

Rates and Regulatory Affairs
Facsimile: 503.721.2532



VIA ELECTRONIC FILING

August 15, 2006

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 06-__:**
Application for Reauthorization to Defer Certain Expenses or Revenues

Northwest Natural Gas Company, dba NW Natural (NW Natural or company), files herewith 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 hereto as Exhibit B.

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

Sincerely,

/s/ Onita R. King

Onita R. King, Manager
Tariffs & Regulatory Compliance

ORK/cmt
enclosures

1 BEFORE THE PUBLIC UTILITY COMMISSION

2 OF

3
4 OREGON

5
6 UM _____

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

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16 APPLICATION FOR REAUTHORIZATION
17 TO DEFER CERTAIN EXPENSES OR REVENUES

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20 Northwest Natural Gas Company, dba NW Natural (NW Natural or
21 company), hereby files with the Public Utility Commission of Oregon (Commission) this
22 application for reauthorization (Application) to use deferred accounting pursuant to *ORS*
23 *757.210* and *757.259*, and *OAR 860-27-300*, for the 12-month period beginning
24 November 1, 2006. The company's last reauthorization commenced October 1, 2005,
25 and, therefore, the existing 12-month reauthorization period has not yet expired. An
26 application for reauthorization to use deferred accounting for the month of October,
27 2006, was filed with the Commission August 10, 2006. This instant application seeks
28 reauthorization for the period beginning November 1, 2006 through October 31, 2007.
29 Because NW Natural is changing its purchased gas adjustment coverage from an
30 annual October through September time period to an annual November through
31 October time period, the company is filing its purchased gas adjustment filing with a
32 proposed effective date of November 1, 2006, and the company respectfully requests

1 - APPLICATION FOR REAUTHORIZATION TO DEFER CERTAIN EXPENSES

1 that this reauthorization be approved for the period beginning November 1, 2006
2 through October 31, 2007.

3 NW Natural requests that, as part of its reauthorization, the Commission
4 approve NW Natural's automatic adjustment clauses and the Purchased Gas
5 Adjustment (PGA), pursuant to *ORS 757.210(1)*. See, Order Nos. 89-1046, 99-272,
6 and 99-697.

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

9 A. One hundred percent (100%) of the difference between the gas cost demand
10 charges collected from rates and the actual gas cost fixed/demand charges experienced
11 by the company as previously authorized in Order Nos. 89-1046, 99-272, and 99-697;

12 B. The commodity charge variation as defined in NW Natural's Tariff P.U.C. Or.
13 24 Schedule P, or its successor, and;

14 C. All previously-authorized account balances related to lost margin and DSM
15 program costs, and PGA commodity and capacity cost deferrals not presently
16 authorized for amortization, or being proposed for amortization, all as described in NWN
17 Advice No. OPUC 06-13.

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

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

2 - APPLICATION FOR REAUTHORIZATION TO DEFER CERTAIN EXPENSES

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

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

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

9 a. Deferral of items 1(a) and 1(b) above can be authorized pursuant to
10 *ORS 757.259(2)(d)* because they are "utility expenses or revenues, the recovery or
11 refund of which the commission finds should be deferred in order to minimize the
12 frequency of rate changes ... or to match appropriately the costs borne by and benefits
13 received by ratepayers."

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

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

20 4. An estimate of the amount to be recorded in the deferred accounts for the
21 12-month period subsequent to the Application is attached as Exhibit A. Because of
22 market fluctuations, capacity and commodity deferral amounts are impossible to

3 - APPLICATION FOR REAUTHORIZATION TO DEFER CERTAIN EXPENSES

1 estimate. Because the Collection vs. Incurred Demand account reflects cyclical
2 collection differences rather than market fluctuations, an estimate for this account is
3 included.

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

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

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

12 DATED this 15th day of August, 2006.

13 Respectfully submitted,

14 NW NATURAL

15

16 /s/ C. Alex Miller
17 C. Alex Miller, Director
18 Regulatory Affairs & Forecasting
19 220 N.W. Second Avenue
20 Portland, Oregon 97209-3991
21 Phone: (503) 721-2487
22 Email: c2m@nwnatural.com



**ESTIMATED ACCUMULATIONS FOR REAUTHORIZATION AS OF NOVEMBER 1, 2006
 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	0	0	0
4	191.450 Collection v. Incurred Demand	-2,000,000	-95,000	-2,095,000
5	TOTAL	-2,000,000	-95,000	-2,095,000

[1] Capacity and commodity amounts impossible to estimate.



August 15, 2006

**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 06-13, 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: Judy Johnson
550 Capitol St., N.E., Ste. 215
P. O. Box 2148
Salem, Oregon 97308-2148
Telephone: (503) 378-6636

Any person may submit written comments on this application to the Commission within 25 days of 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.

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

7150 Supra Dr., S.W.
Albany, Oregon 97321
Telephone: (541) 926-4253

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

1625 N. 7th 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. 2nd Street
The Dalles, Oregon 97058
Telephone: (541) 296-2229

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

* * * * *



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

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DATED this 15th day of August, 2006.

Respectfully submitted,

NW NATURAL

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