

**MARK R. THOMPSON**  
Manager, Rates & Regulatory Affairs  
Tel: 503.721.2476  
Fax: 503.721.2516  
email: mark.thompson@nwnatural.com



May 1, 2013

**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: **RG 37 – Annual Report for the year ending December 31, 2012  
(FERC Form 2)**

In accordance with OAR 860-027-0070, Northwest Natural Gas Company, dba NW Natural (NW Natural or Company) files herewith its Annual Report to the Public Utility Commission of Oregon for the year ended December 31, 2012. The report is submitted on forms (FERC Form 2) provided by the Commission.

An electronic copy of the Annual Report to Shareholders can be viewed by the following link: <https://www.nwnatural.com/Content/AnnualReport/2012/index.html>.

Please address any correspondence on this matter to me, with copies to Brody Wilson, Acting Controller, at the address above.

Sincerely,

*/s/ Mark R. Thompson*

Mark R. Thompson

enclosure



e-FILING REPORT COVER SHEET

Send completed Cover Sheet and the Report in an email addressed to: [PUC.FilingCenter@state.or.us](mailto:PUC.FilingCenter@state.or.us)

REPORT NAME: Annual Report for the year ending December 31, 2012, (FERC Form 2)

COMPANY NAME: NW Natural

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: RE (Electric) RG (Gas) RW (Water) RO (Other)

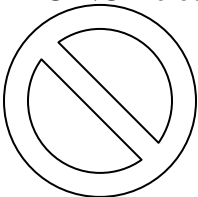
Report is required by: OAR 860-027-0070  
Statute  
Order  
Other

Is this report associated with a specific docket/case? No Yes

If yes, enter docket number: RG 37

List applicable Key Words for this report to facilitate electronic search:  
2012 Annual Report, for the year ending December 31, 2012, FERC Form 2

**DO NOT electronically file with the PUC Filing Center:**



- Annual Fee Statement form and payment remittance or
- OUS or RSPF Surcharge form or surcharge remittance or
- Any other Telecommunications Reporting or
- Any daily safety or safety incident reports or
- Accident reports required by ORS 654.715

**Please file the above reports according to their individual instructions.**

**NATURAL GAS COMPANIES**  
(Class A and B)

**ANNUAL REPORT**

**OF**

**NORTHWEST NATURAL GAS COMPANY**

---

**(Exact Legal Name of Respondent)**

If name was changed during year, show also the previous name and date of change

**PORTLAND, OREGON**

---

**(Address of Principal Business Office at End of Year)**

**TO THE**

**PUBLIC UTILITY COMMISSION OF OREGON**

**AND**

**WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION**

**FOR THE**

**YEAR ENDED DECEMBER 31, 2012**

Name, Title, and address of officer or other person to whom should be addressed any communication concerning this report:

**Brody J. Wilson, Acting Controller**  
220 N. W. Second Avenue  
Portland, Oregon 97209

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THIS FILING IS

Item 1:  An Initial (Original) Submission OR  Resubmission No. \_\_\_\_\_

Form 2 Approved  
OMB No.1902-0028  
(Expires 10/31/2014)

Form 3-Q Approved  
OMB No.1902-0205  
(Expires 05/31/2014)



# FERC FINANCIAL REPORT

## FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of a confidential nature.

Exact Legal Name of Respondent (Company)

NW Natural Gas Company

Year/Period of Report

End of 12/31/2012

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# INSTRUCTIONS FOR FILING FERC FORMS 2, 2-A and 3-Q

## GENERAL INFORMATION

### I Purpose

FERC Forms 2, 2-A, and 3-Q are designed to collect financial and operational information from natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be a non-confidential public use forms.

### II. Who Must Submit

Each natural gas company whose combined gas transported or stored for a fee exceed 50 million dekatherms in each of the previous three years must submit FERC Form 2 and 3-Q.

Each natural gas company not meeting the filing threshold for FERC Form 2, but having total gas sales or volume transactions exceeding 200,000 dekatherms in each of the previous three calendar years must submit FERC Form 2-A and 3-Q.

Newly established entities must use projected data to determine whether they must file the FERC Form 3-Q and FERC Form 2 or 2-A.

### III. What and Where to Submit

(a) Submit Forms 2, 2-A and 3-Q electronically through the submission software at <http://www.ferc.gov/docs-filing/eforms/form-2/elec-subm-soft.asp>.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Form 2 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mailing two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Form 2, Page 3, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared. Unless eFiling the Annual Report to Stockholders, mail these reports to the Secretary of the Commission at:

Secretary of the Commission  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

(d) For the Annual CPA certification, submit with the original submission of this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984) prepared in conformity with the current standards of reporting which will:

(i) Contain a paragraph attesting to the conformity, in all material respects, of the schedules listed below with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

(ii) be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 158.10-158.12 for specific qualifications.)

Reference	Reference Schedules Pages
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

Filers should state in the letter or report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist

(e) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, Annual Report to Stockholders and CPA Certification Statement, have been added to the dropdown pick list from which companies must choose when eFiling. Further instructions are found on the Commission website at <http://www.ferc.gov/help/how-to.asp>

(f) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 2 and 2-A free of charge from: <http://www.ferc.gov/docs-filing/eforms/form-2/form-2.pdf> and <http://www.ferc.gov/docs-filing/eforms/form-2a/form-2a.pdf>, respectively. Copies may also be obtained from the Public Reference and Files Maintenance Branch, Federal Energy Regulatory Commission, 888 First Street, NE, Room 2A, Washington, DC 20426 or by calling (202).502-8371

#### IV. When to Submit:

FERC Forms 2, 2-A, and 3-Q must be filed by the dates:

- (a) FERC Form 2 and 2-A --- by April 18<sup>th</sup> of the following year (18 C.F.R. §§ 260.1 and 260.2)
- (b) FERC Form 3-Q --- Natural gas companies that file a FERC Form 2 must file the FERC Form 3-Q within 60 days after the reporting quarter (18 C.F.R. § 260.300), and
- (c) FERC Form 3-Q --- Natural gas companies that file a FERC Form 2-A must file the FERC Form 3-Q within 70 days after the reporting quarter (18 C.F.R. § 260.300).

#### V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the Form 2 collection of information is estimated to average 1,623 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the Form 2A collection of information is estimated to average 250 hours per response. The public reporting burden for the Form 3-Q collection of information is estimated to average 165 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).



## GENERAL INSTRUCTIONS

- I. Prepare all reports in conformity with the Uniform System of Accounts (USofA) (18 C.F.R. Part 201). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions.**
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Footnote and further explain accounts or pages as necessary.
- IX. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- X. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.
- XI. Report all gas volumes in Dth unless the schedule specifically requires the reporting in another unit of measurement.

## DEFINITIONS

- I. Btu per cubic foot The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60°F if saturated with water vapor and under a pressure equivalent to that of 30°F, and under standard gravitational force (980.665 cm. per sec) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state (called gross heating value or total heating value).
- II. Commission Authorization -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.
- III. Dekatherm A unit of heating value equivalent to 10 therms or 1,000,000 Btu.
- IV. Respondent The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made.

EXCERPTS FROM THE LAW  
(Natural Gas Act, 15 U.S.C. 717-717w)

"Sec. 10(a). Every natural-gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest dues and paid, depreciation, amortization, and other reserves, cost of facilities, costs of maintenance and operation of facilities for the production, transportation, delivery, use, or sale of natural gas, costs of renewal and replacement of such facilities, transportation, delivery, use and sale of natural gas..."

"Section 16. The Commission shall have power to perform all and any acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and time within they shall be filed..."

#### General Penalties

The Commission may assess up to \$1 million per day per violation of its rules and regulations. See NGA § 22(a), 15 U.S.C. § 717t-1(a).

**FERC FORM NO. 2:  
ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES**

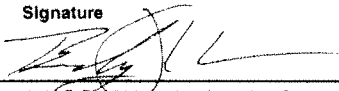
**IDENTIFICATION**

<b>01 Exact Legal Name of Respondent</b> Northwest Natural Gas Company		<b>02 Year of Report</b> Dec. 31, 2012
<b>03 Previous Name and Date of Change (if name changed during year)</b>		
<b>04 Address of Principal Office at End of Year (Street, City, State, Zip Code)</b> 220 N.W. Second Avenue, Portland, Oregon 97209		
<b>05 Name of Contact Person</b> Brody J. Wilson	<b>06 Title of Contact Person</b> Acting Controller	
<b>07 Address of Contact Person (Street, City, State, Zip Code)</b> 220 N.W. Second Avenue, Portland, Oregon 97209		
<b>08 Telephone of Contact Person, including Area Code</b> (503) 226-4211	<b>09 This Report is</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>10 Date of Report (Mo, Day, Yr)</b> May 1, 2013

**ATTESTATION**

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

<b>11 Name</b> Brody J. Wilson	<b>12 Title</b> Acting Controller	
<b>13 Signature</b> 	<b>14 Date Signed (Mo, Day, Yr)</b> 05/01/2013	
Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.		

<b>Name of Respondent</b> Northwest Natural Gas Company		<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b> Dec. 31, 2012
<b>List of Schedules (Natural Gas Company)</b>					
Enter in Column (d) the terms "none", "not applicable", or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none", "not applicable", or "NA".					
Line No.	Title of Schedule (a)	Reference Page Number (b)	Date Revised (c)	Remarks (d)	
	GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS				
1	General Information	101			
2	Control Over Respondent	102		NA	
3	Corporations Controlled by Respondent	103			
4	Security Holders and Voting Powers	107			
5	Important Changes During the Year	108			
6	Comparative Balance Sheet	110-113			
7	Statement of Income for the Year	114-116			
8	Statement of Accumulated Comprehensive Income and Hedging Activities	117			
9	Statement of Retained Earnings for the Year	118-119			
10	Statements of Cash Flows	120-121			
11	Notes to Financial Statements	122			
	BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)				
12	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201			
13	Gas Plant in Service	204-209			
14	Gas Property and Capacity Leased from Others	212			
15	Gas Property and Capacity Leased to Others	213			
16	Gas Plant Held for Future Use	214			
17	Construction Work in Progress-Gas	216			
18	Non-Traditional Rate Treatment Afforded New Projects	217		NA	
19	General Description of Construction Overhead Procedure	218			
20	Accumulated Provision for Depreciation of Gas Utility Plant	219			
21	Gas Stored	220			
22	Investments	222-223			
23	Investments in Subsidiary Companies	224-225			
24	Prepayments	230			
25	Extraordinary Property Losses	230			
26	Unrecovered Plant and Regulatory Study Costs	230			
27	Other Regulatory Assets	232			
28	Miscellaneous Deferred Debits	233			
29	Accumulated Deferred Income Taxes	234-235			
	BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)				
30	Capital Stock	250-251			
31	Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252			
32	Other Paid-in Capital	253			
33	Discount on Capital Stock	254		NA	
34	Capital Stock Expense	254			
35	Securities issued or Assumed and Securities Refunded or Retired During the Year	255			
36	Long-Term Debt	256-257			
37	Unamortized Debt Expense, Premium, and Discount on Long-Term Debt	258-259			

<b>Name of Respondent</b> Northwest Natural Gas Company		<b>This Report is:</b> X An Original A Resubmission	<b>Date of Report</b> (Mo, Da, Yr) Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
<b>List of Schedules (Natural Gas Company)</b>				
Enter in Column (d) the terms "none", "not applicable", or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none", "not applicable", or "NA".				
Line No.	Title of Schedule (a)	Reference Page Number (b)	Date Revised (c)	Remarks (d)
38	Unamortized Loss and Gain on Recquired Debt	260		
39	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261		
40	Taxes Accrued, Prepaid, and Charged During Year	262-263		
41	Miscellaneous Current and Accrued Liabilities	268		
42	Other Deferred Credits	269		
43	Accumulated Deferred Income Taxes-Other Property	274-275		
44	Accumulated Deferred Income Taxes-Other	276-277		
45	Other Regulatory Liabilities	278		NA
INCOME ACCOUNT SUPPORTING SCHEDULES				
46	Monthly Quantity & Revenue Data by Rate Schedule	299		NA
47	Gas Operating Revenues	300-301		
48	Revenues from Transportation of Gas of Others Through Gathering Facilities	302-303		
49	Revenues from Transportation of Gas of Others Through Transmission Facilities	304-305		
50	Revenues from Storage Gas of Others	306-307		
51	Other Gas Revenues	308		
52	Discounted Rate Services and Negotiated Rate Services	313		NA
53	Gas Operation and Maintenance Expenses	317-325		
54	Exchange and Imbalance Transactions	328		
55	Gas Used in Utility Operations	331		
56	Transmission and Compression of Gas by Others	332		
57	Other Gas Supply Expenses	334		
58	Miscellaneous General Expenses-Gas	335		
59	Depreciation, Depletion, and Amortization of Gas Plant	336-338		
60	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340		
COMMON SECTION				
61	Regulatory Commission Expenses	350-351		
62	Employee Pensions and Benefits (Account 926)	352		
63	Distribution of Salaries and Wages	354-355		
64	Charges for Outside Professional and Other Consultative Services	357		
65	Transactions with Associated (Affiliated) Companies	358		
GAS PLANT STATISTICAL DATA				
66	Compressor Stations	508-509		
67	Gas Storage Projects	512-513		
68	Transmission Lines	514		
69	Transmission System Peak Deliveries	518		
70	Auxiliary Peaking Facilities	519		
71	Gas Account-Natural Gas	520		
72	Shipper Supplied Gas for the Current Quarter	521		NA
73	System Map	522		NA
74	Footnote Reference	551		NA
75	Footnote Text	552		NA
76	Stockholder's Reports (check appropriate box)			
<input type="checkbox"/> Four copies will be submitted <input type="checkbox"/> No annual report to stockholders is prepared				

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2012
GENERAL INFORMATION			
1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.			
Brody J. Wilson 220 N.W. Second Avenue		Acting Controller Portland, Oregon 97209	
2. Prove the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.			
State of Oregon		January 10, 1910	
3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership of trusteeship was created, and (d) date when possession by receiver or trustee ceased.			
NOT APPLICABLE			
4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.			
GAS SERVICE IN OREGON AND WASHINGTON			
5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?			
(1) <input type="checkbox"/> Yes . . . Enter the date when such independent account was initially engaged: _____ (2) <input checked="" type="checkbox"/> No			

<b>Name of Respondent</b>	<b>This Report Is:</b> X An Original A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			Dec. 31, 2012

**CORPORATIONS CONTROLLED BY RESPONDENT**

- Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
- If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
- If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
- In column (b) designate type of control of the respondent as "D" for direct, an "I" for indirect, or a "J" for joint control.

**DEFINITIONS**

- See the Uniform System of Accounts for a definition of control.
- Direct control is that which is exercised without interposition of an intermediary.
- Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
- Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

LINE NO.	NAME OF COMPANY CONTROLLED (a)	TYPE OF CONTROL (b)	KIND OF BUSINESS (c)	Percent Voting Stock Owned (d)	Footnote Ref. (e)
1	Gill Ranch Storage, LLC	I	Gas storage	100%	1
2	NW Natural Energy, LLC	D	Intermediate holding company	100%	2
3	NW Natural Gas Storage, LLC	I	Gas storage	100%	3
4	NNG Financial Corporation	D	Financing and investments	100%	4
5	Palomar Gas Holdings, LLC	I/J	Holding company	50%	5
6	Palomar Gas Transmission, LLC	I/J	Gas transmission company	*	6
7	BL Credit Holdings, LLC	I/J	Non-operating company	*	7
8	Northwest Biogas, LLC	J	Biodigester company	50%	8
9	KB Pipeline Company	I	Gas transmission company	100%	9
10	Northwest Energy Corporation	D	Non-operating company	100%	10
11	Northwest Energy Sub Corporation	I	Non-operating company	100%	11
12	NWN Gas Reserves, LLC	I	Gas reserves	100%	12

- Gill Ranch Storage, LLC, a wholly-owned subsidiary of NW Natural Gas Storage, LLC, was formed in 2007 as part of a joint project with Pacific Gas & Electric to develop, own and operate an underground natural gas storage facility near Fresno, California. Gill Ranch began commercial operations in 2010.
- NW Natural Energy, LLC, a wholly-owned subsidiary, is a holding company. Primarily used for gas storage and other non-utility investments.
- NW Natural Gas Storage, LLC, a wholly-owned subsidiary of NW Natural Energy, LLC, primarily has the operating employees for our gas storage businesses.
- NNG Financial Corporation, a wholly-owned subsidiary, commenced operations in September 1990. NNG Financial Corporation holds certain non-utility financial investments but its assets primarily consist of an active wholly-owned subsidiary KB Pipeline Company.
- Palomar Gas Holdings, LLC, a joint venture with TransCanada and a wholly-owned subsidiary of NW Natural Energy, LLC, is designed to be the holding company for Palomar operating companies.
- Palomar Gas Transmission, LLC, wholly-owned by Palomar Gas Holdings, LLC, was formed in 2007 to develop an interstate gas pipeline.
- BL Credit Holdings, LLC, wholly-owned by Palomar Gas Transmission, is currently not operating.
- Northwest Biogas, LLC, an equal joint venture with BEF Renewable Incorporated, was formed in 2008 to develop a biodigester.
- KB Pipeline company, a wholly-owned subsidiary of NNG Financial Corporation, owns a 10% interest in an interstate natural gas pipeline.
- Northwest Energy Corporation, is a wholly owned subsidiary, primarily used as a holding company of NWN Gas Reserves, LLC.
- Northwest Energy Sub Corporation, is an inactive and indirect subsidiary.
- NWN Gas Reserves, LLC, a wholly-owned subsidiary of Northwest Energy Corporation, was formed in 2012 as part of a joint venture with Encana Oil & Gas (USA) Inc. to develop, own and operate gas reserves near Sublette County, Wyoming.

\* These companies are 100% owned indirectly through our joint venture Palomar Gas Holdings.



