



December 22, 2006

***VIA ELECTRONIC FILING***

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

Attn: Filing Center

**Re: Docket UM \_\_\_\_ : Application for an Accounting Order Regarding  
Treatment of Accumulated Other Comprehensive Income for Funded  
Status of Pension and Other Postretirement Benefit Obligations**

Submitted herewith for filing is the above-referenced application. If you have any questions regarding this matter or require any additional information, please contact me at (503) 220-2345 or C.J. Rue at (503) 220-2411.

Sincerely,

/s/ Stephen P. Feltz

Stephen P. Feltz  
Treasurer and Controller

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM \_\_\_\_

<b>In the Matter of</b>	)	
	)	<b>NW NATURAL'S APPLICATION FOR</b>
<b>NORTHWEST NATURAL GAS</b>	)	<b>ACCOUNTING ORDER</b>
<b>COMPANY</b>	)	
	)	
<b>Application for an Accounting Order</b>	)	
<b>Regarding Treatment of Accumulated Other</b>	)	
<b>Comprehensive Income for Funded Status of</b>	)	
<b>Pension and Other Postretirement Benefit</b>	)	
<b>Obligations</b>	)	

Northwest Natural Gas Company (“NW Natural” and the “Company”) applies to the Public Utility Commission of Oregon (the “Commission”) for an accounting order authorizing the Company to record on an ongoing basis, as a regulatory asset or liability, an amount equal to the after-tax charge or credit to common equity that would otherwise be necessitated by the recognition of a balance sheet adjustment for the Company’s Accumulated Other Comprehensive Income (AOCI) pursuant to a new accounting pronouncement, Statement of Financial Accounting Standards No. (FAS) 158, “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans,” relating to the funded status of pension and other postretirement benefit plans. The Company is required to adopt FAS 158 as of December 31, 2006. Such an order will not affect the current level of pension expense included in the Company’s cost of service or net income.

In connection with this Application, NW Natural respectfully requests confirmation by the Commission that the actuarially-determined FAS 87 and FAS 106

expenses form the basis for pension and other postretirement benefit costs recovered in rates, and that these costs are presently recovered in current rates. Previously, it was agreed to in the Company's most recent Oregon general rate case that the rate recovery for pension expense "would remain at the level in the Company's filed case, but that deferred accounting will be implemented if actual expenses are lower. In addition, the parties agreed to consider implementation of deferred accounting if pension expenses increase." Both the revenue requirement for pension and other postretirement benefit costs in the Company's filed case and the actual costs recorded by the Company are based on FAS 87 accounting methodology.

In support of this Application, NW Natural states:

1. NW Natural is a public utility in the State of Oregon and is subject to the jurisdiction of the Commission with regard to its rates, service, and accounting practices. NW Natural also provides natural gas service in the State of Washington.
2. This Application is filed pursuant to ORS 757.120 and 757.125, which authorize the Commission to prescribe the accounting to be used by any public utility subject to its jurisdiction.
3. Communications regarding this Application should be addressed to:

C.J. Rue, Corporate Secretary  
NW Natural  
220 NW Second Avenue  
Portland, Oregon 97209  
Telephone: (503) 220-2411  
Facsimile: (503) 220-2584  
E-mail: [cjr@nwnatural.com](mailto:cjr@nwnatural.com)

Stephen P. Feltz, Treasurer and Controller  
NW Natural  
220 NW Second Avenue  
Portland, Oregon 97209  
Telephone: (503) 220-2345  
Facsimile: (503) 220-2345  
E-mail: [steve.feltz@nwnatural.com](mailto:steve.feltz@nwnatural.com)

In addition, it is respectfully requested that all formal correspondence and Staff requests regarding this matter be addressed to:

By E-mail (preferred): [kelly.miller@nwnatural.com](mailto:kelly.miller@nwnatural.com)  
By Phone: (503) 226-4211, ext. 3589  
By Fax: (503) 721-2532  
By regular mail: Kelley Miller  
NW Natural  
220 NW Second Avenue  
Portland, OR 97209-3991

Informal inquiries may be directed to: Alex Miller, Director, Regulatory Affairs, at (503) 226-4211, ext. 3580.

