

Rates and Regulatory Affairs
Facsimile: 503.721.2516



August 30, 2010

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 ____; NW Natural Advice No. OPUC 10-13;
Application for Reauthorization to Defer Certain Expenses or Revenues

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

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.

A Certificate of Service is attached as Exhibit C.

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

Sincerely,

/s/ Jennifer Gross

Jennifer Gross
Tariff and Regulatory Compliance

attachments

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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15
16 APPLICATION FOR REAUTHORIZATION
17 TO DEFER CERTAIN EXPENSES OR REVENUES

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19
20 Northwest Natural Gas Company, dba NW Natural (NW Natural or Company),
21 hereby files with the Public Utility Commission of Oregon (Commission) this application
22 for reauthorization (Application) to use deferred accounting pursuant to ORS 757.210
23 and 757.259, and OAR 860-27-300, for the 12-month period beginning November 1,
24 2010 through October 31, 2011.

25 NW Natural requests that, as part of its reauthorization, the Commission approve
26 NW Natural's automatic adjustment clauses and the Purchased Gas Adjustment (PGA),
27 pursuant to ORS 757.210(1).¹

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1 - APPLICATION FOR REAUTHORIZATION TO DEFER CERTAIN EXPENSES

1 In support of this Application, NW Natural states:

2 **A. NW Natural**

3 NW Natural is a public utility in the state of Oregon and is subject to the
4 jurisdiction of the Commission regarding rates, service and accounting practices. NW
5 Natural also provides retail natural gas service in the states of Oregon and Washington.

6 **B. Statutory Authority**

7 This application is filed pursuant to ORA 757.259 and ORS 727.262, which
8 empowers the Commission to authorize the deferral of expenses or revenues of a public
9 utility for later inclusion in rates.

10 **C. Communications**

11 Communications regarding this Application should be addressed to:

12 NW Natural
13 e-filing for Regulatory Affairs
14 220 NW Second Avenue
15 Portland, Oregon 97209-3991
16 Telephone: (503) 226-4211, ext. 3589
17 Facsimile: (503) 721-2516
18 E-mail: eFiling@nwnatural.com

19
20 and

21
22 Jennifer Gross
23 Tariff and Regulatory Affairs Consultant
24 NW Natural
25 220 NW Second Avenue
26 Portland, Oregon 97209-3991
27 Telephone: (503) 226-4211, ext. 3590
28 Facsimile: (503) 721-2516
29 E-mail: jennifer.gross@nwnatural.com

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31 //

¹ See Order Nos. 89-1046, 99-272, and 99-697.

1 **D. Description of Request - OAR 860-0270300(3)(a)**

2 NW Natural hereby requests the authorization to use deferred accounting for the
3 following:

- 4 1) Demand and other fixed gas costs to be recovered or refunded at one
5 hundred percent (100%) of the difference between the actual cost
6 experienced and the amount collected from rates pursuant to Tariff P.U.C.
7 Or. 24 Schedule P, or its successor, and as previously authorized in
8 Commission Order Nos. 89-1046, 99-272, and 99-697;
- 9 2) Commodity gas cost variations to be recovered or refunded as described
10 in NW Natural's Tariff P.U.C. Or. 24 Schedule P, or its successor; and
- 11 3) All previously-authorized account balances related to PGA commodity and
12 capacity costs deferrals not presently authorized for amortization or being
13 proposed for amortization, all as described in NW Natural Advice No.
14 10-13.

15 **E. Reason for Application for Reauthorization of Deferred Accounting - OAR**
16 **860-027-0300(3)(c)**

17 The authorization to defer accounting as described above can be authorized
18 pursuant to ORS 757.259(2)(d) because the described balances are "utility expenses or
19 revenues, the recovery or refund of which the commission finds should be deferred in
20 order to minimize the frequency of rate changes ... or to match appropriately the costs
21 borne by and benefits received by ratepayers."

22 //

1 **F. Accounting – OAR 860-027-0300(3)(c)**

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

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

6 The table below provides an estimated amount to be recorded in the deferred
7 accounts for the 12-month period subsequent to the Application. Please note that
8 market fluctuations make it impossible to accurately estimate capacity and commodity
9 deferral amounts. Also, the Collection v. Incurred Demand account reflects cyclical
10 collection differences that are difficult to predict.

11 **H. Reason for Continuation of Deferred Accounting – OAR 860-027-0300(4)(b)**

12 The continuation of deferred accounting for the matters addressed above is
13 justified because they are continuing in nature.

14 **I. Requirements per Commission Order No. 09-263**

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

17 **1. A completed Summary Sheet, the location in the PGA filing, and an**
18 **account map that highlights the transfer of dollars from one account to**
19 **another**

20 Exhibit A includes the Summary Sheet which shows the amounts deferred
21 and demonstrates the transfer of dollars from one account to another. Exhibit
22 A will be included in our 2009 PGA filing as work papers and will be attached

1 to the electronic filing as a file entitled, "Proposed Temps Oregon 2010-11
2 PGA August filing.xls."