<b>Name of Respondent</b> Northwest Natural Gas Company		<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		<b>Date of Report (Mo, Da, Yr)</b>		<b>Year of Report</b> Dec. 31, 2012	
<b>SECURITY HOLDERS AND VOTING POWERS</b>							
<p>1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.</p> <p>2. If any security other than stock carries voting rights, explain in a supplemental statement the circumstances whereby such security became vested with voting rights and</p>				<p>give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.</p> <p>3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.</p> <p>4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.</p>			
<p>1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing: 10/31/2012 List of stockholders to whom dividends were paid on 11/15/2012.</p>		<p>2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy. Total: 17,790,182 By proxy: 16,546,968</p>		<p>3. Give the date and place of such meeting:  Date: 5/24/2012 Place: Portland, Oregon Location: Oregon Convention Center</p>			
<b>VOTING SECURITIES</b>							
Line No.	Name (Title) and Address of Security Holder  (a)	Number of votes as of (date):					
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)		
4	TOTAL votes of all voting securities	26,874,412	26,874,412				
5	TOTAL number of security holders	6,461	6,461				
6	TOTAL votes of security holders listed below	24,040,771	24,040,771				
7	See Page 107 (Continued)						
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							

Name of Report		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
SECURITY HOLDERS AND VOTING POWERS (Continued)				
Line No.	Name and Address (1a) (a)	Shares of Common Stock (b)	Percentage of Stock Outstanding (Voting Control) (c)	
1	Cede & Company	23,842,982	88.72%	
2	P. O. Box #20			
3	Bowling Green Station			
4	New York, NY 10004-1408			
5				
6	David H. Anderson & <sup>(1)</sup>	39,337	0.15%	
7	Susan S. Anderson JT TEN			
8	1688 Leslie Ln			
9	Lake Oswego, OR 97034-2179			
10				
11	Wachovia Bank N.A. TTEE <sup>(2)</sup>	30,638	0.11%	
12	Northwest Natural Gas Co Umbrella TR for Directors			
13	DTD 1-1-91 FR Acct-Exec Serv			
14	One West Fourth St NC 6251			
15	Winston-Salem, NC 27101			
16				
17	Rodger P. Shute	25,746	0.10%	
18	5570 - 248th PL SE			
19	Issaquah, WA 98029-7619			
20				
21	Wachovia Bank N.A. TTEE <sup>(3)</sup>	21,697	0.08%	
22	Northwest Natural Gas Co Umbrella TR for Directors			
23	DTD 1-1-91 NEDSCP Acct-Exec Serv			
24	One West Fourth St NC 6251			
25	Winston-Salem, NC 27101			
26				
27	Daniel J. Clement &	17,426	0.06%	
28	Elizabeth J. Clement JT TEN			
29	55 Turtle Creek Rd			
30	Lewisburg, PA 17837-8122			
31				
32	Gregg S. Kantor <sup>(4)</sup>	16,355	0.06%	
33	1709 SW Westwood Court			
34	Portland, OR 97239			
35				
36	Northwest Natural Gas Company ESPP <sup>(5)</sup>	15,989	0.06%	
37	Admin c/o Equity Plan Solutions			
38	123 S. Broad Street, 11th Floor, Suite 1160			
39	Philadelphia, PA 19109			
40				
41	Betty Lou Beck	15,496	0.06%	
42	4755 SE Washington Place			
43	Milwaukie, OR 97222			
44				
45	Richard G. Reiten <sup>(6)</sup>	15,105	0.06%	
46	2745 NW Circle "A" Lane			
47	Portland, OR 97229			
48				
49	(1) In 2012, Senior Vice President and Chief Financial Officer. Effective 2/28/13, Executive Vice President of Operations and Regulation.			
50	(2) Current, Retired and Former Directors - Timothy Boyle, Martha Byorum, John Carter, Tod R. Hamacheck, Wayne Kuni, Randall C. Papé, & Richard Woolworth			
51	(3) Current, Retired and Former Directors - Timothy Boyle, Martha Byorum, John Carter, Thomas Dewey, Scott C. Gibson, Tod R. Hamacheck, Wayne Kuni, Richard Reiten, Robert Ridgley, Melody Teppola, Russell Tromely, & Richard Woolworth			
52	(4) President and Chief Executive Officer			
53				
54	(5) Company's employee stock purchase plan administrative account			
	(6) Former officer and director			

<b>Name of Report</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**SECURITY HOLDERS AND VOTING POWERS (Continued)**

Line No.	Name and Address (1a) (a)	Shares of Common Stock (b)	Percentage of Stock Outstanding (Voting Control) (c)
56			
57		<u>Stock Options</u>	
58		<u>for Officers</u>	
59	<u>Officers</u>	<u>as of 12/31/2012</u>	<u>Stock Rights for</u> <u>for Officers</u> <u>as of 12/31/2012 <sup>(1)</sup></u>
60	David H. Anderson	66,000	*
61	Lea Anne Doolittle	24,000	*
62	Stephen P. Feltz	19,000	*
63	Gregg S. Kantor	103,000	*
64	Margaret D. Kirkpatrick	33,500	*
65	C. Alex Miller	8,100	*
66	MardiLyn Saathoff	12,000	*
67	David A. Weber	11,625	*
68	J. Keith White	23,000	*
69	David R. Williams	14,000	*
70	Grant M. Yoshihara	17,000	*
71			
72			
73	(1) Includes performance based stock and performance based restricted stock units		
74			
75	* Less than one percent.		
76			
77			
78			
79			
80			
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99			
100			

Name of Respondent  Northwest Natural Gas Company	This Report is:		Date of Report	Year of Report
	<input checked="" type="checkbox"/>	An Original		
	<input type="checkbox"/>	A Resubmission		Dec. 31, 2012

**IMPORTANT CHANGES DURING THE YEAR**

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
  2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
  3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform Systems of Accounts were submitted to the Commission.
  4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
  5. Important extension or reduction or transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.
- Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite commission authorization if any was required.

7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or know associate of any of these persons was a party or in which any such person had a material interest.
11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

See Page 108 (Continued)

<b>Name of Respondent</b>	<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**IMPORTANT CHANGES DURING THE YEAR (Continued)**

**1. CHANGES IN AND IMPORTANT ADDITIONS TO FRANCHISE RIGHTS DURING 2012:**

	RENEWAL DATE	CITY	EFFECTIVE DATE	EXPIRATION DATE	TERM (YEARS)	RATE
1	01-12	Johnson City, OR	01-05-12	01-04-22	10	5%
2	01-12	Bingen, WA	02-01-12			6%
3	01-12	North Bonneville, WA	01-01-12			5% to 6%
4	05-12	Rivergrove, OR	05-30-12	05-29-32	20	3% to 5%
5	07-12	Lake Oswego, OR	07-01-12			5% to 3%
6	11-12	Jefferson, OR	11-02-12	11-01-22	10	3% to 5%
7	12-12	Vernonia, OR	12-28-12	12-27-22	10	5%

1 Renewal of Johnson City's franchise tax included interruptible revenues in Gross Revenues (previously exempt).

2 Bingen adopted a new ordinance which includes interruptible revenues (previously exempt) and excludes revenues from federal and state customers (previously subject to tax).

3 North Bonneville adopted a new ordinance to increase city tax from 5% to 6%.

4 Renewal of Rivergrove's franchise tax increased city fees from 3% to 5% and made interruptible revenues subject to city fee (previously exempt).

5 Lake Oswego's temporary one year increase in franchise fee expired (City Council Resolution 11-26).

6 Renewal of Jefferson's franchise tax increased city fees from 3% to 5% and made interruptible revenues subject to city fee (previously exempt).

7 Renewal of Vernonia's franchise tax included interruptible revenues in Gross Revenues (previously exempt).

2.-5. **See Page 122-A, Footnote 11 - Gas Reserves** for a detailed explanation of the Investment in Encana Gas Reserves.

6. **See Page 122-A**

7. **None**

8. Bargaining unit pay increase of 2.96% effective June 1, 2012. Non-bargaining unit salary increase of 2.80% effective March 1, 2012.

9. **See Page 122-A**

10. **None**

11. **Increase or decrease in annual revenues caused by important rate changes.**

**OREGON**

The PGA and other related filings were made in the fall. The combined effects of these filings were approved in a number of dockets through OPUC Order 12-431 on November 7, 2012. The approval of these filings decreased the Company's annual Oregon revenues by \$55.1 million, or 7.4 percent, passing through certain purchased gas cost adjustments, adjustments made to permanent base rates for certain approved programs, and technical adjustments amortizing the Company's deferred revenue and gas costs accounts. As of June 30, 2012, 610,168 customers were affected.

The Company's requests for reauthorization of deferred accounting in UM 1496 and UM 1027 were both granted for one year beginning November 1, 2012.

**WASHINGTON**

UG-121434 was allowed to go into effect October 27, 2012, by operation of law, for service on and after November 1, 2012 at the WUTC Open Meeting. The purchased gas adjustment filing revised rates for changes in purchased gas costs and updated temporary rate adjustments to amortize balances in deferred accounts. However, the WUTC also ordered a continuing review of all Washington gas companies' PGA filings and the rates that went into effect are subject to change. The filing decreased the Company's annual Washington revenues by \$6.4 million, or 8.4 percent. As of June 30, 2012, 70,741 customers were affected.

Name of Respondent		This Report is:		Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission			Dec. 31, 2012
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)					
Line No.	Title of Account  (a)	Reference Page Number  (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
1	<b>UTILITY PLANT</b>				
2	Utility Plant (101-106, 114)	200-201	2,421,753,691	2,309,399,310	
3	Construction Work in Progress (107)	200-201	46,831,561	36,051,431	
4	TOTAL Utility Plant (Total of lines 2 and 3)	-	2,468,585,252	2,345,450,741	
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	200-201	(1,069,505,970)	(1,016,119,124)	
6	Net Utility Plant (Total of line 4 less 5)	-	1,399,079,282	1,329,331,617	
7	Nuclear Fuel (120.1-120.4, 120.6)	-			
8	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	-			
9	Net Nuclear Fuel (Total of line 7 less 8)	-			
10	Net Utility Plant (Total of lines 6 and 9)	-	1,399,079,282	1,329,331,617	
11	Utility Plant Adjustments (116)	122	-	-	
12	Gas Stored-Base Gas (117.1)	220	14,132,362	14,067,641	
13	System Balancing Gas (117.2)	220			
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220			
15	Gas Owned to System Gas (117.4)	220			
16	<b>OTHER PROPERTY AND INVESTMENTS</b>				
17	Nonutility Property (121)	204-209	71,769,127	72,484,925	
18	(Less) Accum. Prov. for Depreciation and Amortization (122)	-	(13,971,513)	(13,038,843)	
19	Investments in Associated Companies (123)	222-223			
20	Investment in Subsidiary Companies (123.1)	224-225	173,634,088	173,376,084	
21	(For Cost of Account 123.1, See Footnote Page 224, line 40)	-			
22	Noncurrent Portion of Allowances	-			
23	Other Investments (124)	222-223	137,994,144	101,224,499	
24	Sinking Funds (125)	-			
25	Depreciation Fund (126)	-			
26	Amortization Fund - Federal (127)	-			
27	Other Special Funds (128)	-			
28	Long-Term Portion of Derivative Assets (175)	-	3,639,000	-	
29	Long-Term Portion of Derivative Assets - Hedges (176)	-	-	-	
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)	-	373,064,846	334,046,665	
31	<b>CURRENT AND ACCRUED ASSETS</b>				
32	Cash (131)	-	2,052,716	2,636,062	
33	Special Deposits (132-134)	-	3,208,901	1,134,008	
34	Working Funds (135)	-	179,309	189,858	
35	Temporary Cash Investments (136)	222-223	2,294,639	2,098,391	
36	Notes Receivable (141)	-			
37	Customer Accounts Receivable (142)	-	53,210,566	69,545,532	
38	Other Accounts Receivable (143)	-	7,282,491	7,573,595	
39	(Less) Accum. Prov. for Uncollectible Accounts-Credit (144)	-	(2,518,468)	(2,894,878)	
40	Notes Receivable from Associated Companies (145)	-			
41	Accounts Receivable from Associated Companies (146)	-	198,858	164,212	
42	Fuel Stock (151)	-			
43	Fuel Stock Expense Undistributed (152)	-			

Name of Respondent		This Report is:		Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission			Dec. 31, 2012
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)					
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Balance at End of Previous Year 12/31 (d)	
44	Residuals (Elec) and Extracted Products (Gas) (153)	-			
45	Plant Material and Operating Supplies (154)	-	8,481,222	8,249,308	
46	Merchandise (155)	-			
47	Other Material and Supplies (156)	-			
48	Nuclear Materials Held for Sale (157)	-			
49	Allowances (158.1 and 158.2)	-			
50	(Less) Noncurrent Portion of Allowances	-			
51	Stores Expenses Undistributed (163)	-	-	-	
52	Gas Stored Underground - Current (164.1)	220	49,579,996	55,477,952	
53	Liq. Natural Gas Stored and Held for Processing (164.2-164.3)	220	9,161,076	9,843,598	
54	Prepayments (165)	230	15,011,793	18,861,802	
55	Advances for Gas - Encana (166-167)	-	14,966,000	4,463,000	
56	Interest and Dividends Receivable (171)	-	-	-	
57	Rents Receivable (172)	-	-	-	
58	Accrued Utility Revenues (173)	-	56,955,005	61,925,044	
59	Miscellaneous Current and Accrued Assets (174)	-	-	-	
60	Derivative Instrument Assets (175)	-	1,885,000	3,054,000	
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)	-	-	-	
62	Derivative Instrument Assets - Hedges (176)	-	65,000	(201,000)	
63	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)	-	-	-	
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)	-	222,014,104	242,120,484	
65	<b>DEFERRED DEBITS</b>				
66	Unamortized Debt Expense (181)	259	11,608,117	11,408,225	
67	Extraordinary Property Losses (182.1)	230			
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230			
69	Other Regulatory Assets (182.3)	232	60,253,011	68,454,812	
70	Prelim. Survey and Investigation Charges (Electric) (183)	-			
71	Prelim. Survey and Invest. Charges (Gas) (183.1, 183.2)	-	5,472	23,266	
72	Clearing Accounts (184)	-			
73	Temporary Facilities (185)	-			
74	Miscellaneous Deferred Debits (186)	233	378,652,412	387,958,505	
75	Def. Losses from Disposition of Utility Plant (187)	-			
76	Research, Devel. and Demonstration Expend. (188)	-			
77	Unamortized Loss on Reacquired Debt (189)	260	3,972,026	4,370,078	
78	Accumulated Deferred Income Taxes (190)	234-235			
79	Unrecovered Purchased Gas Costs (191)	-	(9,879,390)	(26,444,885)	
80	Total Deferred Debits (Total of lines 66 thru 79)		444,611,648	445,770,001	
81	Total Assets and Other Debits (Total of lines 10-15, 30,64,and 80)		2,452,902,242	2,365,336,408	

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)**

Line No.	Title of Account  (a)	Reference Page Number  (b)	Current Year End of Quarter/Year Balance (c)	Balance at End of Previous Year 12/31 (d)
1	<b>PROPRIETARY CAPITAL</b>			
2	Common Stock Issued (201)	250-251	354,901,381	346,708,273
3	Preferred Stock Issued (204)	250-251		
4	Capital Stock Subscribed (202, 205)	252		
5	Stock Liability for Conversion (203, 206)	252		
6	Premium on Capital Stock (207)	252		
7	Other Paid-In Capital (208-211)	253	1,649,864	1,649,864
8	Installments Received on Capital Stock (212)	252	20,215	24,455
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254	-	-
11	Retained Earnings (215, 215.1, 216)	118-119	392,918,528	378,102,582
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	(7,165,128)	(4,198,076)
13	(Less) Reacquired Capital Stock (217)	250-251		
14	Accumulated Other Comprehensive Income (219)	117	(9,290,677)	(7,799,650)
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)	-	733,034,183	714,487,448
16	<b>LONG-TERM DEBT</b>			
17	Bonds (221)	256-257	651,700,000	641,700,000
18	(Less) Reacquired Bonds (222)	256-257		
19	Advances from Associated Companies (223)	256-257		
20	Other Long-Term Debt (224)	256-257		
21	Unamortized Premium on Long-Term Debt (225)	258-259		
22	(Less) Unamortized Discount on Long-Term Debt-Dr. (226)	258-259		
23	(Less) Current Portion of Long-Term Debt	256		(40,000,000)
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)	-	651,700,000	601,700,000
25	<b>OTHER NONCURRENT LIABILITIES</b>			
26	Obligations Under Capital Leases - Noncurrent (227)	-	480,565	447,574
27	Accumulated Provision for Property Insurance (228.1)	-	27,000	5,000
28	Accumulated Provision for Injuries and Damages (228.2)	-	69,975,593	72,816,942
29	Accumulated Provision for Pensions and Benefits (228.3)	-	234,731,169	220,138,191
30	Accumulated Miscellaneous Operating Provisions (228.4)	-		
31	Accumulated Provision for Rate Refunds (229)	-		



Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)				
Line No.	Title of Account  (a)	Reference Page Number  (b)	Current Year End of Quarter/Year Balance (c)	Balance at End of Previous Year 12/31 (d)
32	Long-Term Portion of Derivative Instrument Liabilities	-	578,000	6,536,000
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges	-		-
34	Asset Retirement Obligations (230)	-		
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		305,792,327	299,943,707
36	<b>CURRENT AND ACCRUED LIABILITIES</b>			
37	Current Portion of Long-term Debt		-	40,000,000
38	Notes Payable (231)	-	190,250,000	141,600,036
39	Accounts Payable (232)	-	83,460,604	84,285,712
40	Notes Payable to Associated Companies (233)	-		
41	Accounts Payable to Associated Companies (234)	-	9,206,487	7,787
42	Customer Deposits (235)	-	5,741,561	5,911,340
43	Taxes Accrued (236)	262-263	7,104,158	3,413,925
44	Interest Accrued (237)	-	5,699,333	5,634,804
45	Dividends Declared (238)	-	(14)	-
46	Matured Long-Term Debt (239)	-		
47	Matured Interest (240)	-		
48	Tax Collections Payable (241)	-	5,318,090	5,679,839
49	Miscellaneous Current and Accrued Liabilities (242)	268	17,193,821	7,049,846
50	Obligations Under Capital Leases-Current (243)	-	(568,829)	(469,096)
51	Derivative Instrument Liabilities (244)		11,374,000	63,853,000
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		(578,000)	(6,536,000)
53	Derivative Instrument Liabilities - Hedges (245)	-	-	-
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		-	-
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		334,201,211	350,431,193
56	<b>DEFERRED CREDITS</b>			
57	Customer Advances for Construction (252)	-	3,260,756	2,607,079
58	Accumulated Deferred Investment Tax Credits (255)	-	624,159	988,185
59	Deferred Gains from Disposition of Utility Plant (256)	-	-	-
60	Other Deferred Credits (253)	269	-	-
61	Other Regulatory Liabilities (254)		5,589,000	2,853,000
62	Unamortized Gain on Reacquired Debt (257)	260		
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)			
64	Accumulated Deferred Income Taxes - Other Property (282)			
65	Accumulated Deferred Income Taxes - Other (283)	276-277	418,700,606	392,325,796
66	TOTAL Deferred Credits (Total of lines 49 thru 55)		428,174,521	398,774,060
67	TOTAL Liabilities and Other Credits (Total of lines 15, 24, 35, 55 and 66)		2,452,902,242	2,365,336,408

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year/Period of Report</b> Dec. 31, 2012
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**STATEMENT OF INCOME FOR THE YEAR**

- |   |  |
|---|--|
| <p>1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i, j) in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.</p> | <p>2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.</p> <p>3. Report data for lines 8, 10, and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.</p> |
|---|--|

Line No.	Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	<b>UTILITY OPERATING INCOME</b>					
2	Operating Revenues (400)	300-301	718,292,421	822,218,241		
3	Operating Expenses					
4	Operation Expenses (401)	320-325	457,169,882	556,416,049		
5	Maintenance Expenses (402)	320-325	19,641,738	18,323,384		
6	Depreciation Expense (403)	336-338	66,545,411	63,843,420		
7	Depreciation Expense for Asset Retirement Costs (403.1)		-	-		
8	Amort. & Depl. of Utility Plant (404-405)	336-338	-	-		
9	Amort. of Utility Plant Acu. Adjustment (406)	336-338	-	-		
10	Amort of Prop. Losses, Unrecovered Plant and Regulatory Study Costs (407.1)		-	-		
11	Amort. of Conversion Expenses (407.2)		-	-		
12	Regulatory Debits (407.3)		-	-		
13	(Less) Regulatory Credits (407.4)		-	-		
14	Taxes Other Than Income Taxes (408.1)	262-263	46,081,132	47,913,695		
15	Income Taxes - Federal (409.1)	262-263	1,700,020	(3,323,493)		
16	- Other (409.1)	262-263	208,589	(1,183,078)		
17	Provision for Deferred Income Taxes (410.1)	276-277	72,474,185	77,481,410		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	276-277	32,595,085	30,310,846		
19	Investment Tax Credit Adj. - Net (411.4)		(364,026)	(441,999)		
20	(Less) Gains from Disp. of Utility Plant (411.6)		-	-		
21	Losses from Disp. of Utility Plant (411.7)		-	-		
22	(Less) Gains from Disposition of Allowances (411.8)		-	-		
23	Losses from Disposition of Allowances (411.9)		-	-		
24	Accretion Expense (411.10)		-	-		
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		630,861,846	728,718,542		
26	Net Utility Operating income (Enter Total of line 2 less 25) (Carry forward to page 116, line 27)		87,430,575	93,499,699		

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report (Mo, Da, Yr)</b>	<b>Year of Report</b> Dec. 31, 2012
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**STATEMENT OF INCOME FOR THE YEAR (Continued)**

4. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

5. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
		718,292,421	822,218,241			2
						3
		457,169,882	556,416,049			4
		19,641,738	18,323,384			5
		66,545,411	63,843,420			6
						7
						8
						9
						10
						11
						12
						13
		46,081,132	47,913,695			14
		1,700,020	(3,323,493)			15
		208,589	(1,183,078)			16
		72,474,185	77,481,410			17
		32,595,085	30,310,846			18
		(364,026)	(441,999)			19
						20
						21
						22
						23
						24
		630,861,846	728,718,542			25
		87,430,575	93,499,699			26