4. The proper accounting treatment of pension costs has been the subject of several accounting pronouncements issued by the Financial Accounting Standards Board (FASB). Under FAS 87, which was issued by the FASB in December 1985, the Company was required to recognize a pension fund liability (Unfunded Accrued Pension Cost) if the cumulative amount of each year's net periodic pension cost (NPPC, or also known as the FAS 87 expense) exceeded the cumulative amount of Company contributions to the plan. An asset (Prepaid Pension Cost) was required to be recognized if the cumulative amount of NPPC was less than the cumulative amount of Company contributions. Also under FAS 87, the Company was required to recognize an Additional Minimum Liability but only if the plan was underfunded based on the Accumulated Benefit Obligation (ABO) and if the ABO exceeded the fair value of the plan assets by

more than the amount currently recorded as the pension fund liability. On September 29, 2006, the FASB issued FAS 158 to improve financial reporting with respect to the overfunded or underfunded status of defined benefit postretirement plans, which changed certain requirements of FAS 87. The most significant change to FAS 87 as a result of this new accounting standard was that the funded status would have to be recorded on the balance sheet based on the plan's Projected Benefit Obligation (PBO) rather than on the ABO. This new requirement is expected to result in significant equity reductions for companies sponsoring defined benefit pension and other postretirement benefit plans.

5. ABO is defined as the present value of plan benefits for employee services rendered to date based on current and past compensation levels. Under FAS 87 accounting rules, the amount recorded as a pension fund liability was the cumulative amount by which each year's NPPC exceeded the cumulative amount of pension contributions. At December 31, 2005, and for years prior to 2005, the ABO was less than the fair value of plan assets for the Company's qualified defined benefit pension plans, and therefore no Unfunded Accrued Pension Cost was required to be recognized and no Additional Minimum Liability was required as a charge to equity for AOCI net of tax.

6. PBO is defined as the present value of plan benefits for employee services rendered to date based on an assumption of future compensations levels and an assumption that the plan will continue in effect. The ABO differs from the PBO in that the ABO includes no assumption as to future pay increases.

7. FAS 158 will require the Company to recognize as a component of shareholder's equity at December 31, 2006 the amount by which the PBO, as opposed to the ABO, exceeds the fair value of the plan assets by more than the amount currently

recorded as an accrued liability. In addition, under FAS 158 the amount otherwise recognized as AOCI in shareholder's equity cannot be reduced by the recognition of a Prepaid Asset.

8. The Company estimates that the PBO at December 31, 2006 will exceed the fair value of plan assets by approximately \$56 million, and that the current recorded Prepaid Asset, net of Unfunded Accrued Postretirement Benefit Cost, is approximately \$14 million. The aggregate difference between PBO and net Prepaid Asset totals \$70 million, which will be recognized as a liability along with an after tax charge to AOCI in equity of approximately \$42 million and a deferred income tax asset of approximately \$28 million.

9. The funded status at December 31, 2006 of the Company's qualified defined benefit pension plans is expected to be overfunded on an ABO basis. However, on a PBO basis these plans are expected to be underfunded by approximately \$30 million. Part of the reason that NW Natural's pension plans are underfunded is because the Company adopted new mortality rates in 2005 to reflect longer life expectancies and because the present value of future benefit obligations has increased as a result of lower interest rates over the last several years. These amounts are reflected as gains and losses and prior service costs under FAS 87, which are amortized to expense as components of net periodic benefit cost.

10. NW Natural seeks Commission approval to create and maintain a regulatory asset, or regulatory liability, equal to the non-cash charge, or credit, to AOCI, net of deferred income tax. If the Company is not allowed to create and maintain this adjustment as a regulatory asset or liability, then NW Natural will be obligated to record,

for its fiscal year ending December 31, 2006, approximately \$42 million in an after-tax charge to AOCI. Although this net charge to equity on the balance sheet is expected to be adjusted in future periods, the charge will have the immediate effect of reducing NW Natural's common equity ratio, which could have a negative impact on the Company's credit ratings and possibly increase its cost of capital.

11. The Company, however, does not anticipate that the charge to AOCI will cause an immediate rating downgrade. The charge will reduce book equity, which will result in a higher debt-to-capital ratio. This could potentially have a negative impact on the cost, terms, or conditions of borrowings. For example, issuing long-term debt securities with a higher debt-to-capital ratio could result in a higher cost financing rate than issuing without the equity charge. In addition, the Company's cost of short-term debt could increase due to the higher leverage.

12. It should be emphasized that the proposed accounting order will not impact the level of pension expense included in the Company's cost of service or net income.