3 **2. The effective date of the deferral**

4 This application is for the 12-month period beginning November 1, 2010 and
5 ending October 31, 2011.

6 **3. Prior year Order Number approving the deferral**

7 Permission to defer PGA-related expenses or revenues was last granted in
8 Commission Order No. 09-450, issued November 9, 2009.

9 **4. The amount deferred last year**

10 See Exhibit A.

11 **5. The amount amortized last year**

12 See Exhibit A.

13 **6. The interest rate that will apply to the accounts**

14 The interest rate for deferral accounts is 8.618%. Monies that have been
15 transferred for amortization accrue interest at the rate of 2.24%.

16 **7. An estimate of the upcoming PGA-period deferral and / or amortization**

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

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1 **J. Notification of Filing**

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

5 DATED this 30th day of August 2010.

6 Respectfully submitted,

7 NW NATURAL

8 */s/ Jennifer Gross*

9 _____
10 Jennifer Gross
11 Rates & Regulatory Affairs
12 220 NW Second Avenue
13 Portland, Oregon 97209-3991
14 Phone: (503) 226-4211, ext. 3590
15 Email: jennifer.gross@nwnatural.com

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Amortization of Oregon WACOG Deferral
 Account Number: 191401

1	Debit (Credit)							
2								
3								
4	Month/Year	Note	Amortization	Transfers	Interest	Interest rate	Activity	Balance
5	(a)	(b)	(c)	(d)	(e)	(e2)	(f)	(g)
6								
7	Beginning Balance							
8	Sep-06							222,338.25
9	Oct-06	A/	152,902.48	(13,952,286.98)	(98,054.87)		(13,897,439.37)	(13,675,101.12)
10	Nov-06		681,874.43		(95,761.52)		586,112.91	(13,088,988.21)
11	Dec-06		1,664,674.32		(88,023.18)		1,576,651.14	(11,512,337.07)
12	Jan-07		2,061,166.83		(75,276.46)		1,985,890.37	(9,526,446.70)
13	Feb-07		1,895,402.78		(61,609.69)		1,833,793.09	(7,692,653.61)
14	Mar-07		1,407,487.90		(50,192.02)		1,357,295.88	(6,335,357.73)
15	Apr-07		1,056,910.60		(41,703.24)		1,015,207.36	(5,320,150.37)
16	May-07		835,784.10		(35,206.39)		800,577.71	(4,519,572.66)
17	Jun-07		572,166.88		(30,403.51)		541,763.37	(3,977,809.29)
18	Jul-07		456,533.76		(26,927.96)		429,605.80	(3,548,203.49)
19	Aug-07		431,504.55		(23,932.55)		407,572.00	(3,140,631.49)
20	Sep-07		452,146.07		(20,931.39)		431,214.68	(2,709,416.81)
21	Oct-07		692,956.86		(16,969.84)		675,987.02	(2,033,429.79)
22	Nov-07	old rates 1	512,027.94	(38,490,957.42)	(289,194.03)		(38,268,123.51)	(40,301,553.30)
23		new rates	1,627,466.87		5,843.96		1,633,310.83	(38,668,242.47)
