuant to *ORS 727.210* and  
*757.259*, and *OAR 860-27-300*, for the 12-month period beginning October 1, 2005. The  
company's last reauthorization commenced October 1, 2004, and, therefore, the existing  
12-month reauthorization period has not yet expired. This application for reauthorization  
seeks reauthorization for the period beginning October 1, 2005 through October 1, 2006.

NW Natural requests that, as part of its reauthorization, the Commission  
approve NW Natural's automatic adjustment clauses and the Purchased Gas Adjustment  
(PGA), pursuant to *ORS 727.210(1)*. See Order Nos. 89-1046, 99-272, and 99-697.

1 Specifically, in this Application, NW Natural requests reauthorization to defer:

2 A. One hundred percent (100%) of the difference between the gas cost demand  
3 charges collected from rates and the actual gas cost fixed/demand charges experienced  
4 by the company as previously authorized in Order No. 89-1046, 99-272, and 99-697;

5 B. The commodity charge variation as defined in NW Natural's P.U.C. Or. 24 Tariff  
6 Schedule P, or its successor, and;

7 C. All previously-authorized account balances related to lost margin and DSM  
8 program costs, and PGA commodity and capacity cost deferrals not presently authorized  
9 for amortization, or being proposed for amortization, all as described in NWN Advice No.  
10 OPUC 05-9.

11 In compliance with the requirements of *OAR 860-027-0300(4)*, NW Natural  
12 hereby submits the following information:

13 1. A description of the utility expenses or revenues for which deferred  
14 accounting is requested:

15 a. Demand and other fixed gas costs to be recovered or refunded at one  
16 hundred percent (100%) of the difference between the actual cost experienced and the  
17 amount collected from rates pursuant to P.U.C. Or. 24 Tariff Schedule P, or its successor,  
18 and;

19 b. Commodity gas cost variations to be recovered or refunded as  
20 described in NW Natural's P.U.C. Or. 24 Tariff Schedule P, or its successor.

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2 - APPLICATION FOR REAUTHORIZATION TO DEFER CERTAIN EXPENSES

1           2.     Justification for the deferred accounting requested with reference to the  
2 sections of *ORS 757.259* under which deferral can be authorized:

3           a.     Deferral of items 1(a) and 1(b) above can be authorized pursuant to  
4 *ORS 757.259(2)(d)* because they are “utility expenses or revenues, the recovery or refund  
5 of which the commission finds should be deferred in order to minimize the frequency of rate  
6 changes ... or to match appropriately the costs borne by and benefits received by  
7 ratepayers.”

8           3.     The accounts proposed for recording the amounts to be deferred and the  
9 accounts that would be used for recording the amounts in the absence of approval of  
10 deferred accounting are as follows:

11           a.     The charges incurred for gas costs pursuant to the PGA activity and  
12 other incurred gas costs, absent the requested account 191 deferral, would be recorded as  
13 increases/decreases in the appropriate 401 gas expense subaccount.

14           4.     An estimate of the amount to be recorded in the deferred accounts for the  
15 12-month period subsequent to the Application is attached as Exhibit A. Because of  
16 market fluctuations, capacity and commodity deferral amounts are impossible to estimate.  
17 Because the Collection vs. Incurred Demand account reflects cyclical collection differences  
18 rather than market fluctuations, an estimate for this account is included.

19           5.     A description and explanation of the entries in the deferred accounts on the  
20 date of this Application for Reauthorization has been provided above in item 4 and is  
21 further illustrated in the attached Exhibit A.

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### 3 - APPLICATION FOR REAUTHORIZATION TO DEFER CERTAIN EXPENSES

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

3           7.     A notice of this Application has been served on all parties who participated  
4 in the company's most recent general rate case, UG 152, and is attached to this  
5 Application as Exhibit B.

6                     DATED this 15<sup>th</sup> day of August, 2005.

7   Respectfully submitted,

8   NW NATURAL

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C. Alex Miller, General Manager  
Rates & Regulatory Affairs  
220 N.W. Second Avenue  
Portland, Oregon 97209-3991  
Phone: (503) 721-2487  
Email: c2m@nwnatural.com



ESTIMATED ACCUMULATIONS FOR REAUTHORIZATION AS OF OCTOBER 1, 2005  
 DEFERRED ACCOUNTS

Certain of the estimated account activity totals are exceptions to the  
 reauthorization requirements of ORS 757.259 pursuant to OAR 860-27-300(5)

Line No.	Account Description	Estimated Accumulation	Estimated Interest	TOTAL
1	191.XXX PGA Commodity [1]	-	-	-
2	191.XXX PGA Capacity [1]	-	-	-
3	186.599 DSM - unrecovered Program costs	1,500,000	71,000	1,571,000
4	191.450 Collection v. Incurred Demand	-2,000,000	-95,000	-2,095,000
5	TOTAL	-500,000	-24,000	-524,000

[1] Capacity and commodity amounts impossible to estimate.



August 15, 2005

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

**To All Parties Who Participated in UG 152:**

Please be advised that today Northwest Natural Gas Company, dba NW Natural (NW Natural or company), applied for authorization to defer certain expenses and revenues relative to the company's annual purchased gas cost adjustment, as filed in NWN Advice No. OPUC 05-9, and pursuant to the provisions of ORS 757.259(2)(e). Copies of the company's Application are available for inspection at its main and district offices.

**This is not a rate case.** The purpose of this Notice is to inform parties that participated in the company's most recent general rate case, UG 152, 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: Onita R. King  
220 N.W. Second Ave.  
Portland, Oregon 97209-3991  
Telephone: (503) 721-2452

**Public Utility Commission of Oregon**  
Attn: Bonnie Tatom  
550 Capitol St., N.E., Ste. 215  
P. O. Box 2148  
Salem, Oregon 97308-2148  
Telephone: (503) 378-6600

Any person may submit to the Commission written comments on the application by September 9, 2005. 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.

The company's district offices in Oregon are located at:

1970 14<sup>th</sup> Avenue SE  
Albany, Oregon 97322  
Telephone: (541) 926-4253

176 W. Marine Drive  
Astoria, Oregon 97103  
Telephone: (503) 325-1632

1625 N. 7<sup>th</sup> Street  
Coos Bay, Oregon 97420  
Telephone: (541) 267-5655

790 Goodpasture Island Road  
Eugene, Oregon 97401  
Telephone: (541) 342-3662

1405 S. W. Highway 101  
Lincoln City, Oregon 97367  
Telephone: (541) 994-2111

309 E. 2<sup>nd</sup> Street  
The Dalles, Oregon 97058  
Telephone: (541) 296-2229

3123 Broadway N.E.  
Salem, Oregon 97303  
Telephone: (503) 585-6611

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER CERTAIN EXPENSES AND REVENUES upon all parties of record in the UG 152 proceeding, which is the last general rate case filed by Northwest Natural Gas Company, dba NW Natural, by electronically mailing a copy thereof, to the parties or attorneys of parties on the following service list:

**UG 152 Service List**

JASON EISDORFER  
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DATED this 15<sup>th</sup> day of August, 2005.

Respectfully submitted,  
NW NATURAL

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