Name of Respondent		This Report is:	Date of Report		Year/Period of Report	
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)		Dec. 31, 2012	
STATEMENT OF INCOME FOR THE YEAR (Continued)						
Line No.	Title of Account  (a)	Ref. Page No.  (b)	Total Current Year to Date Balance for Quarter/Year  (c)	Total Prior Year to Date Balance for Quarter/Year  (d)	Current Three Months Ended Quarterly Only No Fourth Quarter  (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter  (f)
27	Net Utility Operating Income (Carried forward from page 114)	-	87,430,575	93,499,699		
28	<b>Other Income and Deductions</b>					
29	Other Income	-				
30	Nonutility Operating Income	-				
31	Revenues From Merch, Jobbing and Contract Work (415)	-	4,012,744	3,719,857		
32	(Less) Costs and Exp. of Merch, Job & Contract Work (416)	-	4,120,494	3,879,413		
33	Revenues From Nonutility Operations (417)	-	26,227,824	26,744,605		
34	(Less) Expenses of Nonutility Operations (417.1)	-	11,740,676	12,160,544		
35	Nonoperating Rental Income (418)	-	477,820	464,812		
36	Equity in Earnings of Subsidiary Companies (418.1)	119	(2,966,995)	(4,413,858)		
37	Interest and Dividend Income (419)	-	5,005,407	6,049,061		
38	Allow. for Other Funds Used During Constr (419.1)	-	-	-		
39	Miscellaneous Nonoperating Income (421)	-	49,867	44,774		
40	Gain on disposition of Property (421.1)	-	-	(96,206)		
41	TOTAL Other Income (Total of lines 31 thru 40)		16,945,497	16,473,088		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)	-				
44	Miscellaneous Amortization (425)	-				
45	Donations (426.1)	340	1,209,282	1,174,228		
46	Life Insurance (426.2)	-	(2,284,376)	(2,246,755)		
47	Penalties (426.3)	-	3,751	6,231		
48	Expenditures for Certain Civic, Political and Related Activities (426.4)	-	977,462	925,709		
49	Other Deductions (426.5)	-	185,575	247,876		
50	TOTAL Other Income Deductions (Total of Lines 43 thru 49)	340	91,694	107,289		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	653,942	657,401		
53	Income Taxes - Federal (409.2)	262-264	(7,134)	1,538,609		
54	Income Taxes - Other (409.2)	262-265	(1,565)	453,472		
55	Provision for Deferred Inc. Taxes (410.2)	272-277	5,110,271	3,443,296		
56	(Less) Provision for Deferred Inc. Taxes - Cr. (411.2)	272-277	407,729	899,299		
57	Investment Tax Credit Adj. - Net (411.5)	-	-	-		
58	(Less) Investment Tax Credits (420)	-				
59	TOTAL Taxes on Other Inc. and Ded. (Total of 52 thru 58)		5,347,785	5,193,479		
60	Net Other Income and Deductions (Total of Lines 41, 50, 59)		11,506,018	11,172,320		
61	<b>Interest Charges</b>					
62	Interest on Long-Term Debt (427)	256-257	36,200,663	37,262,461		
63	Amortization of Debt Disc. and Expense (428)	258-259	1,344,676	1,331,370		
64	Amortization of Loss on Reacquired Debt (428.1)	260	398,052	398,052		
65	(Less) Amort. of Premium on Debt - Credit (429)	256-257				
66	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	-				
67	Interest on Debt to Assoc. Companies (430)	340				

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year/Period of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**STATEMENT OF INCOME FOR THE YEAR (Continued)**

Line No.	Title of Account  (a)	Ref. Page No.  (b)	Total Current Year to Date Balance for Quarter/Year  (c)	Total Prior Year to Date Balance for Quarter/Year  (d)	Current Three Months Ended Quarterly Only No Fourth Quarter  (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter  (f)
67	Interest on Debt to Assoc. Companies (430)	340				
68	Other Interest Expense (431)	340	1,265,046	1,915,861		
69	(Less) Allow. for Borrowed Funds Used During Const.-Cr. (432)	-	127,180	133,772		
70	Net Interest Charges (Total of lines 62 thru 69)		39,081,257	40,773,972		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		59,855,336	63,898,047		
72	<b>Extraordinary Items</b>					
73	Extraordinary Income (434)	-				
74	(Less) Extraordinary Deductions (435)	-				
75	Net Extraordinary Items (Total of line 73 less 74)			-		
76	Income Taxes - Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (Total of line 75 less line 76)			-		
78	Net Income (Total of lines 71 and 77)		59,855,336	63,898,047		

Name of Respondent	This Report is:	Date of Report
Northwest Natural Gas Company	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Dec. 31, 2012

**Statement of Accumulated Comprehensive Income and Hedging Activities**

1. Report the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.		
1	Beginning AOCI Balance	(7,799,650)
2	Unrealized Gains/losses on available-for-sale securities, net of tax	
3	Pension liability adjustment, net of tax	(2,155,785)
4	Amortization of pension liabilities, net of tax	664,758
5	Foreign currency hedges, net of tax	
6	Change in unrealized loss from hedging, net of tax	
7	Cash flow hedges, net of tax	
8	Other adjustments, net of tax	
9	Ending Balance of AOCI	(9,290,677)

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A resubmission	<b>Date of Report (Mo, Da, Yr)</b>	<b>Year of Report</b> Dec. 31, 2012
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**STATEMENT OF RETAINED EARNINGS FOR THE YEAR**

- |  |  |
|--|--|
| <p>1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.</p> <p>2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).</p> | <p>3. State the purpose and amount for each reservation or appropriation of retained earnings.</p> <p>4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.</p> <p>5. Show dividends for each class and series of capital stock.</p> |
|--|--|

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Year Amount (in dollars) (c)	Previous Year Amount (in dollars) (d)
<b>UNAPPROPRIATED RETAINED EARNINGS</b>				
1	Balance - Beginning of Year		378,102,582	360,210,418
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
3.01	Credit:			
3.02	Credit: Other Comprehensive Income			
3.03	Credit:			
4	TOTAL Credits to Retained Earnings (Account 439) (Total of lines 3.01 thru 3.03)		-	-
4.01	Debit: Capital Stock Expense			(30,369)
4.02	Debit: Stock Repurchase			-
4.03	Debit: Other Comprehensive Income			-
4.04	Debit: Unearned Compensation			-
5	TOTAL Debits to Retained Earnings (Account 439) (Total of lines 4.01 thru 4.04)		-	(30,369)
6	Balance Transferred from Income (Account 433 less Account 418.1)		62,822,331	68,311,905
7	Appropriations of Retained Earnings (Account 436)			
7.01				
7.02				
8	TOTAL Appropriations of Retained Earnings (Account 436) (Total of lines 7.01 thru 7.02)		-	-
9	Dividends Declared - Preferred and Preference Stock (Account 437)			
9.01	Preferred Stock			
9.02				
10	TOTAL Dividends Declared - Preferred Stock (Account 437) (Total of lines 9.01 thru 9.02)		-	-
11	Dividends Declared - Common Stock (Account 438)			
11.01	Common Stock Cash Dividends		(48,006,442)	(46,690,209)
11.02	Stock Dividends			
12	TOTAL Dividends Declared - Common Stock (Account 438) (Total of lines 11.01 thru 11.02)		(48,006,442)	(46,690,209)
13	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		57	(3,699,163)
14	Balance - End of Year (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		392,918,528	378,102,582

<b>Name of Respondent</b> Northwest Natural Gas Company		<b>This Report Is:</b> X An Original A resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b> Dec. 31, 2012
<b>STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)</b>				
6. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.		7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservations or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.		
		8. At lines 3, 4, 7, 9, 11, and 15, add rows as necessary to report all data. When rows are added, the additional row numbers should follow in sequence, e.g., 3.01, 3.02, etc.		
Line No.	Item (a)	Current Year Amount (in dollars) (b)	Previous Year Amount (in dollars) (c)	
<b>APPROPRIATED RETAINED EARNINGS (Account 215)</b>				
State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.				
15.01 15.02 15.03 15.04 15.05 15.06 15.07				
16	TOTAL Appropriated Retained Earnings (Account 215)			
APPROPRIATED RETAINED EARNINGS - AMORTIZATION RESERVE, FEDERAL (Account 215.1) State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.				
17	TOTAL Appropriated Retained Earnings - Amortization Reserve, Federal (Account 215.1)			
18	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines 16 and 17)	-	-	
19	TOTAL Retained Earnings (Account 215, 215.1, 216) (Total of lines 14 and 18)	392,918,528	378,102,582	
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (ACCOUNT 216.1)				
20	Balance - Beginning of Year (Debit or Credit)	(4,198,076)	(3,483,381)	
21	Equity in Earnings for Year (Credit) (Account 418.1)	(2,966,995)	(4,413,858)	
22	(Less) Dividends Received (Debit)		-	
23	Other Changes (Explain) (see Note below)	(57)	3,699,163	
24	Balance - End of year (Total of lines 20 thru 23)	(7,165,128)	(4,198,076)	
<b>Note&gt;</b>	In the previous year, NW Natural's investment in Gill Ranch was transferred to its indirectly owned subsidiary, NW Natural Gas Storage, LLC, in exchange for stock. In 2012, Other Changes are immaterial rounding differences.			



Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
STATEMENT OF CASH FLOWS				
<p>1. Codes to be used: (a) Net Proceeds or Payments;(b) Bonds, debentures and other long-term debt;(c) Include commercial paper; (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>2. Information about noncash investing and financing activities should be provided on page 122. Provide also on page 122 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.</p> <p>3. Operating Activities-Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 122 the amounts of interest paid (net of amounts capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 25) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 122. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>				
Line No.	DESCRIPTION (See Instructions for Explanation of Codes) (a)	Current Year Amount (b)	Previous Year Amount (c)	
1	Net Cash Flow from Operating Activities:			
2	Net Income (Line 78(c) on page 116)	59,855,336	63,898,047	
3	Noncash Charges (Credits) to Income:			
4	Depreciation and Depletion	67,876,720	65,170,762	
5	Amortization of (Specify)			
5.01	FAS 109 Deferred Taxes	(8,201,801)	(3,886,587)	
5.02	FAS 109 Regulatory Asset	8,201,801	3,886,587	
6	Deferred Income Taxes (Net)	34,576,611	49,232,679	
7	Investment Tax Credit Adjustments (Net)	(364,026)	(441,999)	
8	Net (Increase) Decrease in Receivables	16,215,014	(1,072,160)	
9	Net (Increase) Decrease in Inventory	6,580,478	5,323,686	
10	Net (Increase) Decrease in Allowances Inventory			
11	Net Increase (Decrease) in Payables and Accrued Expenses	12,128,340	32,937,148	
12	Pension Liability Adjustment, net of tax	(1,491,027)	(1,195,749)	
13	Unrealized loss from price risk management activities	(52,479,000)	8,394,000	
14	(Less) Allowance for Other Funds Used During Construction	(127,180)	(133,772)	
15	(Less) Undistributed Earnings from Subsidiary Companies	2,966,995	4,413,858	
16	Other: Net (Increase) Decrease in Unbilled Revenues	4,970,039	2,878,357	
16.01	Deferred Debits - Net	(14,479,171)	(98,471,740)	
16.02	Net (Increase) Decrease in Other Current Assets & Liab.	13,230,542	(2,775,115)	
16.03	Other - Noncurrent Liab., Deferred Credits, & Other Invest.	17,578,653	118,054,720	
16.04	Unearned Compensation	439,855	799,864	
17	Net Cash Provided by (Used in) Operating Activities			
18	(Total of lines 2 thru 16.04)	167,478,179	247,012,586	
19				
20	Cash Flows from Investment Activities:			
21	Construction and Acquisition of Plant (including land):			
22	Gross Additions to Utility Plant (less nuclear fuel)	(136,357,797)	(92,164,370)	
23	Gross Additions to Nuclear Fuel			
24	Gross Additions to Common Utility Plant			
25	Gross Additions to Nonutility Plant	317,159	(374,620)	
26	(Less) Allowance for Other Funds Used During Constr.	127,180	133,772	
27	Other: (1)	(45,409,654)	(51,600,534)	
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(181,323,112)	(144,005,752)	
29				
30	Acquisition of Other Noncurrent Assets (d)			
31	Proceeds from Disposal of Noncurrent Assets (d)	421,385	1,123,507	
32				
33	Investments in & Advances to Assoc. & Sub. Companies			
34	Contributions & Advances from Assoc. & Sub. Companies	(3,224,999)	13,912,561	
35	Disposition of Investments in (and Advances to)			
36	Associated and Subsidiary Companies			
37				
38	Purchase of Investment Securities (a)			
39	Proceeds from Sales of Investment Securities (a)			
(1) Includes Investment in Gas Reserves				

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
<b>STATEMENT OF CASH FLOWS (Continued)</b>				
Line No.	DESCRIPTION (See Instructions for explanation of codes) (a)	Current Year Amount	Previous Year Amount	
40	Loans Made or Purchased			
40	Collections on Loans			
42				
43	Net (Increase) Decrease in Receivables			
44	Net (Increase) Decrease in Inventory			
45	Net (Increase) Decrease in Allowances Held for Speculation			
46	Net Increase (Decrease) in Payables and Accrued Expenses			
47				
48	Net Cash Provided by (Used in) Investing Activities			
49	(Total of lines 28 thru 47)	(184,126,726)	(128,969,684)	
50				
51	Cash Flows from Financing Activities:			
52	Proceeds from Issuance of:			
53	Long-Term Debt (b)	50,000,000	50,000,000	
54	Preferred Stock			
55	Common Stock	7,749,012	4,573,873	
56	Other: Capital Leases	(66,742)	(239,074)	
57	Net Increase in Short-Term Debt (c)	48,649,964		
58				
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	106,332,234	54,334,799	
60				
61	Payments for Retirement of:			
62	Long-Term Debt (b)	(40,000,000)	(10,000,000)	
63	Preferred Stock			
64	Common Stock	-	-	
65	Other: Conversion of Preference Stock to Common Stock			
66	Net Decrease in Short-Term Debt (c)	-	(115,834,964)	
67				
67	Capital Stock Expense			
68	Dividends on Preferred Stock			
69	Dividends on Common Stock	(48,006,441)	(46,690,209)	
70	Net Cash Provided by (Used in) Financing Activities			
71	(Total of lines 59 thru 69)	18,325,793	(118,190,374)	
72				
73	Net Increase (Decrease) in Cash and Cash Equivalents			
74	(Total of lines 18, 49, and 71)	1,677,246	(147,472)	
75				
76	Cash and Cash Equivalents at Beginning of Period	6,058,319	6,205,791	
77				
78	Cash and Cash Equivalents at End of Period	7,735,565	6,058,319	

Name of Respondent  Northwest Natural Gas Company	This Report is:	Date of Report	Year of Report  Dec. 31, 2012
	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

### NOTES TO FINANCIAL STATEMENTS

1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets.
4. Furnish details on the respondent's asset retirement obligations (ARO) as required by instruction no. 1 and, in addition, disclose the amounts recovered through rates to settle such obligations. Identify any mechanism or account in which recovered funds are being placed (i.e. trust funds, insurance policies, surety bonds). Furnish details on the accounting for the asset retirement obligations and any changes in the measurement or method of accounting for the obligations. Include details on the accounting for settlement of the obligations and any gains or losses expected or incurred on the settlement.
5. Provide a list of all environmental credits received during the reporting period.
6. Provide a summary of revenues and expenses for each tracked cost and special surcharge.
7. Where Account 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these item. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However where material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

See Pages 122-A

# NORTHWEST NATURAL GAS COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. ORGANIZATION AND PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements represent the consolidation of Northwest Natural Gas Company (NW Natural or the Company) and all companies that we directly or indirectly control, either through majority ownership or otherwise. Our direct and indirect wholly-owned subsidiaries include NW Natural Energy, LLC (NWN Energy), NW Natural Gas Storage, LLC (NWN Gas Storage), Gill Ranch Storage, LLC (Gill Ranch), and NNG Financial Corporation (NNG Financial). Investments in corporate joint ventures and partnerships that we do not directly or indirectly control, and for which we are not the primary beneficiary, are accounted for under the equity method or the cost method, which includes NWN Energy's investment in Palomar Gas Holdings, LLC (PGH) and NNG Financial's investment in KB Pipeline. NW Natural and its affiliated companies are collectively referred to herein as NW Natural. The consolidated financial statements are presented after elimination of all significant intercompany balances and transactions, except for amounts required to be included under regulatory accounting standards to reflect the effect of such regulation. In this report, the term "utility" is used to describe our regulated gas distribution business, and the term "non-utility" is used to describe our gas storage business and other non-utility investments and business activities.

Certain prior year balances in our consolidated financial statements and notes have been reclassified to conform with the current presentation. Specifically, the consolidated statement of comprehensive income has been reorganized, and cost of gas is now included in the section for total operating expenses. Net operating revenues, which was primarily used to show profit margins from the sale of gas, is no longer presented as a subtotal in the statement of comprehensive income. These changes, including the one noted above, had no impact on our prior year's consolidated results of operations, financial condition or cash flows.

### 2. SIGNIFICANT ACCOUNTING POLICIES UPDATE

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (GAAP) requires management to make estimates and assumptions that affect reported amounts in the consolidated financial statements and accompanying notes. Actual amounts could differ from those estimates, and changes would most likely be reported in future periods. Management believes that the estimates and assumptions used are reasonable.

#### Industry Regulation

Our principal businesses are the distribution of natural gas, which is regulated by the Public Utility Commission of Oregon (OPUC) and Washington Utilities and Transportation Commission (WUTC), and natural gas storage services, which are regulated by either the Federal Energy Regulatory Commission (FERC) or the California Public Utilities Commission (CPUC), and to a certain extent by the OPUC. Accounting records and practices of our regulated businesses conform to the requirements and uniform system of accounts prescribed by these regulatory authorities in accordance with GAAP. Our businesses regulated by the OPUC, WUTC and FERC earn a reasonable return on invested capital from approved cost-based rates, while our business regulated by the CPUC earns a return to the extent we are able to charge competitive prices above our costs (i.e. market-based rates).

In applying regulatory accounting principles, we capitalize or defer certain costs and revenues as regulatory assets and liabilities pursuant to orders of the OPUC or WUTC, which provides for the recovery of revenues or expenses from, or refunds to, utility customers in future periods, including a return or a carrying charge in certain cases.

At December 31, 2012 and 2011 the amounts deferred as regulatory assets and liabilities were as follows:

<i>In thousands</i>	Regulatory Assets	
	2012	2011
Current:		
Unrealized loss on derivatives <sup>(1)</sup>	\$ 10,796	\$ 57,317
Pension and other postretirement benefit liabilities <sup>(2)</sup>	17,247	15,491
Other <sup>(3)</sup>	24,405	21,865
<b>Total current</b>	<b>\$ 52,448</b>	<b>\$ 94,673</b>
Non-current:		
Unrealized loss on derivatives <sup>(1)</sup>	\$ 578	\$ 6,536
Pension balancing <sup>(2)</sup>	15,022	6,008
Income tax asset	55,879	65,264
Pension and other postretirement benefit liabilities <sup>(2)</sup>	182,688	170,512
Environmental costs <sup>(4)</sup>	126,482	105,670
Other <sup>(3)</sup>	7,239	17,402
<b>Total non-current</b>	<b>\$ 387,888</b>	<b>\$ 371,392</b>

<i>In thousands</i>	Regulatory Liabilities	
	2012	2011
Current:		
Gas costs	\$ 9,100	\$ 17,994
Unrealized gain on derivatives <sup>(1)</sup>	1,950	2,853
Other <sup>(3)</sup>	9,742	10,199
Total current	<u>\$ 20,792</u>	<u>\$ 31,046</u>
Non-current:		
Gas costs	\$ —	\$ 8,420
Unrealized gain on derivatives <sup>(1)</sup>	3,639	—
Accrued asset removal costs	281,213	267,355
Other <sup>(3)</sup>	3,261	2,607
Total non-current	<u>\$ 288,113</u>	<u>\$ 278,382</u>

- (1) Unrealized gains or losses on derivatives are non-cash items and therefore do not earn a rate of return or a carrying charge. These amounts are recoverable through utility rates as part of the annual Purchased Gas Adjustment (PGA) mechanism when realized at settlement.
- (2) Certain pension costs of the utility are approved for regulatory deferral, including amounts recorded to the pension balancing account, to mitigate the effects of higher and lower pension expenses. Pension costs that are deferred include an interest component when recognized in net periodic benefit costs or earn a rate of return or carrying charge. See Note 8.
- (3) Other primarily consists of several deferrals and amortizations under other approved regulatory mechanisms. The accounts being amortized typically earn a rate of return or carrying charge.
- (4) Environmental costs relate to specific sites approved for regulatory deferral. In Oregon we earn a rate of return on amounts paid, whereas amounts accrued but not yet paid do not earn a rate of return or a carrying charge until expended. Environmental costs related to Washington were deferred beginning in 2011, with cost recovery and a carrying charge to be determined in a future proceeding. In the 2012 rate case, the OPUC authorized a Site Remediation and Recovery Mechanism (SRRM) that allows the Company to recover prudently incurred environmental costs, subject to an earnings test that will be defined in a future rate proceeding.