24	Dec-07		4,605,415.21		(261,165.15)		4,344,250.06	(34,323,992.41)
25	Jan-08		5,565,138.14		(226,519.99)		5,338,618.15	(28,985,374.26)
26	Feb-08		5,395,299.91		(188,789.67)		5,206,510.24	(23,778,864.02)
27	Mar-08		4,102,663.80		(156,039.89)		3,946,623.91	(19,832,240.11)
28	Apr-08		4,064,480.37		(127,833.67)		3,936,646.70	(15,895,593.41)
29	May-08		2,763,341.55		(104,234.15)		2,659,107.40	(13,236,486.01)
30	Jun-08		1,878,334.14		(88,315.25)		1,790,018.89	(11,446,467.12)
31	Jul-08		1,358,730.49		(63,525.90)		1,295,204.59	(10,151,262.53)
32	Aug-08		1,193,538.54		(33,998.07)		1,159,540.47	(8,991,722.06)
33	Sep-08		1,285,117.79		(29,709.11)		1,255,408.68	(7,736,313.38)
34	Oct-08		1,678,629.42		(24,541.82)		1,654,087.60	(6,082,225.78)
35	Nov-08	old rates	1,227,584.49		(19,458.51)		1,208,125.98	(4,874,099.80)
36		new rates 1	(267,301.42)	12,409,909.45	43,683.02		12,186,291.05	7,312,191.25
37	Dec-08		(876,612.87)		24,459.57		(852,153.30)	6,460,037.95
38	Jan-09		(1,224,466.27)		20,808.44		(1,203,657.83)	5,256,380.12
39	Feb-09		(1,065,471.61)		16,808.30		(1,048,663.31)	4,207,716.81
40	Mar-09		(963,469.63)		13,258.29		(950,211.34)	3,257,505.47
41	Apr-09		(740,382.64)		10,274.03		(730,108.61)	2,527,396.86
42	May-09		(478,611.92)		8,141.79		(470,470.13)	2,056,926.73
43	Jun-09	1	29,762,815.05	(30,872,131.00)	(49,581.09)		(1,158,897.04)	898,029.69
44	Jul-09		237,111.52		3,617.35		240,728.87	1,138,758.56
45	Aug-09		(225,695.08)		3,650.53		(222,044.55)	916,714.01
46	Sep-09		(247,012.14)		2,822.50		(244,189.64)	672,524.37
47	Oct-09		(331,706.40)		1,802.90		(329,903.50)	342,620.87
48	Nov-09	old rates	(287,928.43)		706.89		(287,221.54)	55,399.33
49		new rates 1	1,399,170.11	(34,046,133.91)	(56,967.02)	2.05%	(32,703,930.82)	(32,648,531.49)
50	Dec-09		4,202,356.33		(52,185.06)	2.05%	4,150,171.27	(28,498,360.22)
51	Jan-10		4,686,910.99		(44,681.30)	2.05%	4,642,229.69	(23,856,130.53)
52	Feb-10		3,496,884.62		(37,767.30)	2.05%	3,459,117.32	(20,397,013.21)
53	Mar-10		3,098,842.84		(32,197.97)	2.05%	3,066,644.87	(17,330,368.34)
54	Apr-10		3,024,257.29		(27,022.83)	2.05%	2,997,234.46	(14,333,133.88)
55	May-10		2,349,961.32		(22,478.51)	2.05%	2,327,482.81	(12,005,651.07)
56	Jun-10		1,832,968.70		(18,943.99)	2.05%	1,814,024.71	(10,191,626.36)
57	Jul-10		1,221,957.01		(16,366.94)	2.05%	1,205,590.07	(8,986,036.29)
58	Aug-10	forecast	1,034,212.72		(14,467.76)	2.05%	1,019,744.96	(7,966,291.33)
59	Sep-10	forecast	1,140,669.71		(12,634.76)	2.05%	1,128,034.95	(6,838,256.38)
60	Oct-10	forecast	2,149,344.32		(9,846.12)	2.05%	2,139,498.20	(4,698,758.18)
61								
62	Amount Amortized Nov 09 - Oct 10 with interest:							29,291,976.40