13. The attached exhibits provide the pro-forma accounting entries and pro-forma balance sheets assuming the accounting change had been adopted as of December 31, 2005, including the balance sheet impact of FAS 158 with and without the proposed regulatory accounting treatment.

14. Nothing in this Application is intended to request approval regarding future ratemaking treatment of the costs for which regulatory asset treatment is requested. The Company notes, however, that in past rate proceedings the Commission practice has been to allow recovery of FAS 87 and FAS 106 benefit costs. For example, in UG 152,

pursuant to the stipulation with the OPUC Staff and the parties, the Commission allowed the Company to recover its FAS 87 pension expense as a part of the revenue requirement. Order No. 03-507. The Company will continue to seek recovery of actuarially determined FAS 87 and FAS 106 costs in future rate case proceedings.

15. Information about how the Company will account for the amount by which the PBO exceeds the fair value of the plan assets must be included in the Company's Form 10-K for its fiscal year ending December 31, 2006. In light of the nature of this Application and the Company's reporting obligations, the Company respectfully seeks approval of this Application at the earliest opportunity and requests that such authorization, if granted, become effective for financial accounting entries as of December 31, 2006.

16. Finally, the Commission approved a similar application in *Re PacifiCorp*, UM 1073, Order No. 03-233 (2003), which authorized PacifiCorp to create and maintain a regulatory asset for Additional Minimum Pension Liability required under FAS 87.

WHEREFORE, NW Natural respectfully requests an Order of the Commission, effective as of December 31, 2006 and to remain in effect on an ongoing basis, granting authority to the Company to record, as a regulatory asset (or regulatory liability), an amount equal to the after-tax charge (or credit) against equity that would otherwise be necessitated by the recognition of the Company's AOCI under FAS 158. Further, NW Natural respectfully requests confirmation by the Commission that the actuarially determined FAS 87 and FAS 106 costs are presently recovered in rates.



DATED: December 22, 2006.

NW NATURAL

/s/ Stephen P. Feltz  
Stephen P. Feltz  
Treasurer and Controller

## **EXHIBITS**

Exhibit 1 - FERC Balance Sheet, Without Accounting Order

Exhibit 2 - Accounting Entries, Without Accounting Order

Exhibit 3 - FERC Balance Sheet, With Accounting Order

Exhibit 4 - Accounting Entries, With Accounting Order

**NW Natural**  
**FERC Balance Sheet**  
**December 31, 2005**

<b>ASSETS AND OTHER DEBITS</b>	<u>Actual</u>	<u>Adjustment</u>	<u>FAS 158 Pro-Forma</u>
<b>UTILITY PLANT</b>			
Utility Plant (101-106, 114)	\$ 1,844,420,771		\$1,844,420,771
Construction Work in Progress (107)	17,945,877		17,945,877
TOTAL Utility Plant (Total of lines 2 and 3)	1,862,366,648		1,862,366,648
(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	706,794,161		706,794,161
Net Utility Plant	1,155,572,487		1,155,572,487
Gas Stored-Base Gas (117.1)	13,077,889		13,077,889
TOTAL Net Utility Plant	1,168,650,376		1,168,650,376
<b>OTHER PROPERTY AND INVESTMENTS</b>			
Nonutility Property (121)	40,836,558		40,836,558
(Less) Accum. Prov. for Depr. and Amort. (122)	5,990,114		5,990,114
Investment in Subsidiary Companies (123.1)	(5,410,404)		(5,410,404)
Other Investments (124)	56,177,607		56,177,607
TOTAL Other Property and Investments	85,613,647		85,613,647
<b>CURRENT AND ACCRUED ASSETS</b>			
Cash (131)	3,533,514		3,533,514
Special Deposits (132-134)	2,167,366		2,167,366
Working Funds (135)	137,525		137,525
Temporary Cash Investments (136)	3,287,031		3,287,031
Customer Accounts Receivable (142)	82,265,478		82,265,478
Other Accounts Receivable (143)	3,210,603		3,210,603
(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)	3,067,492		3,067,492
Accounts Receivable from Assoc. Companies (146)	8,362,415		8,362,415
Plant Material and Operating Supplies (154)	8,216,236		8,216,236
Stores Expenses Undistributed (163)	688,330		688,330
Gas Stored Underground - Current (164.1)	64,271,187		64,271,187
Liq. Natural Gas Stored and Held for Processing (164.2-164.3)	12,985,289		12,985,289
Prepayments (165)	51,288,195	(36,830,367)	b 14,457,828
Rents Receivable (172)	17,380		17,380
Accrued Utility Revenues (173)	81,512,076		81,512,076
TOTAL Current and Accrued Assets	318,875,133	(36,830,367)	282,044,766
<b>DEFERRED DEBITS</b>			
Unamortized Debt Expense (181)	3,381,652		3,381,652
Other Regulatory Assets (182.3)	65,843,000		65,843,000
Prelim. Survey and Invest. Charges (Gas) (183.1, 183.2)	236,943		236,943
Miscellaneous Deferred Debits (186)	199,379,567		199,379,567
Unamortized Loss on Reacquired Debt (189)	6,881,408		6,881,408
Unrecovered Purchased Gas Costs (191)	(164,802,647)		(164,802,647)
TOTAL Deferred Debits	110,919,923		110,919,923
TOTAL Assets and Other Debits	1,684,059,079	(36,830,367)	1,647,228,712