The amortization period for our regulatory assets and liabilities ranges from less than one year to an indeterminable period. Our regulatory deferrals for gas costs payable are generally amortized over 12 months beginning each November 1 following the gas contract year during which the deferred gas costs are realized. Similarly, most of our regulatory deferred accounts are amortized over 12 months. However, certain regulatory account balances, such as income taxes, environmental costs, pension liabilities and accrued asset removal costs, are large and tend to be amortized over longer periods once we have agreed upon an amortization period with the respective regulatory agency.

We believe all cost incurred and deferred at December 31, 2012 are prudent. We annually review all regulatory assets and liabilities for recoverability and more often if circumstances warrant. If we should determine that all or a portion of these regulatory assets or liabilities no longer meet the criteria for continued application of regulatory accounting, then we would be required to write off the net unrecoverable balances against earnings in the period such determination is made.

## New Accounting Standards

### Adopted Standards

**FAIR VALUE MEASUREMENT.** In May 2011, the Financial Accounting Standards Board (FASB) issued amendments to the authoritative guidance on fair value measurement. The amendments are primarily related to disclosure requirements for Level 3 fair value assets and were effective for periods beginning after December 15, 2011. The adoption of this standard did not have a material effect on our financial statement disclosures.

### Recent Accounting Pronouncements

**BALANCE SHEET OFFSETTING.** In December 2011, the FASB issued authoritative guidance regarding the offsetting of assets and liabilities on the balance sheet. The standard is intended to provide more comparable guidance between the GAAP and international accounting standards by requiring entities to disclose both gross and net amounts for assets and liabilities offset on the balance sheet as well as other disclosures concerning their enforceable master netting arrangements. This guidance is effective for annual reporting periods beginning after January 1, 2013, and we do not expect this standard to have a material effect on our financial statement disclosures.

### Plant, Property and Accrued Asset Removal Costs

Plant and property are stated at cost, including capitalized labor, materials and overhead. In accordance with regulatory accounting standards, the cost of acquiring and constructing long-lived plant and property generally includes an allowance for funds used during construction (AFUDC) or capitalized interest. AFUDC represents the regulatory financing cost incurred when debt and equity funds are used for construction (see "Allowance for Funds Used During Construction" below). When constructed assets are subject to market-based rates rather than cost-based rates, the financing costs incurred during construction are included in capitalized interest in accordance with GAAP, not as regulatory financing costs under AFUDC. See Note 10.

In accordance with long-standing regulatory treatment, our depreciation rates are comprised of three components: one based on the average service life of the asset, a second based on the estimated salvage value of the asset, and a third based on the asset's estimated cost of removal. We collect, through rates, the estimated cost of removal on certain regulated properties through depreciation expense, with a corresponding offset to accumulated depreciation. These removal costs are non-legal obligations as defined by regulatory accounting guidance. Therefore, we have included these costs as non-current regulatory liabilities rather than as accumulated depreciation on our consolidated balance sheets. In the rate setting process, the liability for removal costs is treated as a reduction to the net rate base upon which the regulated utility has the opportunity to earn its allowed rate of return.

Our provision for depreciation of utility plant and property is computed under the straight-line method in accordance with depreciation studies approved by regulatory authorities. The weighted average depreciation rate for utility assets in service was approximately 2.8% in 2012, 2011, and 2010,



reflecting the approximate weighted average economic life of the property. This includes 2012 weighted average depreciation rates for the following asset categories: 2.7% for transmission and distribution plant, 2.2% for gas storage facilities, 4.7% for general plant, and 4.8% for intangible and other fixed assets.

#### **Allowance for Funds Used During Construction**

Certain additions to utility plant include AFUDC, which represents the net cost of debt and equity funds used during construction. AFUDC is calculated using actual interest rates for debt and authorized rates for return on equity (ROE), if applicable. If short-term debt balances are less than the total balance of construction work in progress, then a composite AFUDC rate is used to represent interest on all debt funds, shown as a reduction to interest charges, and on ROE funds, shown as other income. While cash is not immediately recognized from recording AFUDC, it is realized in future years through rate recovery resulting from the higher utility cost of service. Our composite AFUDC rates were 0.3% in 2012, 0.5% in 2011, and 0.6% in 2010.

#### **Cash and Cash Equivalents**

For purposes of reporting cash flows, cash and cash equivalents include cash on hand plus highly liquid investment accounts with maturity dates of three months or less. At December 31, 2012 and 2011, outstanding checks of approximately \$2.3 million and \$3.9 million, respectively, were included in accounts payable.

#### **Revenue Recognition and Accrued Unbilled Revenue**

Utility revenues, derived primarily from the sale and transportation of natural gas, are recognized upon delivery of gas commodity or service to customers. Revenues include accruals for gas delivered but not yet billed to customers based on estimates of deliveries from meter reading dates to month end (accrued unbilled revenue). Accrued unbilled revenue is dependent upon a number of factors that require management's judgment, including total gas receipts and deliveries, customer use by billing cycle and weather factors. Accrued unbilled revenue is reversed the following month when actual billings occur. Our accrued unbilled revenue at December 31, 2012 and 2011 was \$57.0 million and \$61.9 million, respectively.

From 2007 through 2010, utility margin also included the recognition of a regulatory adjustment for income taxes paid pursuant to a legislative rule (commonly referred to as SB 408) in effect for certain gas and electric utilities in Oregon. Under SB 408, we were required to automatically implement a rate refund, or a rate surcharge, to utility customers on an annual basis. The refund or surcharge amount was based on the difference between income taxes paid and income taxes authorized to be collected in customer rates. We recorded the refund, or surcharge, each quarter based on estimates of the annual amount to be recognized. In 2011, SB 408 was repealed and replaced by Senate Bill 967. SB 967 required utilities to eliminate amounts accrued under SB 408 for the 2010 and 2011 tax years, thereby denying recovery by NW Natural of the surcharge accrued for 2010, which resulted in a one-time pre-tax charge of \$7.4 million in the second quarter of 2011. Pursuant to SB 967, we changed our revenue recognition policy effective January 1, 2011 and no

longer recognize a regulatory adjustment for income taxes for SB 408.

Non-utility revenues are derived primarily from the gas storage business segment. At Mist, revenues are recognized upon delivery of services to customers. Revenues from our asset management partner are recognized over the life of the asset management contract for guaranteed amounts, if any, and are recognized as earned for amounts above the guaranteed amount. At Gill Ranch, firm storage services resulting from short-term and long-term contracts are typically recognized in revenue ratably over the term of the contract regardless of the actual storage capacity utilized. Asset management revenue is recognized using a straight-line, pro rata methodology over the term of each contract and provides us with the majority of the pre-tax income from our independent energy marketing company. See Note 4.

#### **Accounts Receivable and Allowance for Uncollectible Accounts**

Accounts receivable consist primarily of amounts due for natural gas sales and transportation services to utility customers, plus amounts due for gas storage services. With respect to these trade receivables, including accrued unbilled revenue, we establish an allowance for uncollectible accounts (allowance) based on the aging of receivables, collection experience of past due account balances including payment plans, and historical trends of write-offs as a percent of revenues. With respect to large individual customer receivables, a specific allowance is established and added to the general allowance when amounts are identified as unlikely to be partially or fully recovered. Inactive accounts are written-off against the allowance after they are 120 days past due or when deemed to be uncollectible. Differences between our estimated allowance and actual write-offs will occur based on a number of factors, including changes in economic conditions, customer credit worthiness and the level of natural gas prices. Each quarter the allowance for uncollectible accounts is adjusted, as necessary, based on information currently available.

#### **Inventories**

Utility gas inventories, which consist of natural gas in storage for the utility, are stated at the lower of average cost or net realizable value. The regulatory treatment of utility gas inventories provides for cost recovery in customer rates. Utility gas inventories that are injected into storage are priced into inventory based on actual purchase costs. Utility gas inventories that are withdrawn from storage are charged to cost of gas during the current period at the weighted average inventory cost.

Gas storage inventories, which primarily represent inventories at the Gill Ranch storage facility, exclude cushion gas and consist of natural gas that we received as fuel-in-kind from storage customers. Gas storage inventories are valued at the lower of average cost or net realizable value. Cushion gas is recorded at original cost and classified as long-term assets.

Material and supplies inventories, which consist of both utility and non-utility inventories, are stated at the lower of average cost or net realizable value.

Our utility and gas storage inventories totaled \$58.8 million and \$65.6 million at December 31, 2012 and 2011, respectively, and our materials and supplies inventories totaled \$8.8 million at December 31, 2012 and 2011.

### **Gas Reserves**

Our gas reserves are stated at cost, adjusted for regulatory amortization, with the associated deferred tax benefits recorded as liabilities on the balance sheet. Transactional costs to enter into the agreement and payments by NW Natural to acquire gas reserves are recognized as gas reserves on the balance sheet. The current portion is calculated based on expected gas deliveries within the next fiscal year. We recognize regulatory amortization of this asset on a volumetric basis and calculate using the estimated gas reserves and the therms extracted and sold each month. The amortization of gas reserves is recorded to cost of gas along with gas production revenues and production costs. See Note 11.

### **Derivatives**

In accordance with accounting for derivatives and hedges, we measure derivatives at fair value and recognize them as either assets or liabilities on the balance sheet. Accounting for derivatives requires that changes in the fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Accounting for derivatives and hedges provides an exception for contracts intended for normal purchases and normal sales for which physical delivery is probable. In addition, certain derivative contracts are approved by regulatory authorities for recovery or refund through customer rates. Accordingly, the changes in fair value of these approved contracts are deferred as regulatory assets or liabilities pursuant to regulatory accounting principles. Derivative contracts entered into for utility customer requirements after the annual PGA rate has been set are subject to the PGA incentive sharing mechanism. Effective November 1, 2008, Oregon approved a PGA sharing mechanism under which we are required to select either an 80% deferral or 90% deferral of higher or lower gas costs such that the impact on current earnings from the gas cost sharing is either 20% or 10% of gas cost differences compared to PGA prices, respectively. For the PGA years in Oregon beginning November 1, 2012, 2011 and 2010, we selected a 90% deferral of gas cost differences. In Washington, 100% of our gas cost differences are deferred. See Note 13.

Our financial derivatives policy sets forth the guidelines for using selected derivative products to support prudent risk management strategies within designated parameters. Our objective for using derivatives is to decrease the volatility of gas prices, earnings, and cash flows and to prevent speculative risk. The use of derivatives is permitted only after the risk exposures have been identified, are determined to exceed acceptable tolerance levels and are necessary to support normal business activities. We do not enter into derivative instruments for trading purposes and we believe that any increase in market risk created by holding derivatives should be offset by the exposures they modify.

### **Fair Value**

In accordance with fair value accounting, we use the following fair value hierarchy for determining inputs for our

debt, pension plan assets and our derivative fair value measurements:

- Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets;
- Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market; and
- Level 3: Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our own estimates of assumptions that market participants would use in valuing the asset or liability.

When developing fair value measurements, it is our policy to use quoted market prices whenever available, or to maximize the use of observable inputs and minimize the use of unobservable inputs when quoted market prices are not available. Fair values are primarily developed using industry-standard models that consider various inputs including: (a) quoted future prices for commodities; (b) forward currency prices; (c) time value; (d) volatility factors; (e) current market and contractual prices for underlying instruments; (f) market interest rates and yield curves; (g) credit spreads; (h) and other relevant economic measures.

### **Revenue Taxes**

Revenue-based taxes are primarily franchise taxes, which are collected from customers and remitted to taxing authorities. Revenue taxes are recorded gross and are included in operating revenues in the statement of comprehensive income.

### **Income Tax Expense**

NW Natural and its wholly-owned subsidiaries file consolidated federal, state, and local income tax returns. Current income taxes are allocated based on each entity's respective taxable income or loss and tax credits as if each entity filed a separate return. We account for income taxes in accordance with accounting standards for income taxes. Accounting for income taxes requires recognition of deferred tax liabilities and assets for the future tax consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. See Note 9.

Accounting for income taxes also requires recognition of deferred income tax assets and liabilities for temporary differences where regulators prohibit deferred income tax treatment for ratemaking purposes. We have recorded deferred tax liabilities of \$60.3 million and \$68.5 million at December 31, 2012 and 2011, respectively, to recognize future taxes payable resulting from transactions that have previously been reflected in the financial statements for these temporary differences. Regulatory assets or liabilities corresponding to such additional deferred income tax assets or liabilities may be recorded to the extent we believe they

will be recoverable from or payable to customers through the ratemaking process. A corresponding regulatory asset has been recorded which represents the probable future revenue that will result from inclusion in rates charged to customers for taxes which will be paid in the future. The probable future revenue to be recorded takes into consideration the additional future taxes which will be generated by that revenue. Amounts applicable to income taxes due from customers primarily represent differences between the book and tax basis of net utility plant in service and actual removal costs incurred.

Deferred investment tax credits on utility plant additions, which reduce income taxes payable, are deferred for financial statement purposes and amortized over the life of the related plant or lease.

### **Subsequent Events**

We monitor significant events occurring after the balance sheet date and prior to the issuance of the financial statements to determine the impacts, if any, of events on the financial statements to be issued. We do not have any subsequent events to report.

### **3. EARNINGS PER SHARE**

Basic earnings per share are computed using net income and the weighted average number of common shares outstanding for each period presented. Diluted earnings per share are computed in the same manner, except it uses the weighted average number of common shares outstanding plus the effects of the assumed exercise of stock options and the payment of estimated stock awards from other stock-based compensation plans that are outstanding at the end of each period presented. Diluted earnings per share are calculated as follows:

<i>In thousands, except per share data</i>	2012	2011	2010
Net income	\$ 59,855	\$ 63,898	\$ 72,667
Average common shares outstanding - basic	26,831	26,687	26,589
Additional shares for stock-based compensation plans (See Note 6)	76	57	68
Average common shares outstanding - diluted	26,907	26,744	26,657
Earnings per share of common stock - basic	\$ 2.23	\$ 2.39	\$ 2.73
Earnings per share of common stock - diluted	\$ 2.22	\$ 2.39	\$ 2.73
Additional information:			
Antidilutive shares not included in net income per diluted common share calculation	1	2	1

### **4. SEGMENT INFORMATION**

We operate in two primary reportable business segments, local gas distribution and gas storage. We also have other investments and business activities not specifically related to one of these two reporting segments, which we aggregate and report as "other." We refer to our local gas distribution business as the "utility," and our "gas storage" and "other" business segments as "non-utility." Our gas storage segment includes NWN Gas Storage, which is a wholly-owned subsidiary of NWN Energy, Gill Ranch, which is a wholly-owned subsidiary of NWN Gas Storage, the non-utility portion of our Mist underground storage facility in Oregon (Mist) and third-party asset management services. Our "other" segment includes NNG Financial and our equity investment in PGH, which is pursuing development of the Palomar pipeline project (see Other, below).

#### **Local Gas Distribution**

Our local gas distribution segment is a regulated utility principally engaged in the purchase, sale and delivery of natural gas and related services to customers in Oregon and southwest Washington. As a regulated utility, we are responsible for building and maintaining a safe and reliable pipeline distribution system, purchasing sufficient gas supplies from producers and marketers, contracting for firm and interruptible transportation of gas over interstate pipelines to bring gas from the supply basins into our service territory, and re-selling the gas to customers subject to rates, terms and conditions approved by the OPUC or WUTC. Gas distribution also includes taking customer-owned gas and transporting it from interstate pipeline

connections, or city gates, to the customers' end-use facilities for a fee, which is approved by the OPUC or WUTC. Approximately 90% of our customers are located in Oregon and 10% in Washington. On an annual basis, residential and commercial customers typically account for 50% to 60% of our utility's total volumes delivered and 80% to 90% of our utility's margin. Industrial customers account for the remaining 40% to 50% of volumes and 5% to 15% of utility margin. The remaining 10% or less of utility margin is derived from miscellaneous services, gains or losses from an incentive gas cost sharing mechanism and other service fees.

Industrial customers we serve include: pulp, paper and other forest products; the manufacture of electronic, electrochemical and electrometallurgical products; the processing of farm and food products; the production of various mineral products; metal fabrication and casting; the production of machine tools, machinery and textiles; the manufacture of asphalt, concrete and rubber; printing and publishing; nurseries; government and educational institutions; and electric generation. No individual customer or industry group accounts for a significant portion of our utility revenues or utility margins.

#### **Gas Storage**

Our gas storage business segment includes natural gas storage services provided to customers primarily from two underground natural gas storage facilities, our Gill Ranch gas storage facility, which commenced commercial operation in October 2010, and the non-utility portion of our Mist gas storage facility. In addition to earning revenue from



customer storage contracts, we also use an independent energy marketing company to provide asset management services for utility and non-utility capacity under contractual arrangement, the results of which are included in this business segment. For the years ended December 31, 2012, 2011 and 2010, this business segment derived a majority of its revenues from asset management services and from firm and interruptible gas storage contracts.

#### Mist Gas Storage Facility

Earnings from non-utility assets at the Mist facility are primarily related to firm storage capacity revenues. Earnings for the gas storage segment include revenues, net of amounts shared with core utility customers, from management of utility assets at Mist and upstream capacity when not needed to serve utility customers. In Oregon, the gas storage segment retains 80% of the pre-tax income from these services when the costs of the capacity have not been included in utility rates, or 33% of the pre-tax income when the costs have been included in utility rates. The remaining 20% and 67%, respectively, are credited to a deferred regulatory account for crediting back to utility customers. We have a similar sharing mechanism in Washington for revenue derived from storage and third party asset management services.

#### Gill Ranch Gas Storage Facility

Gill Ranch has a joint project agreement with Pacific Gas and Electric Company (PG&E) to own and operate the Gill Ranch underground natural gas storage facility near Fresno, California. Gill Ranch has a 75% undivided

ownership interest in the facility and is also the operator of the facility, which offers storage services to the California market at market-based rates, subject to CPUC regulation including, but not limited to, service terms and conditions and tariff regulations.

#### Other

We have non-utility investments and other business activities which are aggregated and reported as a business segment called "other." Although in aggregate these investments and activities are currently not material to consolidated operations, we identify and report them as a stand-alone segment based on our organizational structure and decision-making process because these business investments and activities are not specifically related to our utility or gas storage segments. This segment primarily consists of an equity method investment in a joint venture to build and operate an interstate gas transmission pipeline in Oregon (Palomar) and other pipeline assets in NNG Financial. For more information on Palomar, see Note 12. This segment also includes some operating and non-operating revenues and expenses of the parent company that cannot be allocated to utility operations.

NNG Financial holds certain non-utility financial investments, but its assets primarily consist of an active, wholly-owned subsidiary which owns a 10% interest in an 18-mile interstate natural gas pipeline. NNG Financial's total assets were \$1.1 million at both December 31, 2012 and 2011.

## Segment Information Summary

The following table presents summary financial information concerning the reportable segments. Inter-segment transactions are insignificant.

<i>In thousands</i>	Utility	Gas Storage	Other	Total
<b>2012</b>				
Operating revenues	\$ 699,862	\$ 30,520	\$ 225	\$ 730,607
Depreciation and amortization	66,545	6,472	—	73,017
Income from operations	128,854	13,226	100	142,180
Net income	55,125	4,521	209	59,855
Capital expenditures	130,151	1,541	337	132,029
Total assets at December 31, 2012	2,511,288	291,568	15,897	2,818,753
<b>2011</b>				
Operating revenues	\$ 801,478	\$ 26,354	\$ 223	\$ 828,055
Depreciation and amortization	63,843	6,161	—	70,004
Income from operations	135,722	9,090	33	144,845
Net income	60,527	4,101	(730)	63,898
Capital expenditures	94,049	6,485	—	100,534
Total assets at December 31, 2011	2,435,888	294,637	16,049	2,746,574
<b>2010</b>				
Operating revenues	\$ 770,642	\$ 21,250	\$ 223	\$ 792,115
Depreciation and amortization	62,661	2,463	—	65,124
Income from operations	145,688	11,855	62	157,605
Net income	66,262	6,110	295	72,667
Capital expenditures	85,929	161,634	942	248,505

The following table presents additional summary information concerning utility margin. The gas storage and other segments emphasize operating revenues and net income growth as opposed to margin growth because these segments do not incur cost of sales expenses like the utility and, therefore, use revenues and net income to assess performance.