63 NOTES:
 64 1 - Transfer in from deferral account 191400
 65
 66

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Amortization of Oregon Demand Deferral
 Account Number: 191411

1	Debit		(Credit)					
2	Month/Year	Note	Amortization	Transfers	Interest	Interest Rate	Activity	Balance
3	(a)	(b)	(c)	(d)	(e)		(f)	(g)
4	Beginning Balance							
5	Sep-06							(378,656.89)
6	Oct-06		(291,861.54)	222,250.90	(2,171.28)		(71,781.92)	(450,438.81)
7	Nov-06		(257,895.34)		(4,160.96)		(262,056.30)	(712,495.11)
8	Dec-06		94,876.40		(4,776.22)		90,100.18	(622,394.93)
9	Jan-07		118,262.11		(4,045.17)		114,216.94	(508,177.99)
10	Feb-07		108,861.66		(3,258.66)		105,603.00	(402,574.99)
11	Mar-07		78,907.86		(2,607.81)		76,300.05	(326,274.94)
12	Apr-07		58,175.23		(2,134.30)		56,040.93	(270,234.01)
13	May-07		45,130.10		(1,778.68)		43,351.42	(226,882.59)
14	Jun-07		29,502.17		(1,523.46)		27,978.71	(198,903.88)
15	Jul-07		22,629.78		(1,347.20)		21,282.58	(177,621.30)
16	Aug-07		20,873.27		(1,200.66)		19,672.61	(157,948.69)
17	Sep-07		22,093.40		(1,055.00)		21,038.40	(136,910.29)
18	Oct-07		35,774.94		(854.78)		34,920.16	(101,990.13)
19	Nov-07	old rates 1	31,401.27	(6,001,472.08)	(43,720.27)		(6,013,791.08)	(6,115,781.21)
20		new rates	60,069.29		215.70		60,284.99	(6,055,496.22)
21	Dec-07		194,326.89		(42,790.76)		151,536.13	(5,903,960.09)
22	Jan-08		236,057.57		(41,552.63)		194,504.94	(5,709,455.15)
23	Feb-08		230,550.71		(40,175.53)		190,375.18	(5,519,079.97)
24	Mar-08		170,429.85		(39,024.21)		131,405.64	(5,387,674.33)
25	Apr-08		169,366.36		(38,084.31)		131,282.05	(5,256,392.28)
26	May-08		112,452.54		(37,345.86)		75,106.68	(5,181,285.60)
27	Jun-08		73,388.89		(36,946.74)		36,442.15	(5,144,843.45)
28	Jul-08		50,811.13		(30,204.68)		20,606.45	(5,124,237.00)
29	Aug-08		42,791.51		(18,157.61)		24,633.90	(5,099,603.10)
30	Sep-08		46,120.92		(18,064.03)		28,056.89	(5,071,546.21)
31	Oct-08		62,869.76		(17,934.40)		44,935.36	(5,026,610.85)
32	Nov-08	old rates 1	55,707.49		(17,787.24)		37,920.25	(4,988,690.60)
33		new rates	456,903.23	(1,464,423.70)	(4,398.00)		(1,011,918.47)	(6,000,609.07)
34	Dec-08		1,790,295.46		(18,166.93)		1,772,128.53	(4,228,480.54)
35	Jan-09		2,520,785.25		(10,561.45)		2,510,223.80	(1,718,256.74)
36	Feb-09		2,197,581.53		(2,204.27)		2,195,377.26	477,120.52
37	Mar-09		1,968,272.17		5,199.64		1,973,471.81	2,450,592.33
38	Apr-09		1,495,651.24		11,381.04		1,507,032.28	3,957,624.61
39	May-09		936,183.17		15,748.17		951,931.34	4,909,555.95
40	Jun-09		556,425.02		18,459.81		574,884.83	5,484,440.78
41	Jul-09		444,954.39		20,307.12		465,261.51	5,949,702.29
42	Aug-09		393,829.40		21,871.71		415,701.11	6,365,403.40
43	Sep-09		440,378.19		23,433.73		463,811.92	6,829,215.32
44	Oct-09		605,395.85		25,377.72		630,773.57	7,459,988.89
45	Nov-09	old rates 1	629,531.75		27,665.17		657,196.92	8,117,185.81
46		new rates	167,367.09	(12,077,222.11)	(22,387.94)	2.24%	(11,932,242.96)	(3,815,057.15)
47	Dec-09		592,567.97		(6,568.38)	2.24%	585,999.59	(3,229,057.56)
48	Jan-10		633,413.70		(5,436.39)	2.24%	627,977.31	(2,601,080.25)
49	Feb-10		460,439.86		(4,425.61)	2.24%	456,014.25	(2,145,066.00)
50	Mar-10		402,882.40		(3,628.10)	2.24%	399,254.30	(1,745,811.70)
51	Apr-10		382,446.87		(2,901.90)	2.24%	379,544.97	(1,366,266.73)
52	May-10		288,265.92		(2,281.32)	2.24%	285,984.60	(1,080,282.13)
53	Jun-10		219,500.42		(1,811.66)	2.24%	217,688.76	(862,593.37)
54	Jul-10		146,991.66		(1,472.98)	2.24%	145,518.68	(717,074.69)
55	Aug-10	forecast	117,667.60		(1,228.72)	2.24%	116,438.88	(600,635.81)
56	Sep-10	forecast	131,863.11		(998.11)	2.24%	130,865.00	(469,770.81)
57	Oct-10	forecast	271,564.96		(623.44)	2.24%	270,941.52	(198,829.29)

Amount Amortized Nov 09 - Oct 10 with interest: 3,761,207.01

NOTES:

1 - Transfer from deferral accounts 191410, 191450, 191417

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Core Market Commodity gas cost deferral
 Account Number: 191.400
 Current docket is UM 1445
 Current Reauthorization was granted in Order No. 09-450

Narrative: Deferral of customer's share of the difference between actual core commodity cost incurred and the Annual Sales WACOG embedded as defined in the related annual PGA. Prior to Nov 08 deferral was 67%; Nov 08 - Oct 08 deferral was 80%
 From Nov 09 forward deferral is 90%