**NW Natural  
FERC Balance Sheet  
December 31, 2005**

	Actual	Adjustment	FAS 158 Pro-Forma
<b>LIABILITIES AND OTHER CREDITS</b>			
<b>PROPRIETARY CAPITAL</b>			
Common Stock Issued (201)	87,334,253		87,334,253
Premium on Capital Stock (207)	294,736,524		294,736,524
Other Paid-In Capital (208-211)	1,649,864		1,649,864
Installments Received on Capital Stock (212)	84,788		84,788
Retained Earnings (215, 215.1, 216)	214,972,490		214,972,490
Unappropriated Undistributed Subsidiary Earnings (216.1)	(9,935,307)		(9,935,307)
Accumulated Other Comprehensive Income (218)	(1,910,951)	(47,514,475)	(49,425,426)
<b>TOTAL Proprietary Capital</b>	<b>586,931,661</b>	<b>(47,514,475)</b>	<b>539,417,186</b>
<b>LONG-TERM DEBT</b>			
Bonds (221)	521,500,000		521,500,000
<b>TOTAL Long-Term Debt</b>	<b>521,500,000</b>		<b>521,500,000</b>
<b>OTHER NONCURRENT LIABILITIES</b>			
Obligations Under Capital Leases - Noncurrent (227)	317,367		317,367
Accumulated Provision for Property Insurance (228.1)	72,970		72,970
Accumulated Provision for Injuries and Damages (228.2)	12,709,208		12,709,208
Accumulated Provision for Pensions and Benefits (228.3)	19,809,762	41,155,549	60,965,311
<b>TOTAL Other Noncurrent Liabilities</b>	<b>32,909,307</b>	<b>41,155,549</b>	<b>74,064,856</b>
<b>CURRENT AND ACCRUED LIABILITIES</b>			
Current Portion of Long-term Debt	8,000,000		8,000,000
Notes Payable (231)	126,700,000		126,700,000
Accounts Payable (232)	134,891,338		134,891,338
Customer Deposits (235)	4,585,293		4,585,293
Taxes Accrued (236)	(509,550)		(509,550)
Interest Accrued (237)	2,918,243		2,918,243
Tax Collections Payable (241)	4,833,903		4,833,903
Miscellaneous Current and Accrued Liabilities (242)	31,649,329		31,649,329
Obligations Under Capital Leases-Current (243)	238,535		238,535
<b>TOTAL Current and Accrued Liabilities</b>	<b>313,307,091</b>		<b>313,307,091</b>
<b>DEFERRED CREDITS</b>			
Customer Advances for Construction (252)	1,846,813		1,846,813
Accumulated Deferred Investment Tax Credits (255)	5,069,126		5,069,126
Deferred Gains from Disposition of Utility Plant (256)	498,318		498,318
Other Deferred Credits (253)	1,960		1,960
Accumulated Deferred Income Taxes (281-283)	221,994,803	(30,471,441)	191,523,362
<b>TOTAL Deferred Credits (Total of lines 49 thru 55)</b>	<b>229,411,020</b>	<b>(30,471,441)</b>	<b>198,939,579</b>
<b>TOTAL Liabilities and Other Credits</b>	<b>1,684,059,079</b>	<b>(36,830,367)</b>	<b>1,647,228,712</b>

