

Rates and Regulatory Affairs
Facsimile: 503.721.2532



July 31, 2006

VIA ELECTRONIC FILING

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

Attention: Filing Center

Re: OPUC Order No. 06-333, Docket AR 507
Request for Approval of Transition Period

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company) hereby requests approval of a transition period for the implementation of the requirements of OAR 860-021-0328 and OAR 860-021-0057 which were adopted by the Commission in OPUC Order No. 06-333, Docket AR 507. The proposed transition period would commence with the date that OAR 860-021-0328 and OAR 860-021-0057 went into effect and would continue through November 31, 2006.

The reasons for the requested transition period are as follows:

1. Field Service Scheduling. The newly adopted 5:00 p.m. requirement for service reconnections (OAR 860-021-0328(3) and (4)) is a significant departure from the Company's historical scheduling practices. In order to ensure that the requirement for service reconnection by 5:00 p.m. of the next business day can be met, the Company will be required to make some fairly significant scheduling and resource allocation changes, including but not necessarily limited to: (a) re-allocation of field resources; (b) changes to the Company's scheduling system; and (c) employee training (both field and office workers). All of these tasks will require sufficient time to plan, implement, and test before full compliance with the new rules can be achieved.

2. Tariff Changes. The Company does not currently differentiate its after hours reconnection charge between same day and next day response. The new rules allow a utility to make this differentiation. The Company will need to file with the Commission a proposal to change Schedule C of our filed Tariff in order to implement the new same-day after-hours reconnection charge. In addition, the Company has reviewed its existing reconnection charges, and has

determined that the current charges do not cover the Company's costs for these activities (the Company has not revised these charges since 1994). The Company's plan is to propose changes to all of its reconnection fees in a single filing on or before September 15 for an effective date on or about November 15, 2006. Ideally, the changes to Schedule C should coincide with full implementation of the AR 507 rule changes.

3. Customer Notices. All of the Company's disconnection notices will need to be revised to specify the customer's reconnection options and the associated charges. Such notices cannot be finalized until any Schedule C tariff changes have been approved by the Commission.

During the transition period, the Company will continue to schedule service reconnections in the manner required by the temporary rulemaking (AR 505). Specifically, the Company will complete service reconnections following an involuntary disconnection of service as soon as possible, but no later than twenty-four (24) hours after the applicant meets the conditions for reconnection and requests reconnection. This includes completing reconnections on Saturdays for the standard reconnection charge.

In the event that this request requires Commission approval at a public meeting, the Company respectfully requests that this matter be placed on the public meeting agenda for August 8, 2006.

Please address correspondence on this matter to me, with copies to the following:

Kelley Miller, Staff Assistant
Rates & Regulatory Affairs
220 NW Second Avenue
Portland, Oregon 97209
Telecopier: (503) 721-2532
Telephone: (503) 226-4211, ext. 3589
E-mail: kelley.miller@nwnatural.com

Please do not hesitate to call if you have questions or desire further information.

Sincerely,

/s/ Onita R. King

Onita R. King, Manager,
Tariffs & Regulatory Compliance

enclosures