1	Debit (Credit)									Deferral	
2			Commodity	8.618%		Storage	Hedge		Plus Int.		
3	Month/Year		Deferral /4	Interest	Adjustment	Adjustment 2/	Adjustment 3/	Transfer	Activity	GL Balance	
4	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
5											
6	Sep-06										(13,952,287)
7	Oct-06			(3,727,373)	-	6,937			13,952,287	10,231,851	(3,720,436)
8	Nov-06			(3,484,746)	-					(3,484,746)	(7,205,182)
9	Dec-06			(5,108,000)	-					(5,108,000)	(12,313,182)
10	Jan-07			(7,731,759)	-					(7,731,759)	(20,044,941)
11	Feb-07			(3,491,835)	-					(3,491,835)	(23,536,776)
12	Mar-07			(2,626,360)	-					(2,626,360)	(26,163,136)
13	Apr-07			(2,985,080)	-					(2,985,080)	(29,148,216)
14	May-07			(691,726)	-					(691,726)	(29,839,942)
15	Jun-07			(1,003,088)	-					(1,003,088)	(30,843,030)
16	Jul-07			(232,754)	-					(232,754)	(31,075,784)
17	Aug-07			(779,271)	-					(779,271)	(31,855,055)
18	Sep-07			(709,131)	-					(709,131)	(32,564,186)
19	Oct-07			(6,100,622)	-					(6,100,622)	(38,664,808)
20	Nov-07	1/		(1,647,495)	(8,428)		(17,769)	(334,049)	38,490,957	36,483,217	(2,181,592)
21	Dec-07			(563,263)	(18,458)		(22,380)	(191,574)		(795,675)	(2,977,267)
22	Jan-08			(2,629,191)	(31,699)		(26,519)	(217,488)		(2,904,897)	(5,882,164)
23	Feb-08			(1,130,874)	(46,508)		(18,745)	(37,994)		(1,234,121)	(7,116,285)
24	Mar-08			(209,151)	(52,047)		(18,917)	(33,698)		(313,813)	(7,430,098)
25	Apr-08			4,256,494	(38,547)		(15,511)	(115,688)		4,086,748	(3,343,350)
26	May-08			4,017,700	(9,593)		(8,631)	6,134		4,005,610	662,260
27	Jun-08			4,032,874	19,201		(7,130)	(2,900)		4,042,045	4,704,305
28	Jul-08			3,852,841	47,602		(5,028)	0		3,895,415	8,599,720
29	Aug-08			2,241,181	69,789		(5,172)	0		2,305,798	10,905,518
30	Sep-08			1,424,486	83,415		(5,633)	0		1,502,268	12,407,786
31	Oct-08			(55,616)	88,797		(10,372)	(20,686)		2,123	12,409,909
32	Nov-08	1/		1,595,366	5,484		(68,129)	0	(12,409,909)	(10,877,188)	1,532,721
33	Dec-08			(2,687,328)	920		(121,914)	0		(2,808,322)	(1,275,601)
34	Jan-09			(9,397,006)	(43,325)		(117,349)	0		(9,557,680)	(10,833,281)
35	Feb-09			(10,437,568)	(115,621)		(94,853)	0		(10,648,042)	(21,481,324)
36	Mar-09			(9,207,614)	(187,659)		(90,389)	0		(9,485,662)	(30,966,986)
37	Apr-09			(7,501,026)	(249,541)		(58,824)	0		(7,809,391)	(38,776,377)
38	May-09			(3,643,034)	(291,692)		(36,548)	0		(3,971,274)	(42,747,650)
39	Jun-09	1/		(3,656,716)	(98,509)		(25,599)	0	30,872,131	27,091,307	(15,656,343)
40	Jul-09			(4,218,185)	(127,667)		(22,708)	0		(4,368,560)	(20,024,903)
41	Aug-09			(4,271,989)	(159,236)		(23,213)	0		(4,454,438)	(24,479,340)
42	Sep-09			(3,952,471)	(190,086)		(25,390)	0		(4,167,947)	(28,647,288)
43	Oct-09			(5,125,496)	(224,316)		(49,034)	0		(5,398,846)	(34,046,134)
44	Nov-09	1/		(4,923,013)	(17,710)		(8,863)	0	34,046,134	29,096,548	(4,949,586)
45	Dec-09			(522,205)	(37,476)		(15,316)	0		(574,997)	(5,524,583)
46	Jan-10	5/		186,499	(39,044)		(10,452)	0		137,003	(5,387,580)
47	Feb-10	5/		(614,891)	(40,930)		(8,505)	0		(664,326)	(6,051,906)
48	Mar-10	5/		(1,765,863)	(49,835)		(8,806)	0		(1,824,504)	(7,876,410)
49	Apr-10			(2,112,002)	(64,176)		(7,263)	0		(2,183,441)	(10,059,851)
50	May-10			(2,434,277)	(81,007)		(5,277)	0		(2,520,561)	(12,580,411)
51	Jun-10			(1,242,188)	(94,822)		(3,784)	0		(1,340,794)	(13,921,206)
52	Jul-10			(200,690)	(100,708)		(2,743)	0		(304,141)	(14,225,347)
53	Aug-10				(102,162)					(102,162)	(14,327,508)
54	Sep-10				(102,895)					(102,895)	(14,430,404)
55	Oct-10				(103,634)					(103,634)	(14,534,038)
56											

Amount Deferred Nov 09 - Oct 10 with interest: (14,534,038.14)

NOTES:

* No sharing was recorded in the October activity. Actual results reflect the cost of gas experienced for October compared to the then embedded OR 05 - 06 Annual Sales WACOG.

1/ - Transfer to amortization account 191401

2/ - Adjustment for storage true up

3/ - Adjustment for unembedded hedges

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Core Market Demand cost deferral
 Account Number: 191.410
 Current docket is UM 1445
 Current Reauthorization was granted in Order No. 09-450

Narrative: Deferral of 100% of the Difference between actual demand cost incurred and the demand cost embedded as defined in the related state's annual PGA.