Without Accounting Order

Exhibit 2

NW Natural  
December 31, 2005  
Entries

<b>a</b>	AOCI (218)	70,329,251	
	Deferred tax (283)	27,428,408	
	AOCI - deferred tax benefit (218)		27,428,408
	Liability for pension benefits - Defined Benefit (228)		70,329,251

*Record items not yet recognized as a component of net periodic pension cost for qualified defined benefit pension plans.*

<b>b</b>	Liability for pension benefits (228)	36,830,367	
	Prepaid pension asset (165)		36,830,367

*Reverse prepaid pension asset for qualified defined benefit pension plans.*

<b>c</b>	AOCI (218)	3,592,217	
	Deferred tax (283)	1,400,965	
	AOCI - deferred tax benefit (218)		1,400,965
	Liability for pension benefits - ESRIP (228)		3,592,217

*Record items not yet recognized as a component of net periodic pension cost for non-qualified Executive Supplemental Retirement Income Plan.*

<b>d</b>	Minimum pension liability - ESRIP (228)	3,039,374	
	Deferred tax (283)		1,128,423
	AOCI (218)		1,910,951

*Reverse minimum pension liability for ESRIP.*

<b>e</b>	AOCI (218)	47,630	
	Deferred tax (283)	18,576	
	AOCI - deferred tax benefit (218)		18,576
	Liability for pension benefits - SERP (228)		47,630

*Record items not yet recognized as a component of net periodic pension cost for non-qualified Supplemental Executive Retirement Plan.*

<b>f</b>	AOCI (218)	7,056,192	
	Deferred tax (283)	2,751,915	
	AOCI - deferred tax benefit (218)		2,751,915
	Liability for postretirement benefits (228)		7,056,192

*Record items not yet recognized as a component of net periodic benefit cost for postretirement medical and life insurance plans.*

**NW Natural**  
**FERC Balance Sheet**  
**December 31, 2005**

<b>ASSETS AND OTHER DEBITS</b>	Actual	Adjustment	FAS 158 Pro-Forma
UTILITY PLANT			
Utility Plant (101-106, 114)	\$ 1,844,420,771		\$1,844,420,771
Construction Work in Progress (107)	17,945,877		17,945,877
TOTAL Utility Plant (Total of lines 2 and 3)	1,862,366,648		1,862,366,648
(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	706,794,161		706,794,161
Net Utility Plant	1,155,572,487		1,155,572,487
Gas Stored-Base Gas (117.1)	13,077,889		13,077,889
TOTAL Net Utility Plant	1,168,650,376		1,168,650,376
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	40,836,558		40,836,558
(Less) Accum. Prov. for Depr. and Amort. (122)	5,990,114		5,990,114
Investment in Subsidiary Companies (123.1)	(5,410,404)		(5,410,404)
Other Investments (124)	56,177,607		56,177,607
TOTAL Other Property and Investments	85,613,647		85,613,647
CURRENT AND ACCRUED ASSETS			
Cash (131)	3,533,514		3,533,514
Special Deposits (132-134)	2,167,366		2,167,366
Working Funds (135)	137,525		137,525
Temporary Cash Investments (136)	3,287,031		3,287,031
Customer Accounts Receivable (142)	82,265,478		82,265,478
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(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)	3,067,492		3,067,492
Accounts Receivable from Assoc. Companies (146)	8,362,415		8,362,415
Plant Material and Operating Supplies (154)	8,216,236		8,216,236
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Gas Stored Underground - Current (164.1)	64,271,187		64,271,187
Liq. Natural Gas Stored and Held for Processing (164.2-164.3)	12,985,289		12,985,289
Prepayments (165)	51,288,195	(36,830,367)	b 14,457,828
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Accrued Utility Revenues (173)	81,512,076		81,512,076
TOTAL Current and Accrued Assets	318,875,133	(36,830,367)	282,044,766
DEFERRED DEBITS			
Unamortized Debt Expense (181)	3,381,652		3,381,652
Other Regulatory Assets (182.3)	65,843,000	47,205,120	a,f 113,048,120
Prelim. Survey and Invest. Charges (Gas) (183.1, 183.2)	236,943		236,943
Miscellaneous Deferred Debits (186)	199,379,567		199,379,567
Unamortized Loss on Recquired Debt (189)	6,881,408		6,881,408
Unrecovered Purchased Gas Costs (191)	(164,802,647)		(164,802,647)
TOTAL Deferred Debits	110,919,923	47,205,120	158,125,043
TOTAL Assets and Other Debits	1,684,059,079	10,374,753	1,694,433,832