<i>In thousands</i>	2012	2011	2010
<u>Utility margin calculation:</u>			
Utility operating revenues	\$ 699,862	\$ 801,478	\$ 770,642
Less: Utility cost of gas	355,335	458,508	424,494
Utility margin	<u>\$ 344,527</u>	<u>\$ 342,970</u>	<u>\$ 346,148</u>

## 5. COMMON STOCK

### Common Stock

As of December 31, 2012 and 2011, our common shares authorized were 100,000,000. As of December 31, 2012, we had reserved for issuances 137,798 shares of common stock under the Employee Stock Purchase Plan (ESPP) and 197,112 shares under our Dividend Reinvestment and Direct Stock Purchase Plan (DRPP). In the second quarter of 2012, our Restated Stock Option Plan (Restated SOP) was terminated for new stock option grants. There were 529,925 options outstanding at December 31, 2012, which were granted prior to termination of the plan. These options will remain outstanding to the earlier of their forfeiture, exercise or expiration.

### Stock Repurchase Program

We have a share repurchase program under which we may purchase our common shares on the open market or through privately negotiated transactions. We currently have Board authorization through May 2013 to repurchase up to an aggregate of 2.8 million shares, but not to exceed \$100 million. No shares of common stock were repurchased pursuant to this program during the year ended December 31, 2012. Since the plan's inception in 2000 a total of 2.1 million shares have been repurchased at a total cost of \$83.3 million.

### Summary of Changes in Common Stock

The following table shows the changes in the number of shares of our common stock issued and outstanding for the years 2012, 2011, and 2010:

<i>In thousands</i>	Shares
Balance, December 31, 2009	26,533
Sales to employees under ESPP	24
Exercise of stock options under Restated SOP, net	111
Balance, December 31, 2010	26,668
Sales to employees under ESPP	15
Exercise of stock options under Restated SOP, net	24
Sales to shareholders under DRPP	49
Balance, December 31, 2011	26,756
Sales to employees under ESPP	18
Exercise of stock options under Restated SOP, net	47
Sales to shareholders under DRPP	96
Balance, December 31, 2012	26,917

## 6. STOCK-BASED COMPENSATION

Our stock-based compensation plans include a Long-Term Incentive Plan (LTIP), an ESPP, and a Restated SOP. A variety of equity programs may be granted under the LTIP. The Restated SOP was terminated for new stock option grants in the second quarter of 2012. Together these plans are designed to promote stock ownership in NW Natural by employees and officers.

### Long-Term Incentive Plan

The LTIP is intended to provide a flexible, competitive compensation program for eligible officers and key employees. Under the amended LTIP, shares of common stock are authorized for equity incentive grants in the form of stock, restricted stock, restricted stock units, stock options, or performance shares. An aggregate of 600,000 shares were authorized for issuance as of December 31, 2011. An additional 250,000 shares were authorized for issuance as stock options in 2012. Shares awarded under the LTIP may be purchased on the open market or issued as new shares.

Of the 850,000 shares authorized for any LTIP award at December 31, 2012, 311,571 shares of common stock were available for any type of award under the LTIP, assuming that market, performance, and service based grants currently outstanding are awarded at the target level. Additionally, the 250,000 shares of common stock added in 2012 were available for option grants at December 31, 2012. There were no outstanding grants of restricted stock or stock options under the LTIP at December 31, 2012 or 2011. The LTIP stock awards are compensatory awards for which compensation expense is based on the fair value of stock awards, with expense being recognized over the performance and vesting period for the outstanding awards.

### Performance Shares

Since the LTIP's inception in 2001, performance shares which incorporate market, performance, and service-based factors, have been granted annually based on three-year performance periods. At December 31, 2012, certain performance share measures had been achieved for the 2010-12 award period. Accordingly, participants are estimated to receive 9,022 shares of common stock and a dividend equivalent cash payment equal to the number of shares of common stock received on the award payout multiplied by the aggregate cash dividends paid per share during the performance period. At December 31, 2011 and 2010, we awarded 8,428 and 8,007 shares of common stock, respectively, for the 2009-11 and 2008-10 award periods, plus a dividend equivalent cash payment equal to the number of shares of common stock received on the award payout multiplied by the aggregate cash dividends paid per share during the performance period. In 2011 and 2010, we expensed \$0.4 million and \$0.2 million, respectively, for both the 2009-11 and 2008-10 performance share award periods, and on a cumulative basis we accrued a total of \$0.8 million and \$0.7 million, respectively, related to the 2009-11 and 2008-10 performance periods.

At December 31, 2012, the aggregate number of performance shares granted and outstanding at the target and maximum levels were as follows:

Performance Period	Performance Shares Awards Outstanding		2012 Expense	Cumulative Expense At Dec. 31, 2012
	Target	Maximum		
2010-12	\$ 41,500	\$ 83,000	\$ 452	\$ 1,170
2011-13	37,950	75,900	294	570
2012-14	35,340	70,680	635	635
Total	<u>\$ 114,790</u>	<u>\$ 229,580</u>	<u>\$ 1,381</u>	

For each of these performance periods, awards will be based on total shareholder return relative to a peer group of gas distribution companies over the three-year performance period and on performance results achieved relative to specific core and non-core strategies. Compensation expense is recognized in accordance with the accounting standard for stock compensation based on performance levels achieved and an estimated fair value using a Black-Scholes or binomial model. The weighted-average grant date fair value of unvested shares at December 31, 2012 and 2011 was \$51.42 and \$25.06 per share, respectively. The weighted-average grant date fair value of shares vested during the year was \$45.05 per share and for shares granted during the year was \$22.35 per share.

#### Restricted Stock Units

In 2012, the Company began granting RSUs under the LTIP instead of stock options under the Restated SOP. RSUs include a performance based threshold and a vesting period of four years from the grant date. An RSU obligates the Company upon vesting to issue the RSU holder one share of common stock plus a cash payment equal to the total amount of dividends paid per share between the grant date and vesting date of the RSU. During the year ended December 31, 2012, the Company granted 25,224 RSUs under the LTIP with grant date fair values ranging from \$44.43 to \$48.25 per share.

#### Restated Stock Option Plan

The Restated SOP was terminated for new option grants in 2012; however, options that had been granted before the Restated SOP was terminated will remain outstanding until the earlier of their expiration, forfeiture or exercise. Any new grants of stock options would be made under the LTIP. No new stock options were granted during 2012.

At December 31, 2012, a total of 529,925 shares of common stock remained reserved for issuance under the Restated SOP with none available for grant. Options under the Restated SOP were granted only to officers and key employees designated by a committee of our Board of Directors. All options were granted at an option price equal to the closing market price on the date of grant and may be exercised for a period up to 10 years and 7 days from the date of grant. Option holders may exchange shares they have owned for at least six months, valued at the current market price, to purchase shares at the option price.

The fair value of each stock option is estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions and outcomes:

	2011	2010
Risk-free interest rate	2.0%	2.3%
Expected life (in years)	4.5	4.7
Expected market price volatility factor	24.5%	23.2%
Expected dividend yield	3.8%	3.8%
Forfeiture rate	3.1%	3.2%
Weighted average grant date fair value	\$ 6.73	\$ 6.36

The expected life of our grants was calculated based on our actual experience with previously exercised option grants. The risk-free interest rate was based on the implied yield currently available on U.S. Treasury zero-coupon issues with a life equal to the expected life of the options. Historical data was used to estimate the volatility factor, measured on a daily basis, for a period equal to the duration of the expected life of the option awards. The dividend yield was based on management's current estimate for future dividend payouts at the time of grant. We expense the total cost of stock option awards granted to retirement eligible employees at the date of grant in accordance with stock option accounting guidance and the retirement vesting provisions of our option agreements.

Information regarding the Restated SOP activity for the three years ended December 31, 2012 is summarized as follows:

	Option Shares	Weighted - Average Price Per Share	Intrinsic Value (In millions)
Balance outstanding, Dec. 31, 2009	484,935	\$ 39.57	\$ 2.7
Granted	119,750	44.25	n/a
Exercised	(111,525)	39.01	0.9
Forfeited	(2,700)	43.00	n/a
Balance outstanding, Dec. 31, 2010	490,460	40.82	2.8
Granted	122,700	45.74	n/a
Exercised	(24,185)	33.88	0.3
Forfeited	(9,750)	44.38	n/a
Balance outstanding, Dec. 31, 2011	579,225	42.09	3.4
Exercised	(46,825)	40.62	0.4
Forfeited	(2,475)	43.78	n/a
Balance outstanding, Dec. 31, 2012	529,925	42.22	1.3
Exercisable, Dec. 31, 2012	366,887	41.16	1.2

In the year ended December 31, 2012, cash of \$0.7 million was received for option shares exercised and \$0.1 million related tax benefit was realized. For the years ended December 31, 2012, 2011, and 2010, the total fair value of options that vested was \$0.6 million, \$0.6 million and \$0.5 million, respectively. The weighted average remaining life of options exercisable and outstanding at December 31, 2012 was 5.1 years and 5.8 years, respectively. As of December 31, 2012, there was \$0.5 million of unrecognized compensation cost related to the unvested portion of outstanding stock option awards expected to be recognized over a period extending through 2014.

#### Employee Stock Purchase Plan

The ESPP allows employees to purchase common stock at 85% of the closing price on the trading day immediately preceding the initial offering date, which is set annually. Each eligible employee may purchase up to \$21,244 worth of stock through payroll deductions over a 12-month period, with shares issued at the end of the 12-month subscription period.

Stock-based compensation expense is recognized as operations and maintenance expense or is capitalized as part of construction overhead. The following table summarizes the financial statement impact of stock-based compensation under our LTIP, Restated SOP and ESPP:

In thousands	2012	2011	2010
Operations and maintenance expense, for stock-based compensation	\$ 1,668	\$ 1,477	\$ 1,032
Income tax benefit	(707)	(597)	(418)
Net stock-based compensation effect on net income	\$ 961	\$ 880	\$ 614
Amounts capitalized for stock-based compensation	\$ 294	\$ 261	\$ 182

## 7. DEBT

### Short-Term Debt

Our primary source of short-term funds is from the sale of commercial paper and bank loans. In addition to issuing commercial paper or bank loans to meet seasonal working capital requirements, short-term debt is used temporarily to fund capital requirements. Commercial paper and bank loans are periodically refinanced through the sale of long-term debt or equity securities. Our commercial paper program is supported by one or more committed credit facilities. At December 31, 2012 and 2011, the amounts of commercial paper debt outstanding were \$190.3 million and \$141.6 million, respectively, and the average interest rate was 0.3% at year end for both periods. The carrying cost of our commercial paper approximates fair value using Level 2 inputs, due to the short-term nature of the notes. See Note 2 for a description of the fair value hierarchy. At December 31, 2012, our commercial paper had a maximum maturity of 254 days and an average maturity of 84 days. There were no bank loans outstanding at December 31, 2012 or 2011.

On December 20, 2012, NW Natural entered into a five year \$300 million credit agreement. The agreement has a maturity date of December 20, 2017, pursuant to which we may extend commitments for two additional one-year periods subject to lender approval. The credit agreement allows us to request increases in the total commitment amount up to a maximum amount of \$450 million and permits letters of credit in an aggregate amount of up to \$200 million. Any principal and unpaid interest owed on borrowings under the agreement are due and payable on or before the expiration date. NW Natural's prior \$250 million agreement, dated May 31, 2007, was terminated upon the closing of this new credit agreement. There were no outstanding balances under the agreement and no letters of credit issued or outstanding at December 31, 2012 and 2011.

The credit agreement requires that we maintain credit ratings with Standard & Poor's (S&P) and Moody's Investors Service, Inc. (Moody's) and notify the lenders of any change in our senior unsecured debt ratings or senior secured debt ratings, as applicable, by such rating agencies. A change in our debt ratings is not an event of default, nor is the maintenance of a specific minimum level of debt rating a condition of drawing upon the credit facility. However, interest rates on any loans outstanding under the credit facility are tied to debt ratings, which would increase or decrease the cost of any loans under the credit facility when ratings are changed.

The credit agreement also requires us to maintain a consolidated indebtedness to total capitalization ratio of 70% or less. Failure to comply with this covenant would entitle the lenders to terminate their lending commitments and accelerate the maturity of all amounts outstanding. We were in compliance with this covenant at December 31, 2012 and 2011.

## Long-Term Debt

The issuance of first mortgage bonds (FMBs), which includes our medium-term notes, under the Mortgage and Deed of Trust (Mortgage) is limited by eligible property, adjusted net earnings and other provisions of the Mortgage. The Mortgage constitutes a first mortgage lien on substantially all of our utility property. In addition, our Gill Ranch subsidiary senior secured debt is secured by all of the membership interests in Gill Ranch as well as Gill Ranch's debt service reserve account.

Retirement of long-term debt for each of the 12-month periods through December 31, 2017 amount to: none in 2013; \$60 million in 2014; \$40 million in 2015; \$65 million in 2016; and \$40 million in 2017.

The following table presents our debt outstanding as of December 31, 2012, 2011, and 2010:

<i>In thousands</i>	2012	2011
<u>First Mortgage Bonds</u>		
6.665% Series B due 2011	\$ —	\$ —
7.13 % Series B due 2012	—	40,000
8.26 % Series B due 2014	10,000	10,000
3.95 % Series B due 2014	50,000	50,000
4.70 % Series B due 2015	40,000	40,000
5.15 % Series B due 2016	25,000	25,000
7.00 % Series B due 2017	40,000	40,000
6.60 % Series B due 2018	22,000	22,000
8.31 % Series B due 2019	10,000	10,000
7.63 % Series B due 2019	20,000	20,000
5.37 % Series B due 2020	75,000	75,000
9.05 % Series A due 2021	10,000	10,000
3.176 % Series B due 2021	50,000	50,000
5.62 % Series B due 2023	40,000	40,000
7.72 % Series B due 2025	20,000	20,000
6.52 % Series B due 2025	10,000	10,000
7.05 % Series B due 2026	20,000	20,000
7.00 % Series B due 2027	20,000	20,000
6.65 % Series B due 2027	19,700	19,700
6.65 % Series B due 2028	10,000	10,000
7.74 % Series B due 2030	20,000	20,000
7.85 % Series B due 2030	10,000	10,000
5.82 % Series B due 2032	30,000	30,000
5.66 % Series B due 2033	40,000	40,000
5.25 % Series B due 2035	10,000	10,000
4.00 % Series due 2042	50,000	—
	<u>651,700</u>	<u>641,700</u>
<u>Subsidiary Senior Secured Debt</u>		
Gill Ranch debt due 2016	40,000	40,000
	<u>691,700</u>	<u>681,700</u>
Less: Current maturities of long-term debt	—	40,000
Total long-term debt	<u>\$ 691,700</u>	<u>\$ 641,700</u>

## First Mortgage Bonds

NW Natural issued \$50 million of FMBs in October 2012 with a coupon rate of 4.00% and a maturity date of October 31, 2042. In September 2011, the utility issued \$50 million of FMBs due September 15, 2021.

## Subsidiary Senior Secured Debt

In November 2011, Gill Ranch issued \$40 million of senior secured debt, which consists of \$20 million of fixed rate debt with an interest rate of 7.75% and \$20 million of variable interest rate debt with an interest rate of LIBOR plus 5.50%, or 7.00%, whichever is higher. At December 31, 2012, the variable interest rate was 7.00%. This debt is secured by all of the membership interests in Gill Ranch and is nonrecourse to NW Natural. The maturity date of this debt is November 30, 2016.

Under the debt agreements, Gill Ranch is subject to certain covenants and restrictions including, but not limited to, a financial covenant that requires Gill Ranch to maintain minimum adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) at various levels over the term of the debt. The minimum adjusted EBITDA increases incrementally over the first few years, reaching its highest level in the 12-month period beginning April 1, 2015. Under the debt agreements, Gill Ranch is also subject to a debt service reserve requirement of 10% of the outstanding principal amount, initially \$4 million, certain prepayment penalties, restrictions on dividends out of Gill Ranch unless certain earnings ratios are met, and restrictions on incurrence of additional debt. Gill Ranch was in compliance with all existing debt provisions and covenants for the year ended December 31, 2012.

## Fair Value of Long-Term Debt

As our outstanding debt does not trade in active markets, we estimated the fair value of our outstanding long-term debt using outstanding debt issuances that actively trade in public markets and companies that have similar credit ratings, terms and remaining maturities to our debt. These valuations are based on Level 2 inputs as defined in the fair value hierarchy. See Note 2.

The following table provides an estimate of the fair value of our long-term debt, including current maturities of long-term debt, using market prices in effect on the valuation date:

<i>In thousands</i>	December 31,	
	2012	2011
Carrying amount	\$ 691,700	\$ 681,700
Estimated fair value	\$ 834,664	808,724



## 8. PENSION AND OTHER POSTRETIREMENT BENEFIT COSTS

We maintain qualified non-contributory defined benefit pension plans covering a majority of our utility employees with more than one year of service, a few non-qualified supplemental pension plans for eligible executive officers and other key employees, and other postretirement employee benefit plans. We also have qualified defined contribution plans (Retirement K Savings Plan) for all eligible employees. Only the qualified defined benefit pension plan and Retirement K Savings Plan have plan assets, which are held in qualified trusts to fund retirement benefits. Effective December 31, 2012, the defined benefit pension plans for non-union and union employees were merged. We will begin to refer to these plans as one plan in future filings. The qualified defined benefit retirement plan for non-union and union employees was closed to new participants effective January 1, 2007. The postretirement benefits plan for non-union employees was closed to new participants effective January 1, 2010. These plans were not available to employees of our non-utility subsidiaries. Non-union and union employees hired or re-hired after December 31, 2006 and 2009, respectively, and employees of NW Natural subsidiaries are provided an enhanced Retirement K Savings Plan benefit.

The following table provides a reconciliation of the changes in benefit obligations and fair value of plan assets, as applicable, for the pension and other postretirement benefit plans, excluding the Retirement K Savings Plan, for the years ended December 31, 2012 and 2011, and a summary of the funded status and amounts recognized in the consolidated balance sheets using measurement dates as of December 31, 2012 and 2011:

<i>In thousands</i>	Postretirement Benefit Plans			
	Pension Benefits		Other Benefits	
	2012	2011	2012	2011
Reconciliation of change in benefit obligation:				
Obligation at January 1	\$ 391,127	\$ 339,338	\$ 30,049	\$ 27,676
Service cost	8,047	7,122	592	614
Interest cost	17,295	18,134	1,267	1,404
Net actuarial (gain) or loss	37,615	44,802	3,182	2,225
Benefits paid	(18,195)	(18,269)	(1,971)	(1,870)
Obligation at December 31	<u>\$ 435,889</u>	<u>\$ 391,127</u>	<u>\$ 33,119</u>	<u>\$ 30,049</u>
Reconciliation of change in plan assets:				
Fair value of plan assets at January 1	\$ 215,970	\$ 219,014	\$ —	\$ —
Actual return on plan assets	26,683	(6,684)	—	—
Employer contributions	25,145	21,909	1,971	1,870
Benefits paid	(18,195)	(18,269)	(1,971)	(1,870)
Fair value of plan assets at December 31	<u>\$ 249,603</u>	<u>\$ 215,970</u>	<u>\$ —</u>	<u>\$ —</u>
Funded status at December 31	<u>\$ (186,286)</u>	<u>\$ (175,157)</u>	<u>\$ (33,119)</u>	<u>\$ (30,049)</u>

Our qualified defined benefit pension plan has an aggregate benefit obligation of \$404.0 million and \$362.9 million at December 31, 2012 and 2011, respectively, and fair values of plan assets of \$249.6 million and \$216.0 million, respectively.