1	Debit	(Credit)		Demand	8.618%	Adjustment	Transfer	Activity	Deferral
2			Refer to pg #	Deferral	Interest*				GL Balance
3	Month/Year		(c)	(d)	(e)	(f)	(g)	(h)	(i)
4	(a)	(b)							
5									
6	Sep-06			(62,173)					(2,522,172)
7	Oct-06	A/				82,132	2,522,172	2,542,130	19,958
8	Nov-06			66,115				66,115	86,073
9	Dec-06			(308,132)				(308,132)	(222,059)
10	Jan-07			(216,880)				(216,880)	(438,939)
11	Feb-07			(194,834)				(194,834)	(633,773)
12	Mar-07			(235,107)				(235,107)	(868,880)
13	Apr-07	A/		(700,334)			(1,545,359)	(2,245,693)	(3,114,572)
14	May-07			(670,018)				(670,018)	(3,784,590)
15	Jun-07			(741,726)				(741,726)	(4,526,316)
16	Jul-07			(709,908)				(709,908)	(5,236,224)
17	Aug-07			(749,039)				(749,039)	(5,985,263)
18	Sep-07			(673,579)				(673,579)	(6,658,842)
19	Oct-07			4,505				4,505	(6,654,337)
20	Nov-07	A/		(351,714)	(1,263)		6,654,337	6,301,360	(352,977)
21	Dec-07			(147,008)	(3,063)			(150,070)	(503,047)
22	Jan-08			228,338	(2,793)			225,545	(277,502)
23	Feb-08			318,372	(850)			317,522	40,020
24	Mar-08			(1,301,433)	(4,386)			(1,305,819)	(1,265,799)
25	Apr-08			11,986	(9,048)			2,938	(1,262,860)
26	May-08			264	(9,068)			(8,804)	(1,271,665)
27	Jun-08			(88,925)	(9,452)			(98,377)	(1,370,042)
28	Jul-08			(60,627)	(10,057)			(70,684)	(1,440,726)
29	Aug-08			(158,016)	(10,914)			(168,930)	(1,609,656)
30	Sep-08			(58,940)	(11,772)			(70,712)	(1,680,368)
31	Oct-08			(92,937)	(12,402)			(105,339)	(1,785,706)
32	Nov-08	A/		(273,301)	(13,806)		1,785,706	1,498,600	(287,107)
33	Dec-08			(373,360)	(3,403)			(376,763)	(663,869)
34	Jan-09			(638,863)	(7,062)			(645,925)	(1,309,794)
35	Feb-09			(241,426)	(10,273)			(251,699)	(1,561,493)
36	Mar-09			(391,661)	(12,621)			(404,282)	(1,965,775)
37	Apr-09			(246,572)	(15,003)			(261,575)	(2,227,350)
38	May-09			(251,352)	(16,899)			(268,251)	(2,495,600)
39	Jun-09			39,071	(17,782)			21,289	(2,474,312)
40	Jul-09			(239,806)	(18,631)			(258,437)	(2,732,748)
41	Aug-09			(219,051)	(20,412)			(239,463)	(2,972,212)
42	Sep-09			(250,905)	(22,246)			(273,151)	(3,245,363)
43	Oct-09			(222,693)	(24,107)			(246,800)	(3,492,163)
44	Nov-09	A/		(286,059)	(1,027)		3,492,163	3,205,077	(287,086)
45	Dec-09			71,045	(1,807)			69,238	(217,848)
46	Jan-10			226,245	(752)			225,493	7,645
47	Feb-10			119,566	484			120,050	127,695
48	Mar-10			594,213	3,051			597,264	724,959
49	Apr-10			509,075	7,034			516,109	1,241,068
50	May-10			321,943	10,069			332,012	1,573,080
51	Jun-10			440,773	12,880			453,653	2,026,733
52	Jul-10			364,593	15,865			380,458	2,407,191
53	Aug-10				17,288			17,288	2,424,479
54	Sep-10				17,412			17,412	2,441,890
55	Oct-10				17,537			17,537	2,459,427
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Amount Deferred Nov 09 - Oct 10 with interest: 2,459,427.19

* No interest is applied to this activity until the 2007-2008 Tracker period

NOTES

A/Transfer to amortization account 191411

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Core Market Demand Collection Deferral
 Account Number: 191.450
 Current docket is UM 1445
 Current Reauthorization was granted in Order No. 09-450

Narrative: Deferral of 100% of the difference between actual demand costs collected and the seasonalized imbedded demand costs as defined in the state's annual PGA.