**NW Natural  
FERC Balance Sheet  
December 31, 2005**

	Actual	Adjustment	FAS 158 Pro-Forma
<b>LIABILITIES AND OTHER CREDITS</b>			
<b>PROPRIETARY CAPITAL</b>			
Common Stock Issued (201)	87,334,253		87,334,253
Premium on Capital Stock (207)	294,736,524		294,736,524
Other Paid-In Capital (208-211)	1,649,864		1,649,864
Installments Received on Capital Stock (212)	84,788		84,788
Retained Earnings (215, 215.1, 216)	214,972,490		214,972,490
Unappropriated Undistributed Subsidiary Earnings (216.1)	(9,935,307)		(9,935,307)
Accumulated Other Comprehensive Income (218)	(1,910,951)	(309,355)	(2,220,306)
TOTAL Proprietary Capital	<u>586,931,661</u>	<u>(309,355)</u>	<u>586,622,306</u>
<b>LONG-TERM DEBT</b>			
Bonds (221)	521,500,000		521,500,000
TOTAL Long-Term Debt	<u>521,500,000</u>		<u>521,500,000</u>
<b>OTHER NONCURRENT LIABILITIES</b>			
Obligations Under Capital Leases - Noncurrent (227)	317,367		317,367
Accumulated Provision for Property Insurance (228.1)	72,970		72,970
Accumulated Provision for Injuries and Damages (228.2)	12,709,208		12,709,208
Accumulated Provision for Pensions and Benefits (228.3)	19,809,762	41,155,549	60,965,311
TOTAL Other Noncurrent Liabilities	<u>32,909,307</u>	<u>41,155,549</u>	<u>74,064,856</u>
<b>CURRENT AND ACCRUED LIABILITIES</b>			
Current Portion of Long-term Debt	8,000,000		8,000,000
Notes Payable (231)	126,700,000		126,700,000
Accounts Payable (232)	134,891,338		134,891,338
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Interest Accrued (237)	2,918,243		2,918,243
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Deferred Gains from Disposition of Utility Plant (256)	498,318		498,318
Other Deferred Credits (253)	1,960		1,960
Accumulated Deferred Income Taxes (281-283)	221,994,803	(30,471,441)	191,523,362
TOTAL Deferred Credits (Total of lines 49 thru 55)	<u>229,411,020</u>	<u>(30,471,441)</u>	<u>198,939,579</u>
TOTAL Liabilities and Other Credits	<u>1,684,059,079</u>	<u>10,374,753</u>	<u>1,694,433,832</u>

With Accounting Order

Exhibit 4

NW Natural  
December 31, 2005  
Entries

<b>a</b>	Regulatory asset (182)	70,329,251	
	Deferred tax (283)	27,428,408	
	Regulatory asset - deferred tax benefit (182)		27,428,408
	Liability for pension benefits - Defined Benefit (228)		70,329,251

*Record items not yet recognized as a component of net periodic pension cost for qualified defined benefit pension plans.*

<b>b</b>	Liability for pension benefits (228)	36,830,367	
	Prepaid pension asset (165)		36,830,367

*Reverse prepaid pension asset for qualified defined benefit pension plans.*

<b>c</b>	AOCI (218)	3,592,217	
	Deferred tax (283)	1,400,965	
	AOCI - deferred tax benefit (218)		1,400,965
	Liability for pension benefits - ESRIP (228)		3,592,217

*Record items not yet recognized as a component of net periodic pension cost for non-qualified Executive Supplemental Retirement Income Plan.*

<b>d</b>	Minimum pension liability - ESRIP (228)	3,039,374	
	Deferred tax (283)		1,128,423
	AOCI (218)		1,910,951

*Reverse minimum pension liability for ESRIP.*

<b>e</b>	AOCI (218)	47,630	
	Deferred tax (283)	18,576	
	AOCI - deferred tax benefit (218)		18,576
	Liability for pension benefits - SERP (228)		47,630

*Record items not yet recognized as a component of net periodic pension cost for non-qualified Supplemental Executive Retirement Plan.*

<b>f</b>	Regulatory asset (182)	7,056,192	
	Deferred tax (283)	2,751,915	
	Regulatory asset - deferred tax benefit (182)		2,751,915
	Liability for postretirement benefits (228)		7,056,192

*Record items not yet recognized as a component of net periodic benefit cost for postretirement medical and life insurance plans.*