The following table presents amounts recognized in regulatory assets or in the statement of comprehensive income for the years ended December 31, 2012, 2011 and 2010:

<i>In thousands</i>	Regulatory Assets						Other Comprehensive Income			
	Pension Benefits			Other Postretirement Benefits			Pension Benefits			
	2012	2011	2010	2012	2011	2010	2012	2011	2010	
Net actuarial loss	\$ 26,504	\$ 66,404	\$ 17,115	\$ 3,182	\$ 2,225	\$ 2,387	\$ 3,511	\$ 2,948	\$ 1,716	
Amortization of:										
Transition obligation	—	—	—	(411)	(411)	(411)	—	—	—	
Prior service cost	(230)	(230)	(230)	(197)	(197)	(197)	35	(122)	43	
Actuarial loss	(14,482)	(10,731)	(6,740)	(435)	(289)	(131)	(1,150)	(854)	(707)	
Total	<u>\$ 11,792</u>	<u>\$ 55,443</u>	<u>\$ 10,145</u>	<u>\$ 2,139</u>	<u>\$ 1,328</u>	<u>\$ 1,648</u>	<u>\$ 2,396</u>	<u>\$ 1,972</u>	<u>\$ 1,052</u>	

The following table presents amounts recognized in regulatory assets and accumulated other comprehensive income (AOCI) at December 31, 2012 and 2011:

<i>In thousands</i>	Regulatory Assets				AOCI	
	Pension Benefits		Other Postretirement Benefits		Pension Benefits	
	2012	2011	2012	2011	2012	2011
Net transition obligation	\$ —	\$ —	\$ —	\$ 411	\$ —	\$ —
Prior service cost	1,097	1,328	882	1,079	(12)	(48)
Net actuarial loss	188,278	176,255	9,681	6,934	15,327	12,966
Total	\$ 189,375	\$ 177,583	\$ 10,563	\$ 8,424	\$ 15,315	\$ 12,918

In 2013, an estimated \$17.2 million will be amortized from regulatory assets to net periodic benefit costs, consisting of \$16.8 million of actuarial losses, and \$0.4 million of prior service costs. A total of \$1.3 million will be amortized from AOCI to earnings related to actuarial losses.

Our assumed discount rate was determined independently for each pension plan and other postretirement benefit plan based on the Citigroup Above Median Curve (discount rate curve), which uses high quality corporate bonds rated AA- or higher by S&P or Aa3 or higher by Moody's. The discount rate curve was applied to match the estimated cash flows in each of the Company's plans to reflect the timing and amount of expected future benefit payments for these plans.

Our assumed expected long-term rate of return on plan assets was developed using a weighted average of the expected returns for the target asset portfolio. In developing the expected long-term rate of return assumption, consideration was given to the historical performance of each asset class in which the plans' assets are invested and the target asset allocation for plan assets.

Our investment strategy and policies for qualified pension plan assets held in the Retirement Trust Fund were approved by our retirement committee, which is composed of senior management employees with the assistance of an outside investment consultant. The policies set forth the guidelines and objectives governing the investment of plan assets. Plan assets are invested for total return with appropriate consideration for liquidity, portfolio risk, and return expectation. All investments are expected to satisfy the requirements of the rule of prudent investments as set forth under the Employee Retirement Income Security Act of 1974. The approved asset classes include cash and short-term investments, fixed income, common stock and convertible securities, absolute and real return strategies, real estate and investments in our common stock. Plan assets may be invested in separately managed accounts or in commingled or mutual funds. Investment re-balancing takes place periodically as needed, or when significant cash flows occur, in order to maintain the allocation of assets within the stated target ranges. Our expected long-term rate of return is based upon historical index returns by asset class, adjusted by a factor based on our historical return experience, diversified asset allocation and active portfolio management by professional investment managers. The Retirement Trust Fund is not currently invested in any NW Natural securities.

The following is our pension plan asset target allocation at December 31, 2012:

Asset Category	Target Allocation
U.S. large cap equity	13.0%
U.S. small/mid cap equity	8.5%
Non-U.S. equity	13.0%
Emerging markets equity	3.5%
Long government/credit	30.0%
High yield	5.0%
Emerging market debt	5.0%
Real estate funds	6.0%
Absolute return strategy	11.0%
Real return strategy	5.0%

Our non-qualified supplemental defined benefit plan obligations were \$31.9 million and \$28.2 million at December 31, 2012 and 2011, respectively. These plans are not subject to regulatory deferral, and the changes in actuarial gains and losses, prior service costs and transition assets or obligations are recognized in AOCI under common stock equity, net of tax, until they are amortized as a component of net periodic benefit cost. Although these are unfunded plans with no plan assets due to their nature as non-qualified plans, we indirectly fund a portion of our obligations with company- and trust-owned life insurance.

Our plans for providing postretirement benefits, other than pensions, also are unfunded plans but are subject to regulatory deferral. The actuarial gains and losses, prior service costs and transition assets or obligations for these plans were recognized as a regulatory asset. Net periodic benefit costs consist of service costs, interest costs, the amortization of actuarial gains and losses, the expected returns on plan assets and, in part, on a market-related valuation of assets. The market-related valuation reflects differences between expected returns and actual investment returns, of which the differences are recognized over a three-year period or less from the year in which they occur, thereby reducing year-to-year net periodic benefit cost volatility.



The following tables provide the components of net periodic benefit cost for the Company's pension and other postretirement benefit plans for the years ended December 31, 2012, 2011, and 2010 and the assumptions used in measuring these costs and benefit obligations:

<i>In thousands</i>	Pension Benefits			Other Postretirement Benefits		
	2012	2011	2010	2012	2011	2010
Service cost	\$ 8,047	\$ 7,122	\$ 6,688	\$ 592	\$ 614	\$ 588
Interest cost	17,295	18,134	18,029	1,267	1,404	1,436
Expected return on plan assets	(19,082)	(17,867)	(18,207)	—	—	—
Amortization of transition obligations	—	—	—	411	411	411
Amortization of prior service costs	195	352	187	197	197	197
Amortization of net actuarial loss	15,631	11,584	7,447	435	289	131
Net periodic benefit cost	22,086	19,325	14,144	2,902	2,915	2,763
Amount allocated to construction	(5,820)	(4,905)	(3,729)	(882)	(878)	(904)
Amount deferred to regulatory balancing account <sup>(1)</sup>	(7,876)	(6,008)	—	—	—	—
Net amount charged to expense	\$ 8,390	\$ 8,412	\$ 10,415	\$ 2,020	\$ 2,037	\$ 1,859

<sup>(1)</sup> Effective January 1, 2011, the OPUC approved the deferral of certain pension expenses above or below the amount set in rates, with recovery of these deferred amounts through the implementation of a balancing account, which includes the expectation of lower net periodic benefit costs in future years. Deferred pension expense balances include accrued interest at the utility's authorized rate of return. See Note 2.

Net periodic benefit costs above are reduced by amounts capitalized to utility plant based on approximately 30% to 40% payroll overhead charge to construction work orders. In addition, a certain amount of net periodic benefit costs are recorded to the regulatory balancing account for pensions, with the remaining net amount charged to expense and recognized in current earnings.

	Pension Benefits			Other Postretirement Benefits		
	2012	2011	2010	2012	2011	2010
Assumptions for net periodic benefit cost:						
Weighted-average discount rate	4.51%	5.49%	6.01%	4.33%	5.16%	5.78%
Rate of increase in compensation	3.25-5.0%	3.25-5.0%	3.25-5.0%	n/a	n/a	n/a
Expected long-term rate of return	8.00%	8.25%	8.25%	n/a	n/a	n/a
Assumptions for year-end funded status:						
Weighted-average discount rate	3.85%	4.51%	5.49%	3.56%	4.33%	5.16%
Rate of increase in compensation	3.25-5.0%	3.25-5.0%	3.25-5.0%	n/a	n/a	n/a
Expected long-term rate of return	7.50%	8.00%	8.25%	n/a	n/a	n/a

The assumed annual increase in health care cost trend rates used in measuring other postretirement benefits as of December 31, 2012 were 8.5% for medical and 10.5% for prescription drugs. Medical costs and prescription drugs are assumed to decrease gradually each year to a rate of 5.0% by 2023.

<i>In thousands</i>	1% Increase	1% Decrease
Effect on net periodic postretirement health care benefit cost	\$ 65	\$ (58)
Effect on the accumulated postretirement benefit obligation	943	(841)

Assumed health care cost trend rates can have a significant effect on the amounts reported for the health care plans. A one percentage point change in assumed health care cost trend rates would have the following effects:

The impact of a change in retirement benefit costs on operating results would be less than the amounts shown above because 30% to 40% of these amounts would be capitalized to utility plant as payroll overhead charges to construction work orders, and a certain amount of increases or decreases would be recorded to the regulatory balancing account for pensions, with the remaining amount recognized in current earnings.

The following table provides information regarding employer contributions and benefit payments for the two qualified pension plans, non-qualified pension plans and other postretirement benefit plans for the years ended December 31, 2012 and 2011, and estimated future contributions and payments:

<i>In thousands</i>	Pension Benefits	Other Benefits
<b>Employer Contributions:</b>		
2011	\$ 22,325	\$ 1,870
2012	25,559	1,971
2013 (estimated)	13,803	2,004
<b>Benefit Payments:</b>		
2010	18,645	1,476
2011	18,269	1,870
2012	18,195	1,971
<b>Estimated Future Benefit Payments:</b>		
2013	19,732	2,004
2014	20,244	2,080
2015	20,788	2,108
2016	21,490	2,169
2017	22,245	2,213
2018-2022	128,609	11,514

### **Employer Contributions to Company-Sponsored Defined Benefit Pension Plans**

We make contributions to our qualified defined benefit pension plans based on actuarial assumptions and estimates, tax regulations and funding requirements under federal law. The Pension Protection Act of 2006 (the Act) established new funding requirements for defined benefit plans. The Act establishes a 100% funding target over seven years for plan years beginning after December 31, 2008. In addition, in July 2012 the Moving Ahead for Progress in the 21st Century Act (MAP-21). This legislation changes several provisions affecting pension plans, including temporary funding relief and Pension Benefit Guaranty Corporation (PBGC) premium increases, which reduces the level of minimum required contributions in the near-term but generally increases contributions in the long-run as well as increasing the operational costs of running a pension plan. Our qualified defined benefit pension plans are currently underfunded by \$154.4 million at December 31, 2012. Including the impacts of MAP-21, we expect to make contributions during 2013 of up to \$15 million.

### **Multiemployer Pension Plan**

In addition to the Company-sponsored defined benefit plans referred to above, we contribute to a multiemployer pension plan for our utility's union employees known as the Western States Office and Professional Employees International Union Pension Fund (Western States Plan) in accordance with our collective bargaining agreement. The employer identification number of the plan is 94-6076144. The cost of this plan, and corresponding future liabilities, are in addition to pension amounts in the tables above. The Western States Plan is managed by a board of trustees that includes equal representation from participating employers and labor unions. Contribution rates are established by collective bargaining agreements, and benefit levels are set by the

board of trustees based on the advice of an independent actuary regarding the level of benefits that agreed-upon contributions are expected to support.

The Western States Plan has reported an accumulated funding deficit for the current plan year and remains in critical status. A plan is considered to be in critical status if its funded status is below 65%. Federal law requires pension plans in critical status to adopt a rehabilitation plan designed to restore the financial health of the plan. Rehabilitation plans may specify benefit reductions, contribution surcharges, or a combination of the two. The Western States Plan trustees adopted a rehabilitation plan that reduced benefit accrual rates and adjustable benefits for active employee participants and increased future employer contribution rates. These changes are expected to improve the funded status of the plan. Our contributions to the Western States Plan amounted to \$0.4 million in 2012, 2011, and 2010 which is approximately 5% of the total contributions to the plan by all employer participants.

Under the terms of our current collective bargaining agreement, which became effective in July 2009, we can withdraw from the Western States Plan at any time. However, if the plan is underfunded at the time we withdraw, we would be assessed a withdrawal liability. In accordance with accounting rules for multiemployer plans, we have not recognized these potential withdrawal liabilities on the balance sheet. Currently, we have no intent to withdraw from the plan, so we have not recorded a withdrawal liability.

### **Defined Contribution Plan**

The Retirement K Savings Plan provided to our employees is a qualified defined contribution plan under Internal Revenue Code Section 401(k). Employer contributions to this plan totaled \$2.2 million in 2012, \$2.4 million in 2011, and \$2.1 million in 2010. The Retirement K Savings Plan includes an Employee Stock Ownership Plan.

### **Deferred Compensation Plans**

The supplemental deferred compensation plans for eligible officers and senior managers are non-qualified plans. These plans are designed to enhance the retirement savings of employees and to assist them in strengthening their financial security by providing an incentive to save and invest regularly.

### **Fair Value**

Following is a description of the valuation methodologies used for assets measured at fair value. In cases where the pension plan is invested through a collective trust fund or mutual fund, our custodian uses the fund's market value. The custodian also provides the market values for investments directly owned.

**U.S. LARGE CAP EQUITY and U.S. SMALL/MID CAP EQUITY.** These are level 1 and 2 assets. The level 1 assets consist of directly held stocks, and mutual funds with a published net asset value (NAV). The level 2 assets consist of a mutual fund where NAV is not publicly published but the investment can be readily disposed of at NAV or market value. Directly held stocks are valued at the closing price reported in the active market on which the individual security is traded, and mutual funds are valued at NAV. This

asset class includes investments primarily in U.S. common stocks.

**NON-U.S. EQUITY.** These are level 1 and 2 assets. The level 1 assets consist of directly held stocks, and the level 2 assets consist of an open-end mutual fund and a commingled trust where the NAV/unit price is not publicly published but the investment can be readily disposed of at the NAV/unit price. Directly held stocks are valued at the closing price reported in the active market on which the individual security is traded, and the mutual fund is valued at NAV, while the commingled trust is valued at the unit price of the trust. This asset class includes investments primarily in foreign equity common stocks.

**EMERGING MARKET EQUITY.** These are level 1 assets representing mutual funds with published NAV's. These mutual funds are valued at NAV. This asset class includes investments primarily in common stocks in emerging markets.

**FIXED INCOME.** This is a level 2 asset consisting of a mutual fund, valued at NAV, where NAV is not publicly published. This asset class includes investments primarily in investment grade debt and fixed income securities.

**LONG GOVERNMENT/CREDIT.** These are level 1 and 2 assets. The level 1 assets consist of a fixed-income mutual fund with a published NAV. This mutual fund is valued at NAV. The level 2 assets consist of directly held fixed-income securities whose values are determined by closing prices if available and by matrix prices for illiquid securities. This asset class includes long duration fixed income investments primarily in U.S. treasuries, U.S. government agencies, municipal securities, mortgage-backed securities, asset-backed securities, as well as U.S. and international investment-grade corporate bonds.

**HIGH YIELD BONDS.** These are level 2 assets consisting of a limited partnership where valuation is not publicly published but the investment can be readily disposed of at market value. This asset class includes investments primarily in high yield bonds.

**EMERGING MARKET DEBT.** These are level 1 assets consisting of a mutual fund with a published NAV. This mutual fund is valued at NAV. This asset class includes investments primarily in emerging market debt.

**REAL ESTATE FUNDS.** These are level 1 assets consisting of a mutual fund with a published NAV. This mutual fund is valued at NAV. This asset class includes investments primarily in real estate investment trust (REIT) securities.

**ABSOLUTE RETURN STRATEGY.** These are level 2 assets consisting of a hedge fund of funds where valuation is not publicly published but the investment can be readily disposed of at unit price. The hedge fund of funds is valued at the weighted average value of investments in various hedge funds which in turn are valued at the closing price of the underlying securities. This asset class includes investments primarily in common stocks and fixed income securities.

**REAL RETURN STRATEGY.** These are level 1 assets representing a mutual fund with a published NAV. This mutual fund is valued at NAV. This asset class includes an investment in a broad range of assets and strategies primarily including fixed income and equity securities, along with commodities.

**CASH AND CASH EQUIVALENTS.** These are level 2 assets representing mutual funds without published NAV's but the investment can be readily disposed of at NAV. The mutual funds are valued at the net asset value of the shares held by the plan at the valuation date. This asset class primarily includes money market mutual funds.

The preceding valuation methods may produce a fair value calculation that is not indicative of net realizable value or reflective of future fair values. Although we believe these valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investment securities are exposed to various financial risks including interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of our investment securities will occur in the near term and that such changes could materially affect our investment account balances and the amounts reported as plan assets available for benefits payments.

The following table presents the fair value of plan assets, including outstanding receivables and liabilities, of the Retirement Trust Fund as of December 31, 2012 and 2011:

<i>In thousands</i>	December 31, 2012			
	Level 1	Level 2	Level 3	Total
Investments				
U.S. large cap equity	\$ 29,047	\$ 1,891	\$ —	\$ 30,938
U.S. small/mid cap equity	21,624	1,312	—	22,936
Non-U.S. equity	13,931	15,812	—	29,743
Emerging markets equity	8,004	—	—	8,004
Fixed income	—	8,824	—	8,824
Long government/credit	30,098	29,249	—	59,347
High yield bonds	—	12,017	—	12,017
Emerging market debt	11,421	—	—	11,421
Real estate funds	15,992	—	—	15,992
Absolute return strategy	—	32,078	—	32,078
Real return strategy	12,932	—	—	12,932
Cash and cash equivalents	—	1,459	—	1,459
Total investments	<u>\$ 143,049</u>	<u>\$ 102,642</u>	<u>\$ —</u>	<u>\$ 245,691</u>

<i>In thousands</i>	December 31, 2011			
	Level 1	Level 2	Level 3	Total
Investments				
U.S. large cap equity	\$ 36,236	\$ —	\$ —	\$ 36,236
U.S. small/mid cap equity	—	27,310	—	27,310
Non-U.S. equity	22,158	11,587	—	33,745
Emerging markets equity	10,208	—	—	10,208
Fixed income	19,121	—	—	19,121
Long government/credit	—	18,897	—	18,897
Real estate funds	—	—	15,317	15,317
Absolute return strategy	—	30,475	—	30,475
Real return strategy	15,475	—	—	15,475
Cash and cash equivalents	—	9,290	—	9,290
Total investments	<u>\$ 103,198</u>	<u>\$ 97,559</u>	<u>\$ 15,317</u>	<u>\$ 216,074</u>

	December 31,	
	2012	2011
<u>Receivables</u>		
Accrued interest and dividend income	\$ 388	\$ 414
Due from broker for securities sold	4,459	321
Total receivables	<u>\$ 4,847</u>	<u>\$ 735</u>
<u>Liabilities</u>		
Due to broker for securities purchased	\$ 935	\$ 839
Total investment in retirement trust	<u>\$ 249,603</u>	<u>\$ 215,970</u>

### Level 3 Investments

The following table presents the beginning balance, activity and ending balance of Level 3 investments that have their fair values established using significant unobservable inputs as of December 31, 2012:

<i>In thousands</i>	Level 3 Assets
	Real Estate Funds
January 1, 2012 balance	\$ 15,317
Sales	(15,317)
December 31, 2012 balance	<u>\$ —</u>

## 9. INCOME TAX

A reconciliation between income taxes calculated at the statutory federal tax rate and the provision for income taxes reflected in the consolidated financial statements is as follows:

<i>Dollars in thousands</i>	2012	2011	2010
Income taxes at federal statutory rate	\$ 36,386	\$ 37,550	\$ 42,745
Increase (decrease):			
Current state income tax, net of federal tax benefit	4,773	4,945	5,803
Amortization of investment and energy tax credits	(350)	(442)	(525)
Differences required to be flowed-through by regulatory commissions	1,718	1,647	1,647
Gains on company and trust-owned life insurance	(800)	(786)	(715)
Regulatory asset impairment	2,700	—	—
Other, net	(323)	468	507
Total provision for income taxes	<u>\$ 44,104</u>	<u>\$ 43,382</u>	<u>\$ 49,462</u>
Effective tax rate	<u>42.4%</u>	<u>40.4%</u>	<u>40.5%</u>

The increase in the effective income tax rate for 2012 compared to the same period in 2011 was primarily due to the one-time, after-tax charge of \$2.7 million in 2012 related to the OPUC's rate case order that the Company could not recover deferred amounts resulting from the 2009 Oregon tax rate change.