1	Debit	(Credit)									Deferral
2				Demand	8.618%						Plus Int.
3	Month/Year	Note	Refer to pg #	Deferral	Interest*	(f)	Transfer	(h)	Activity	(i)	GL Balance
4	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(j)
5											
6	Sep-06										3,060,327
7	Oct-06			(141,222)			(3,060,327)		(3,201,549)		(141,222)
8	Nov-06			(2,359,013)					(2,359,013)		(2,500,235)
9	Dec-06			(19,563)					(19,563)		(2,519,798)
10	Jan-07			(2,018,375)					(2,018,375)		(4,538,173)
11	Feb-07			1,398,546					1,398,546		(3,139,627)
12	Mar-07			3,775,526					3,775,526		635,899
13	Apr-07			1,451,760					1,451,760		2,087,658
14	May-07			560,128					560,128		2,647,786
15	Jun-07			471,203					471,203		3,118,989
16	Jul-07			311,188					311,188		3,430,177
17	Aug-07			(209,897)					(209,897)		3,220,280
18	Sep-07			(340,578)					(340,578)		2,879,702
19	Oct-07			(2,587,877)					(2,587,877)		291,824
20	Nov-07	1		(2,669,208)	(9,585)		(291,824)		(2,970,617)		(2,678,793)
21	Dec-07			527,745	(17,343)				510,402		(2,168,391)
22	Jan-08			(1,854,248)	(22,231)				(1,876,479)		(4,044,870)
23	Feb-08			265,686	(28,095)				237,592		(3,807,278)
24	Mar-08			(1,036,394)	(31,064)				(1,067,458)		(4,874,736)
25	Apr-08			(1,788,323)	(41,430)				(1,829,754)		(6,704,490)
26	May-08			17,069	(48,088)				(31,019)		(6,735,508)
27	Jun-08			(630,252)	(50,635)				(680,887)		(7,416,395)
28	Jul-08			39,907	(53,119)				(13,212)		(7,429,608)
29	Aug-08			(45,926)	(53,522)				(99,448)		(7,529,056)
30	Sep-08			(1,303)	(54,076)				(55,379)		(7,584,434)
31	Oct-08			(140,888)	(54,975)				(195,863)		(7,780,297)
32	Nov-08	1		1,160,024	(51,710)		0		1,108,314		(6,671,982)
33	Dec-08			(1,120,690)	(51,940)				(1,172,630)		(7,844,612)
34	Jan-09			(699,148)	(58,848)				(757,996)		(8,602,608)
35	Feb-09			(99,344)	(62,138)				(161,481)		(8,764,090)
36	Mar-09			(995,501)	(66,515)				(1,062,017)		(9,826,107)
37	Apr-09			(31,210)	(70,680)				(101,890)		(9,927,996)
38	May-09			822,486	(68,346)				754,139		(9,173,857)
39	Jun-09			297,582	(64,815)				232,767		(8,941,090)
40	Jul-09			164,535	(63,621)				100,914		(8,840,176)
41	Aug-09			111,739	(63,086)				48,653		(8,791,523)
42	Sep-09			162,690	(62,554)				100,136		(8,691,387)
43	Oct-09			76,681	(62,143)				14,538		(8,676,849)
44	Nov-09	1		575,104	2,065		8,676,849		9,254,019		577,169
45	Dec-09			(2,010,508)	(3,074)				(2,013,582)		(1,436,413)
46	Jan-10			2,426,982	(1,601)				2,425,381		988,968
47	Feb-10			2,018,891	14,352				2,033,243		3,022,212
48	Mar-10			427,365	23,239				450,604		3,472,816
49	Apr-10			(527,889)	23,045				(504,844)		2,967,972
50	May-10			(634,421)	19,037				(615,384)		2,352,587
51	Jun-10			(566,552)	14,861				(551,691)		1,800,896
52	Jul-10			(237,583)	12,080				(225,503)		1,575,393
53	Aug-10				11,314				11,314		1,586,707
54	Sep-10				11,395				11,395		1,598,102
55	Oct-10				11,477				11,477		1,609,579

Amount Deferred Nov 09 - Oct 10 with interest: 1,609,579.41

* No interest is applied to this activity until the 2007-2008 Tracker period

NOTES

1 - transfer to Amorization account 191411

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Coos County Demand
 Account Number: Account 191417
 Class of Customers: Core

1 Narrative: Deferral of transportation charge payable by NW Natural for use of the natural gas
 2 transmission pipeline owned by Coos County.
 3