The provision (benefit) for current and deferred income taxes consists of the following:

<i>In thousands</i>	2012	2011	2010
Current			
Federal	\$ 1,693	\$ 130	\$ (28,592)
State	99	(929)	1,441
	<u>1,792</u>	<u>(799)</u>	<u>(27,151)</u>
Deferred			
Federal	31,767	35,481	69,159
State	10,545	8,700	7,454
	<u>42,312</u>	<u>44,181</u>	<u>76,613</u>
Total provision for income taxes	<u>\$ 44,104</u>	<u>\$ 43,382</u>	<u>\$ 49,462</u>
Total income taxes paid	<u>\$ 2,979</u>	<u>\$ 1,756</u>	<u>\$ 22,600</u>

The following table summarizes the total provision (benefit) for income taxes for the regulated utility and non-utility business segments for the three years ended December 31:

<i>In thousands</i>	2012	2011	2010
Regulated utility:			
Current	\$ 1,909	\$ (4,646)	\$ (1,464)
Deferred	39,864	50,152	47,741
Deferred investment and energy tax credits	(350)	(422)	(525)
	<u>41,423</u>	<u>45,084</u>	<u>45,752</u>
Non-utility business segments:			
Current	(117)	3,846	(25,687)
Deferred	2,798	(5,548)	29,397
	<u>2,681</u>	<u>(1,702)</u>	<u>3,710</u>
Total provision for income taxes	<u>\$ 44,104</u>	<u>\$ 43,382</u>	<u>\$ 49,462</u>

The following table summarizes the tax effect of significant items comprising our deferred income tax accounts for the two years ended December 31:

<i>In thousands</i>	2012	2011
Deferred tax liabilities:		
Plant and property	\$ 322,527	\$ 292,235
Regulatory adjustment for income taxes paid	—	2,106
Regulatory income tax assets	60,253	65,755
Regulatory liabilities	51,424	35,638
Non-regulated deferred tax liabilities	43,824	43,373
Total	<u>\$ 478,028</u>	<u>\$ 439,107</u>
Deferred tax assets:		
Regulatory assets	\$ (7,724)	\$ 4,727
Unfunded pension and postretirement obligations	6,024	5,119
Non-regulated deferred tax assets	(1,235)	1,161
Alternative minimum tax credit carryforward	1,986	1,626
Loss and credit carryforwards	32,997	14,255
Total	<u>32,048</u>	<u>26,888</u>
Deferred income tax liabilities, net	445,980	412,219
Deferred investment tax credits	624	990
Deferred income taxes and investment tax credits	<u>\$ 446,604</u>	<u>\$ 413,209</u>

We have determined that we are more likely than not to realize all recorded deferred tax assets as of December 31, 2012.

On December 17, 2010, President Obama signed into law the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (Tax Relief Act), which allows 100% bonus depreciation for qualified property placed in service between September 9, 2010 through December 31, 2011. It also extended the 50% bonus depreciation deduction to qualifying property placed in service through 2012. On January 2, 2013, President Obama signed into law the American Taxpayer Relief Act of 2012 ("the Act").



This Act extended 50% bonus depreciation under §168(k) through 2013 for MACRS property with a recovery period of 20 years or less.

The Company estimates that it has net operating loss (NOL) carryforwards to 2013 of \$83.4 million for federal and \$76.6 million for Oregon. The NOL carryforwards will be carried forward to reduce our current tax liability in future years. We anticipate that we will be able to utilize the entire NOL carryforwards before they expire in 20 years for federal and 15 years for Oregon.

Uncertain tax positions are accounted for in accordance with accounting standards that require management's assessment of the expected treatment of a tax position taken in a filed tax return, or planned to be taken in a future tax return, that has not been reflected in measuring income tax expense for financial reporting purposes. Until such positions are sustained by the taxing authorities, we would not recognize the tax benefits resulting from such positions and would report the tax effect as a liability in the Company's consolidated balance sheet. As of December 31, 2012, we had no reserves for uncertain tax positions.

The Company settled the Oregon Department of Revenue (ODOR) examination of tax years 2006 through 2009. This settlement resulted in an additional \$0.2 million state tax expense, including interest, but that amount was offset by a corresponding refund claim with the state of California. As of December 31, 2012, the Company is subject to examination by the Internal Revenue Service for the years 2009 through 2012.

Interest and penalties related to any future income tax deficiencies are recorded within income tax expense in the consolidated statements of income.

## 10. PROPERTY, PLANT, AND EQUIPMENT

The following table sets forth the major classifications of our property, plant, and equipment and accumulated depreciation at December 31:

<i>In thousands</i>	2012	2011
Utility plant in service	\$2,435,886	\$2,323,467
Utility construction work in progress	46,831	36,051
Less: Accumulated depreciation	789,201	749,603
Utility plant, net	1,693,516	1,609,915
Non-utility plant in service	296,781	293,205
Non-utility construction work in progress	6,510	8,379
Less: Accumulated depreciation	23,195	17,623
Non-utility plant, net	280,096	283,961
Total property, plant, and equipment	\$1,973,612	\$1,893,876

The weighted average depreciation rate for utility assets was 2.8% in 2012, 2011, and 2010. The weighted average depreciation rate for non-utility assets was 2.2% in 2012 and 2011, and 2.5% in 2010.

Accumulated depreciation does not include the accumulated provision for asset removal costs of \$281.2 million and

\$267.4 million at December 31, 2012 and 2011, respectively. These accrued asset removal costs are reflected on the balance sheets as regulatory liabilities. See Note 2.

## 11. GAS RESERVES

Our gas reserves are stated at cost, net of regulatory amortization, with the associated deferred tax benefits recorded as liabilities on the balance sheet.

We entered into agreements with Encana to develop and produce physical gas reserves. These agreements are intended to provide long-term gas price protection for our utility customers rather than serving as a source of gas supply. Encana began drilling in 2011 under these agreements, and gas which is currently being produced from our working interests in these gas fields is sold by Encana at then prevailing market prices, with revenues from such sales, net of associated production costs, credited to our cost of gas. The cost of gas, including a carrying cost for the net rate base investment, is part of our annual Oregon PGA filing, which allows us to recover our costs through customer rates in a manner previously approved by the OPUC. This transaction acted to hedge the cost of gas for approximately 4% of our gas supplies for the year ended December 31, 2012. The following table outlines our net gas reserves investment at December 31:

<i>In thousands</i>	2012	2011
Gas reserves, current	\$ 14,966	\$ 4,463
Gas reserves, non-current	92,179	48,597
Less: Accumulated amortization	7,486	1,146
Total gas reserves	99,659	51,914
Less: Deferred taxes on gas reserves	28,329	15,630
Net investment in gas reserves	\$ 71,330	\$ 36,284

### Variable Interest Entity Analysis

We concluded that the arrangement with Encana qualifies as a variable interest entity (VIE), but that we are not the primary beneficiary of these activities as defined by the authoritative guidance related to consolidations due to the fact that our interest represents a minor portion of total extraction activities. We account for our investment in this VIE on the cost basis, and it is included under gas reserves on our balance sheet. Our maximum loss exposure related to this VIE is limited to our current investment balance.

## 12. INVESTMENTS

Investments include financial investments in life insurance policies, which are accounted for at fair value, and equity investments in certain partnerships and limited liability companies, which are accounted for under the equity or cost methods. The following table summarizes our other investments at December 31:

<i>In thousands</i>	2012	2011
Investments in life insurance policies	\$ 51,439	\$ 51,911
Investments in gas pipeline joint ventures	14,216	14,340
Other	2,012	2,012
Total other investments	\$ 67,667	\$ 68,263

### **Investment in Life Insurance Policies**

We have invested in key person life insurance contracts to provide an indirect funding vehicle for certain long-term employee and director benefit plan liabilities. The amount in the above table is reported as cash surrender value, net of policy loans.

### **Equity Method Investments**

Palomar, a wholly-owned subsidiary of PGH, is pursuing the development of a new gas transmission pipeline that would provide an interconnection with our utility distribution system. PGH is owned 50% by NWN Energy and 50% by TransCanada American Investments Ltd., an indirect wholly-owned subsidiary of TransCanada Corporation.

### **Variable Interest Entity Analysis**

PGH is a development stage VIE. As of December 31, 2012, there were no changes to our VIE analysis and, as such, we continue to report Palomar under equity method accounting based on the determination that we are not the primary beneficiary of PGH's activities, as defined by the authoritative guidance related to consolidations, due to the fact that we have a 50% share and there are no stipulations that allow disproportionate influence over the entity. Our investment in PGH and Palomar are included in other investments on our balance sheet. Our maximum loss exposure related to PGH is limited to our equity investment balance, less our share of any cash or other assets available to us as a 50% owner.

### **Impairment Analysis**

Our investments in nonconsolidated entities accounted for under the equity method are reviewed for impairment at each reporting period and following updates to our corporate planning assumptions. When it is determined that a loss in value is other than temporary, a charge is recognized for the difference between the investment's carrying value and its estimated fair value. Fair value is based on quoted market prices when available, or on the present value of expected future cash flows. Differing assumptions could affect the timing and amount of a charge recorded in any period.

In 2011, Palomar withdrew its original application with the FERC for a proposed natural gas pipeline in Oregon and informed FERC that it intended to re-file an application to reflect changes in the project scope aligning the project with the region's current and future gas infrastructure needs. Palomar continues working with customers in the Pacific Northwest to further understand their gas transportation needs and determine the commercial support for a revised pipeline proposal. A new FERC certificate application is expected to be filed to reflect a revised scope based on these regional needs.

Due to project scope changes in 2011, a portion of the assets were impaired and, as a result, we recorded a pre-tax charge of \$1.3 million for our share of these costs at December 31, 2011. There have been no significant changes to the project since this impairment, and we have determined that our remaining equity investment was not impaired at December 31, 2012 as the fair value of expected cash flows from planned development exceeded our remaining equity investment of \$13.4 million at December 31, 2012. However, if we learn that the project is

not viable or will not go forward, then we could be required to recognize a maximum charge of up to approximately \$13.2 million based on the current amount of our equity investment net of cash and working capital at Palomar. We will continue to monitor and update our impairment analysis as required.

### **13. DERIVATIVE INSTRUMENTS**

We enter into swap, option and combinations of option contracts for the purpose of hedging natural gas. We primarily use these derivative financial instruments to manage commodity price variability related to our natural gas purchase requirements. A small portion of our derivative hedging strategy involves foreign currency exchange transactions related to purchases of natural gas from Canadian suppliers.

In the normal course of business, we enter into indexed-price physical forward natural gas commodity purchase (gas supply) contracts to meet the requirements of utility customers. We also enter into financial derivatives, up to prescribed limits, to hedge price variability related to these physical gas supply contracts. The following table presents the absolute notional amounts related to open positions on derivative instruments:

<i>Dollars in thousands</i>	At December 31,	
	2012	2011
Open position absolute notional amount:		
Natural gas (in millions of therms)	39.5	35.9
Foreign exchange	\$ 13,231	\$ 12,313

Derivatives entered into prudently for future gas years prior to our annual PGA filing receive regulatory deferred accounting treatment. Derivative contracts entered into after the annual PGA rate is set for the current gas contract year are subject to our PGA incentive sharing mechanism, which provides for either an 80% or 90% deferral of any gains and losses as regulatory assets or liabilities, with the remaining 10% or 20% recognized in current income. All of our commodity hedging for the 2012-13 gas year was completed prior to the start of the gas year, and these hedge prices were included in the Company's PGA filing.

Certain natural gas purchases from Canadian suppliers are payable in Canadian dollars, including both commodity and demand charges, which expose us to adverse changes in foreign currency rates. Foreign currency forward contracts are used to hedge the fluctuation in foreign currency exchange rates for our commodity and commodity-related demand charges paid in Canadian dollars. Foreign currency contracts for commodity costs are purchased on a month-to-month basis because the Canadian cost is priced at the average noon-day exchange rate for each month. Foreign currency contracts for demand costs have terms ranging up to 12 months. The gains and losses on the shorter-term currency contracts for commodity costs are recognized immediately in cost of gas. The gains and losses on the currency contracts for demand charges are not recognized in current income because they are subject to a regulatory deferral tariff and, as such, are recorded as a regulatory asset or liability. The mark-to-market adjustment at December 31, 2012 was an unrealized gain of \$0.1 million.

This unrealized gain is subject to regulatory deferral and, as such, was recorded as a derivative instrument, which is offset by recording a corresponding amount to a regulatory liability account.

Derivative hedge contracts are subject to a hedge effectiveness test to determine the financial statement treatment of each specific derivative. As of December 31, 2012, all of our derivatives were effective economic hedges and either qualified or were expected to qualify for

regulatory deferral or hedge accounting treatment. The effectiveness test applied to financial derivatives is dependent on the type of derivative and its use. We use the hypothetical derivative method under accounting standards for derivatives and hedging to determine the hedge effectiveness for our interest rate swaps and the dollar offset method for other derivative contracts under accounting standards for derivatives and hedging. All derivatives were effective as of December 31, 2012.

The following table reflects the income statement presentation for the unrealized gains and losses from our derivative instruments for the years ended December 31, 2012 and 2011. All of our currently outstanding derivative instruments are related to regulated utility operations as illustrated by the derivative gains and losses being deferred to balance sheet accounts in accordance with regulatory accounting standards.

<i>In thousands</i>	2012		2011	
	Natural gas commodity <sup>(1)</sup>	Foreign exchange <sup>(2)</sup>	Natural gas commodity <sup>(1)</sup>	Foreign exchange <sup>(2)</sup>
Cost of sales	\$ (5,850)	\$ —	\$ (60,799)	\$ —
Other comprehensive income (loss)	—	65	—	(201)
Less:				
Amounts deferred to regulatory accounts on balance sheet	5,850	(65)	60,799	201
Total impact on earnings	\$ —	\$ —	\$ —	\$ —

<sup>(1)</sup> Unrealized gain (loss) from natural gas commodity hedge contracts is recorded in cost of sales and reclassified to regulatory deferral accounts on the balance sheet.

<sup>(2)</sup> Unrealized gain (loss) from foreign exchange forward purchase contracts is recorded in other comprehensive income, and reclassified to regulatory deferral accounts on the balance sheet.

No collateral was posted with or by our counterparties as of December 31, 2012 or 2011. We attempt to minimize the potential exposure to collateral calls by counterparties to manage our liquidity risk. Counterparties generally allow a certain credit limit threshold before requiring us to post collateral against loss positions. Given our counterparty credit limits and portfolio diversification, we have not been subject to collateral calls in 2011 or 2012. Our collateral call exposure is set forth under credit support agreements, which generally contain credit limits. We could also be subject to collateral call exposure where we have agreed to provide adequate assurance, which is not specific as to the amount of credit limit allowed, but could potentially require additional collateral in the event of a material adverse change. Based upon current contracts outstanding, which reflect unrealized losses of \$5.8 million at December 31, 2012, we have estimated the level of collateral demands, with and without potential adequate assurance calls, using current gas prices and various credit downgrade rating scenarios for NW Natural as follows:

<i>In thousands</i>	(Current Ratings) A+/A3	Credit Rating Downgrade Scenarios			
		BBB+/Baa1	BBB/Baa2	BBB-/Baa3	Speculative
With Adequate Assurance Calls	\$ —	\$ —	\$ —	\$ —	\$ 1,623
Without Adequate Assurance Calls	\$ —	\$ —	\$ —	\$ —	\$ 1,457

As of December 31, 2012 and 2011, we realized net losses of \$70.2 million and \$56.5 million, respectively, from the settlement of natural gas hedge contracts at maturity, which were recorded as increases to the cost of gas. The currency exchange rate in all foreign currency forward purchase contracts is included in our purchased cost of gas at settlement; therefore, no gain or loss is recorded from the settlement of those contracts.

We are exposed to derivative credit risk primarily through securing pay-fixed natural gas commodity swaps to hedge the risk of price increases for our natural gas purchases on behalf of customers. We utilize master netting arrangements through International Swaps and Derivatives Association contracts to minimize this risk along with collateral support agreements with counterparties based on their credit

ratings. In certain cases we require guarantees or letters of credit from counterparties in order for them to meet our minimum credit requirement standards.

Our financial derivatives policy requires counterparties to have a certain investment-grade credit rating at the time the derivative instrument is entered into, and the policy specifies limits on the contract amount and duration based on each counterparty's credit rating. We do not speculate with derivatives; instead we utilize derivatives to hedge our exposure above risk tolerance limits. Any increase in market risk created by the use of derivatives should be offset by the exposures they modify.

We actively monitor our derivative credit exposure and place counterparties on hold for trading purposes or require other



forms of credit assurance, such as letters of credit, cash collateral or guarantees as circumstances warrant. Our ongoing assessment of counterparty credit risk includes consideration of credit ratings, credit default swap spreads, bond market credit spreads, financial condition, government actions and market news. We utilize a Monte-Carlo simulation model to estimate the change in credit and liquidity risk from the volatility of natural gas prices. We use the results of the model to establish earnings-at-risk trading limits. Our credit risk for all outstanding derivatives at December 31, 2012 currently does not extend beyond February 2016.

We could become materially exposed to credit risk with one or more of our counterparties if natural gas prices experience a significant increase. If a counterparty were to become insolvent or fail to perform on its obligations, we could suffer a material loss, but we would expect such loss to be eligible for regulatory deferral and rate recovery, subject to prudence review. All of our existing counterparties currently have investment-grade credit ratings.

#### **Fair Value**

In accordance with fair value accounting, we include nonperformance risk in calculating fair value adjustments. This includes a credit risk adjustment based on the credit spreads of our counterparties when we are in an unrealized gain position, or on our own credit spread when we are in an unrealized loss position. The inputs in our valuation techniques include natural gas futures, volatility, credit default swap spreads and interest rates. Additionally, our assessment of non-performance risk is generally derived from the credit default swap market and from bond market credit spreads. The impact of the credit risk adjustments for all outstanding derivatives was immaterial to the fair value calculation at December 31, 2012. As of December 31, 2012 and 2011, the fair value was a liability of \$5.8 million and \$61.0 million, respectively, using significant other observable, or level 2, inputs. We have used no level 3 inputs in our derivative valuations. We did not have any transfers between level 1 or level 2 during the years ended December 31, 2012 and 2011.

### **14. COMMITMENTS AND CONTINGENCIES**

#### **Leases**

We lease land, buildings and equipment under agreements that expire in various years through 2108. Rental expense under operating leases was \$4.8 million, \$5.4 million and \$5.1 million for the years ended December 31, 2012, 2011 and 2010, respectively. The table below reflects the future minimum lease payments due under non-cancelable leases at December 31, 2012. These commitments relate principally to the lease of our office headquarters, underground gas storage facilities, vehicles and computer

equipment.

<i>In thousands</i>	Operating leases	Capital leases	Minimum lease payments
2013	\$ 5,415	\$ 547	\$ 5,962
2014	5,655	335	5,990
2015	5,498	136	5,634
2016	5,478	42	5,520
2017	5,474	1	5,475
Thereafter	33,187	—	33,187
Total	<u>\$ 60,707</u>	<u>\$ 1,061</u>	<u>\$ 61,768</u>

#### **Gas Purchase and Pipeline Capacity Purchase and Release Commitments**

We have signed agreements providing for the reservation of firm pipeline capacity under which we are required to make fixed monthly payments for contracted capacity. The pricing component of the monthly payment is established, subject to change, by U.S. or Canadian regulatory bodies. In addition, we have entered into long-term sale agreements to release firm pipeline capacity. We also enter into short-term and long-term gas purchase agreements. The aggregate amounts of these agreements were as follows at December 31, 2012:

<i>In thousands</i>	Gas Purchase Agreements	Pipeline Capacity Purchase Agreements	Pipeline Capacity Release Agreements
2013	\$ 104,443	\$ 90,823	\$ 3,464
2014	12,166	86,119	—
2015	—	72,707	—
2016	—	61,398	—
2017	—	48,503	—
Thereafter	—	240,929	—
Total	116,609	600,479	3,464
Less: Amount representing interest	129	87,263	—
Total at present value	<u>\$ 116,480</u>	<u>\$ 513,216</u>	<u>\$ 3,464</u>

Our total payments for fixed charges under capacity purchase agreements were \$94.3 million in 2012, \$94.2 million in 2011, and \$91.4 million in 2010. Included in the amounts were reductions for capacity release sales of \$4.2 million for 2012, \$3.1 million for 2011, and \$4.2 million for 2010. In addition, per-unit charges are required to be paid based on the actual quantities shipped under the agreements. In certain take-or-pay purchase commitments, annual deficiencies may be offset by prepayments subject to recovery over a longer term if future purchases exceed the minimum annual requirements.