	Date	Deferral	Adjustment (b)	Transfer (c)	Reference	Interest (a)	Activity	Balance
4								
5								
6	9/30/2006	24,809.17	(17,533.12)				7,276.05	290,846.66
7	10/31/2006	24,809.13		(290,846.66)			(266,037.53)	24,809.13
8	11/30/2006	24,809.13	(2,813.18)				21,995.95	46,805.08
9	12/31/2006	24,809.13	(2,144.42)				22,664.71	69,469.79
10	1/31/2007	24,809.13	(2,836.10)				21,973.03	91,442.82
11	2/28/2007	24,809.13	(2,425.31)				22,383.82	113,826.64
12	3/31/2007	24,809.13	(2,718.54)				22,090.59	135,917.23
13	4/30/2007	24,809.13	(2,104.68)				22,704.45	158,621.68
14	5/31/2007	77,152.87	(1,685.00)				75,467.87	234,089.55
15	6/30/2007	26,542.00	(1,023.27)				25,518.73	259,608.28
16	7/31/2007	26,542.00	(1,307.00)				25,235.00	284,843.28
17	8/31/2007	26,542.00	(947.02)				25,594.98	310,438.26
18	9/30/2007	26,542.00	(945.17)				25,596.83	336,035.09
19	10/31/2007	26,542.00	(1,536.05)				25,005.95	361,041.04
20	11/30/2007	26,542.00	(1,940.08)	(361,041.04)			(336,439.12)	24,601.92
21	12/31/2007	32,469.30	(2,958.44)				29,510.86	54,112.78
22	1/31/2008	29,594.00	(4,025.23)				25,568.77	79,681.55
23	2/29/2008	29,594.00	(4,077.53)				25,516.47	105,198.02
24	3/31/2008	29,594.00	(2,879.08)				26,714.92	131,912.94
25	4/30/2008	29,594.00	(4,119.14)				25,474.86	157,387.80
26	5/31/2008	29,795.69	(2,755.75)				27,039.94	184,427.74
27	6/30/2008	30,272.28	(2,063.32)				28,208.96	212,636.70
28	7/31/2008	29,727.62	(2,336.23)				27,391.39	240,028.09
29	8/31/2008	29,727.62	(2,465.30)				27,262.32	267,290.41
30	9/30/2008	29,831.58	(2,582.15)				27,249.43	294,539.84
31	10/31/2008	29,797.68	(3,055.12)				26,742.56	321,282.40
32	11/30/2008	29,790.74	(3,493.06)	(321,282.40)			(294,984.72)	26,297.68
33	12/31/2008	(77,100.00)	(3,189.48)				(80,289.48)	(53,991.80)
34	1/31/2009	18,503.85	(6,024.05)				12,479.80	(41,512.00)
35	2/28/2009	18,503.85	(6,234.04)				12,269.81	(29,242.19)
36	3/31/2009	18,435.50	(5,234.98)				13,200.52	(16,041.67)
37	4/30/2009	18,435.50	(4,846.50)				13,589.00	(2,452.67)
38	5/31/2009	18,435.50	(3,632.95)				14,802.55	12,349.88
39	6/30/2009	18,435.50	(2,831.26)				15,604.24	27,954.12
40	7/31/2009	18,664.77	(2,593.94)				16,070.83	44,024.95
41	8/31/2009	18,434.50	(2,250.62)				16,183.88	60,208.83
42	9/30/2009	18,434.50	(2,263.58)				16,170.92	76,379.75
43	10/31/2009	18,434.50	(3,024.27)				15,410.23	91,789.98
44	11/30/2009	18,434.50	(3,995.40)	(91,789.98)			(77,350.88)	14,439.10
45	12/31/2009	18,434.50	(4,742.99)				13,691.51	28,130.61
46	1/31/2010	21,725.00	(6,646.34)				15,078.66	43,209.27
47	2/28/2010	21,308.03	(5,565.85)				15,742.18	58,951.45
48	3/31/2010	21,674.75	(5,382.49)				16,292.26	75,243.71
49	4/30/2010	21,689.82	(5,393.22)				16,296.60	91,540.31
50	5/31/2010	21,678.19	(4,259.59)				17,418.60	108,958.91
51	6/30/2010	21,674.75	(3,886.21)				17,788.54	126,747.45
52	7/31/2010	21,674.75	(2,855.42)				18,819.33	145,566.78
53	8/31/2010						0.00	145,566.78
54	9/30/2010						0.00	145,566.78
55	10/31/2010						0.00	145,566.78
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Amount Deferred Nov 09 - Oct 10: 145,566.78

58 Notes:
 59 a. No interest is applied to this activity
 60 b. Per Order 03-236 in docket UG-152; the amount collected via the Coos County 2¢ surcharge
 61 should be applied toward this deferral with the balance recoverable statewide as part of the PGA.
 62 c. Balance transferred to account 191411.



August 30, 2010

**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 reauthorization to continue deferrals relative to the Company's annual purchased gas cost adjustment, as filed in NWN Advice No. OPUC 10-13, and pursuant to the provisions of ORS 757.259(2)(e). Copies of the Company's application are available for inspection at its main office.

The purpose of this Notice is to inform parties and other interested persons that participated in the Company's most recent general rate case that the Application was filed. **This is not a rate case.**

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: Vikie Bailey-Goggins
550 Capitol St., NE, Ste. 215
PO Box 2148
Salem, Oregon 97308-2148
Telephone: (503) 378-6366

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.

* * * * *



CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER CERTAIN EXPENSES OR REVENUES upon all parties or attorneys of parties of record in the UG 152 proceeding, which is the Company's most recent general rate case, by first class mail or electronic mail for those parties that waived paper service:

UG 152 Service List

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