#### **Environmental Matters**

See Note 15 Environmental Matters for a discussion of environmental commitments and contingencies.

## 15. ENVIRONMENTAL MATTERS

We own, or previously owned, properties that may require environmental remediation or action. We estimate the range of loss for environmental liabilities based on current remediation technology, enacted laws and regulations, industry experience gained at similar sites and an assessment of the probable level of involvement and financial condition of other potentially responsible parties. Due to the numerous uncertainties surrounding the course of environmental remediation and the preliminary nature of several site investigations, in some cases, we may not be able to reasonably estimate the high end of the range of possible loss. In those cases, we have disclosed the nature of the possible loss and the fact that the high end of the range cannot be reasonably estimated. Unless there is an estimate within a range of possible losses that is more likely than other cost estimates within that range, we record the liability at the low end of this range. It is likely that changes in these estimates and ranges will occur throughout the remediation process for each of these sites due to our continued evaluation and clarification concerning our responsibility, the complexity of environmental laws and regulations and the determination by regulators of remediation alternatives.

Environmental site remediation costs are deferred under regulatory approval from the OPUC and WUTC. In addition,

The following table summarizes information regarding liabilities related to environmental sites, which are recorded in other current liabilities and other noncurrent liabilities on the balance sheet at December 31:

<i>Thousands</i>	Current Liabilities		Non-Current Liabilities	
	2012	2011	2012	2011
Portland Harbor site:				
Gasco/Siltronic Sediments	\$ 2,207	\$ 1,614	\$ 36,087	\$ 35,797
Other Portland Harbor	1,767	1,893	3,160	7,066
Gasco Upland site	18,722	14,092	5,028	8,900
Siltronic Upland site	637	887	379	128
Central Service Center site	140	—	396	495
Front Street site	993	1,697	—	—
Oregon Steel Mills	—	—	185	120
Total	<u>\$ 24,466</u>	<u>\$ 20,183</u>	<u>\$ 45,235</u>	<u>\$ 52,506</u>

In addition, the following table presents information regarding the total amount of cash paid for environmental sites and the total regulatory asset deferred as of December 31:

<i>Thousands</i>	2012	2011
Cash paid	\$ 71,124	\$ 55,553
Total regulatory asset deferral <sup>(1)</sup>	126,482	105,670

<sup>(1)</sup> Total regulatory asset deferral includes cash paid, remaining liability, interest, and insurance reimbursement.

**PORTLAND HARBOR SITE.** The Portland Harbor is an EPA listed Superfund site that is approximately 11 miles

the OPUC authorized an SRRM that allows the Company to recover prudently incurred environmental site remediation costs, subject to an earnings test that will be defined in a future proceeding. Actual cost recovery under SRRM will depend upon future insurance recoveries, future expenditures, annual prudence reviews, and the impacts of any earnings test the OPUC may adopt in a subsequent proceeding. Cost recovery and carrying charges on amounts deferred for costs associated with services provided to Washington customers will be determined in a future proceeding. We annually review all regulatory assets for recoverability and more often if circumstances warrant. If we should determine that all or a portion of these regulatory assets no longer meet the criteria for continued application of regulatory accounting, then we would be required to write off the net unrecoverable balances against earnings in the period such determination is made.

In December 2010, NW Natural commenced litigation against certain of its historical liability insurers in Multnomah County Circuit Court, State of Oregon (see Item 3. Legal Proceedings). NW Natural seeks damages in excess of \$50 million in losses it has incurred to date, as well as declaratory relief for additional losses it expects to incur in the future.

long on the Willamette River and is adjacent to NW Natural's Gasco upland and Siltronic upland sites. We have been notified that we are a potentially responsible party to the Superfund site and we have joined with other potentially responsible parties (the Lower Willamette Group or LWG) to develop a Portland Harbor Remedial Investigation/ Feasibility Study (RI/FS). The LWG submitted a draft Feasibility Study (FS) to EPA in March 2012 that provides a range of remedial costs for the entire Portland Harbor Superfund Site, which includes the Gasco/Siltronic Sediment site, discussed below. The range of costs estimated for various remedial alternatives for the entire Portland Harbor, as provided in the draft FS, is \$169 million to \$1.8 billion. NW Natural's potential liability is a portion of the costs of the remedy EPA will select for the entire

Portland Harbor Superfund site. The cost of that remedy is expected to be allocated among more than 100 potentially responsible parties. NW Natural is participating in a non-binding allocation process in an effort to settle this potential liability. We manage our liability related to the Superfund site as two distinct remediation projects, the Gasco/Siltronic Sediment and Other Portland Harbor projects.

**Gasco/Siltronic Sediments.** In 2009, NW Natural and Siltronic Corporation entered into a separate Administrative Order on Consent with EPA to evaluate and design specific remedies for sediments adjacent to the Gasco upland and Siltronic upland sites. NW Natural submitted a draft Engineering Evaluation/Cost Analysis (EE/CA) to the EPA in May 2012 to provide the estimated cost of potential remedial alternatives for this site. At this time, the estimated costs for the various sediment remedy alternatives in the draft EE/CA range from \$38.3 million to \$350 million. We have recorded a liability of \$34.0 million for the sediment clean-up, which reflects the low end of the EE/CA range. We have recorded an additional liability of \$4.3 million for the additional studies and design work needed before the clean-up can occur, and for regulatory oversight throughout the clean-up. At this time, we believe sediments at this site represent the largest portion of our liability related to the Portland Harbor site, discussed above.

**Other Portland Harbor.** NW Natural incurs costs related to its membership in the LWG which is performing the RI/FS for EPA. NW Natural also incurs costs related to natural resource damages. In 2008, the Portland Harbor Natural Resource Trustee Council advised a number of potentially responsible parties that it intended to pursue natural resource damage claims at the Portland Harbor Superfund site. The Company and other parties have signed a cooperative agreement with the Natural Resource Trustees to participate in a phased natural resource damage assessment to estimate liabilities to support an early restoration-based settlement of natural resource damage claims. We have accrued a liability for these claims which is at the low end of the range of the potential liability. This liability is not included in the range of costs provided in the draft FS for the Portland Harbor.

**Gasco upland site.** NW Natural owns a former gas manufacturing plant that was closed in 1956 (Gasco site) and is adjacent to the Portland Harbor site described above. The Gasco site has been under investigation by us for environmental contamination under the ODEQ Voluntary Clean-Up Program. It is not included in the range of remedial costs for the Portland Harbor site. We manage the Gasco site in two parts, the uplands portion and the groundwater source control action.

In May 2007, we completed a revised Remedial Investigation Report for the uplands portion and submitted it to ODEQ for review. We have recognized a liability for this portion of the site remediation which is at the low end of the range of potential liability.

In 2012, ODEQ approved our final design remediation plan for the groundwater source control portion and we began construction in October 2012. Based on the information currently available for groundwater source control at the

Gasco site and our current assumptions regarding the effectiveness of the source control system, we have estimated a range of liability between \$14 million and \$30 million, for which we have recorded an accrued liability which is at the low end of the range of the potential liability. We are uncertain about the range due to potential additional ODEQ requirements and actions needed to meet those requirements, including uncertainty about how to meet the agreed standards set by ODEQ subsequent to the initial testing of the system and as part of the final remedy for the upland portion of the Gasco site.

**Other sites.** In addition to those sites above, we have environmental exposures at four other sites, Siltronic, Central Service Center, Front Street, and Oregon Steel Mills. Due to the uncertainty of the design of remediation, regulation, timing of the liabilities, and in the case of the Oregon Steel Mills site, pending litigation, liabilities for each of these sites has been recognized at their respective low end of the range of potential liability and the high end of the range cannot be reasonably estimated.

**Siltronic upland site.** Siltronic is the location of a manufactured gas plant formerly owned by NW Natural. We are currently conducting an investigation of manufactured gas plant wastes on the uplands at this site for the ODEQ.

**Central Service Center site.** We are currently performing an environmental investigation of the property under the ODEQ's Independent Cleanup Pathway. This site is on ODEQ's list of sites in which releases of hazardous substances have been confirmed and cleanup is necessary.

**Front Street site.** The Front Street site was the former location of a gas manufacturing plant we operated. Studies for source control investigation have been presented to ODEQ and a final sampling plan required by ODEQ is currently being developed.

**Oregon Steel Mills site.** See "Legal Proceedings," below.

#### Legal Proceedings

NW Natural is subject to claims and litigation arising in the ordinary course of business. Although the final outcome of any of these legal proceedings cannot be predicted with certainty, including the matter described below, NW Natural does not expect that the ultimate disposition of any of these matters will have a material effect on our financial condition, results of operations or cash flows as we would expect to receive insurance recovery or rate recovery. See also Part II, Item 1, "Legal Proceedings."

**OREGON STEEL MILLS SITE.** In 2004, NW Natural was served with a third-party complaint by the Port of Portland (the Port) in a Multnomah County Circuit Court case, Oregon Steel Mills, Inc. v. The Port of Portland. The Port alleges that in the 1940s and 1950s petroleum wastes generated by our predecessor, Portland Gas & Coke Company, and 10 other third-party defendants were disposed of in a waste oil disposal facility operated by the United States or Shaver Transportation Company on property then owned by the Port and now owned by Oregon Steel Mills. The complaint seeks contribution for unspecified

past remedial action costs incurred by the Port regarding the former waste oil disposal facility as well as a declaratory judgment allocating liability for future remedial action costs. No date has been set for trial. Although the final outcome of this proceeding cannot be predicted with certainty, we do not expect that the ultimate disposition of this matter will have a material effect on our financial condition, results of operations or cash flows.

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Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
Line No.	Item (a)	Total (b)		
1	<b>UTILITY PLANT</b>			
2	In Service			
3	Plant in Service (Classified)	2,095,554,516		
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified	325,934,534		
7	Experimental Plant Unclassified			
8	TOTAL Utility Plant (Total of lines 3 thru 7)	2,421,489,050		
9	Leased to Others			
10	Held for Future Use	264,641		
11	Construction Work in Progress	46,831,561		
12	Acquisition Adjustments			
13	TOTAL Utility Plant (Total of lines 8 thru 12)	2,468,585,252		
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,069,505,970		
15	Net Utility Plant (Enter Total of line 13 less 14)	1,399,079,282		
16	<b>DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION</b>			
17	In Service:			
18	Depreciation	997,092,269		
19	Amortization and Depl. of Producing Natural Gas Land and Land Rights			
20	Amortization. of Underground Storage Land and Land Rights	19,815		
21	Amortization. of Other Utility Plant	83,162,816		
22	Salvage Work In Progress			
23	Less Removal Work In Progress	10,768,930		
24	TOTAL In Service (Total of lines 18 thru 23)	1,069,505,970		
25	Leased to Others			
26	Depreciation			
27	Amortization and Depletion			
28	TOTAL Leased to Others (Total of lines 26 and 27)			
29	Held for Future Use			
30	Depreciation			
31	Amortization			
32	TOTAL Held for Future Use (Total of lines 30 and 31)			
33	Abandonment of Leases (Natural Gas)			
34	Amortization of Plant Acquisition Adjustment			
35	TOTAL Accumulated Provisions (Should agree with line 14 above) (Total of lines 24, 28, 32, 33, and 34)	1,069,505,970		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report	
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2012	
<b>SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)</b>				
Electric (c)	Gas (d)	Other (Specify) (e)	Common (f)	Line No.
				1
				2
	2,095,554,516			3
				4
				5
	325,934,534			6
				7
	2,421,489,050			8
				9
	264,641			10
	46,831,561			11
				12
	2,468,585,252			13
	1,069,505,970			14
	1,399,079,282			15
				16
				17
	997,092,269			18
				19
	19,815			20
	83,162,816			21
	-			22
	10,768,930			23
	1,069,505,970			24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
	1,069,505,970			35

**ACCOUNT SUMMARY BY FUNTIONAL CLASS**  
**NW Natural**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
<b>Intangible Plant</b>						
301 ORGANIZATION	\$1,174	\$0	\$0	\$0	\$0	\$1,174
302 FRANCHISES & CONSENTS	83,621	0	0	0	0	83,621
303.1 COMPUTER SOFTWARE	54,082,137	4,628,643	0	0	0	58,710,780
303.2 CUSTOMER INFORMATION SYSTEM	31,431,602	437,327	0	0	0	31,868,929
303.3 INDUSTRIAL & COMMERCIAL BIL	4,146,951	0	0	0	0	4,146,951
303.4 CRMS	1,401,734	374,610	0	0	0	1,776,345
303.5 POWERPLANT SOFTWARE	0	0	0	0	0	0
Intangible Plant Subtotal	91,147,220	5,440,580	0	0	0	96,587,800
<b>Production Plant - Oil Gas</b>						
304.1 LAND	24,998	0	0	0	0	24,998
305.2 P P O G STRU & IMPR-SEWER S	0	0	0	0	0	0
305.5 P P O G STRU & IMPR-OTHER Y	13,156	0	0	0	0	13,156
312.3 P P O G FUEL HANDLING AND S	0	0	0	0	0	0
318.3 P P O G LIGHT OIL REFINING	144,896	0	0	0	0	144,896
318.5 P P O G TAR PROCESSING	243,551	0	0	0	0	243,551
325 NATURAL GAS PROD AND GATHER	0	0	0	0	0	0
327 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
328 NATURAL GAS PROD AND GATHER	0	0	0	0	0	0
331 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
332 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
333 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
334 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
Production Plant - Oil Gas Subtotal	426,601	0	0	0	0	426,601
<b>Production Plant - Other</b>						
305.11 GAS PRODUCTION - COTTAGE G	8,320	0	0	0	0	8,320
305.17 STRUCTURES MIXING STATION	46,587	0	0	0	0	46,587
311 P P OTHER-LIQUEFIED PETROLE	0	0	0	0	0	0
311.4 P P OTHER-L P G GRANGER	0	0	0	0	0	0
311.7 LIQUIFIED GAS EQUIPMENT COO	4,033	0	0	0	0	4,033
311.8 LIQUIFIED GAS EQUIPMENT LIN	4,209	0	0	0	0	4,209
319 GAS MIXING EQUIPMENT GASCO	185,448	0	0	0	0	185,448
Production Plant - Other Subtotal	248,597	0	0	0	0	248,597



**ACCOUNT SUMMARY BY FUNTIONAL CLASS**  
**NW Natural**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
<b>Natural Gas Underground Storage</b>						
350.1 LAND	106,549	0	0	0	0	106,549
350.2 RIGHTS-OF-WAY	109,625	0	0	0	0	109,625
351 STRUCTURES AND IMPROVEMENTS	6,555,425	159,639	0	0	0	6,715,064
352 WELLS	20,047,076	0	0	0	0	20,047,076
352.1 STORAGE LEASEHOLD & RIGHTS	3,538,491	0	0	0	0	3,538,491
352.2 RESERVOIRS	5,130,395	0	0	714,223	0	5,844,618
352.3 NON-RECOVERABLE NATURAL GAS	6,440,890	0	0	0	0	6,440,890
353 LINES	6,552,220	0	0	0	0	6,552,220
354 COMPRESSOR STATION EQUIPMENT	27,957,660	0	0	789,309	0	28,746,969
355 MEASURING / REGULATING EQUIPM	6,471,635	0	0	229,257	0	6,700,892
356 PURIFICATION EQUIPMENT	297,363	0	0	0	0	297,363
357 OTHER EQUIPMENT	1,331,924	0	0	0	0	1,331,924
Natural Gas Underground Storage Subtotal	84,539,254	159,639	0	1,732,789	0	86,431,682
<b>Local Storage Plant</b>						
360.11 LAND - LNG LINNTON	83,598	0	0	0	0	83,598
360.12 LAND - LNG NEWPORT	536,675	0	0	0	0	536,675
360.2 LAND - OTHER	128,860	0	0	0	0	128,860
361.11 STRUCTURES & IMPROVEMENTS	4,468,983	71,983	0	0	0	4,540,966
361.12 STRUCTURES & IMPROVEMENTS	4,571,883	31,512	0	0	0	4,603,395
361.2 STRUCTURES & IMPROVEMENTS -	26,757	0	0	0	0	26,757
362.11 GAS HOLDERS - LNG LINNTON	2,690,579	0	0	0	0	2,690,579
362.12 GAS HOLDERS - LNG NEWPORT	5,791,956	0	0	0	0	5,791,956
362.2 GAS HOLDERS - LNG OTHER	1,600	0	0	0	0	1,600
363.11 LIQUEFACTION EQUIP. - LINN	2,848,702	63,434	0	0	0	2,912,136
363.12 LIQUEFACTION EQUIP - NEWPO	6,951,260	0	0	0	0	6,951,260
363.21 VAPORIZING EQUIP - LINNTON	2,629,836	0	0	0	0	2,629,836
363.22 VAPORIZING EQUIP - NEWPORT	3,594,015	0	0	0	0	3,594,015
363.31 COMPRESSOR EQUIP - LINNTON	180,903	0	0	0	0	180,903
363.32 COMPRESSOR EQUIPMENT - NE	300,951	0	0	0	0	300,951
363.41 MEASURING & REGULATING EQU	737,149	0	0	0	0	737,149
363.42 MEASURING & REGULATING EQU	113,414	0	0	0	0	113,414
363.5 CNG REFUELING FACILITIES	1,828,161	80,905	(103,353)	0	0	1,805,713
363.6 LNG REFUELING FACILITIES	739,473	0	0	0	0	739,473
Local Storage Plant Subtotal	38,224,755	247,834	(103,353)	0	0	38,369,237

**ACCOUNT SUMMARY BY FUNTIONAL CLASS**  
**NW Natural**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
<b>Transmission Plant</b>						
365.1 LAND	89,772	0	0	0	0	89,772
365.2 LAND RIGHTS	6,455,177	0	0	0	0	6,455,177
366.3 STRUCTURES & IMPROVEMENTS -	1,041,984	0	0	0	0	1,041,984
367 MAINS	42,620,320	30,495,504	0	0	0	73,115,823
367.21 NORTH MIST TRANSMISSION LI	1,993,874	708	0	0	0	1,994,582
367.22 SOUTH MIST TRANSMISSION LI	14,949,264	0	0	0	0	14,949,264
367.23 SOUTH MIST TRANSMISSION LI	34,007,331	873,240	0	0	0	34,880,570
367.24 11.7M S MIST TRANS LINE	17,466,182	0	0	0	0	17,466,182
367.25 12M NORTH S MIST TRANS	18,530,259	83,392	0	0	0	18,613,651
367.26 38M NORTH S MIST TRANS	68,232,676	0	0	0	0	68,232,676
368 TRANSMISSION COMPRESSOR	0	0	0	0	0	0
369 MEASURING & REGULATE STATION	3,661,168	201,994	0	0	0	3,863,162
370 COMMUNICATION EQUIPMENT	0	0	0	0	0	0
Transmission Plant Subtotal	209,048,007	31,654,837	0	0	0	240,702,844
<b>Distribution Plant</b>						
374.1 LAND	86,775	0	0	0	0	86,775
374.2 LAND RIGHTS	1,843,641	19,390	0	0	0	1,863,030
375 STRUCTURES & IMPROVEMENTS	80,217	0	0	0	0	80,217
376.11 MAINS < 4"	496,429,617	11,507,023	(260,936)	0	0	507,675,704
376.12 MAINS 4" & >	450,305,529	14,902,885	(3,746,279)	0	0	461,462,135
377 COMPRESSOR STATION EQUIPMENT	818,380	0	0	0	0	818,380
378 MEASURING & REG EQUIP - GENER	22,931,397	2,368,718	0	0	0	25,300,114
379 MEASURING & REG EQUIP - GATE	1,806,690	76,370	0	0	0	1,883,061
380 SERVICES	616,499,030	18,879,375	(689,693)	0	0	634,688,713
381 METERS	72,657,147	4,051,814	(442,790)	0	0	76,266,171
381.1 METERS (ELECTRONIC)	507,007	1,281,490	0	0	0	1,788,497
381.2 ERT (ENCODER RECEIVER TRANS	35,511,125	682,489	(479,487)	0	0	35,714,127
382 METER INSTALLATIONS	60,243,644	3,092,711	(1,809,044)	0	0	61,527,311
382.1 METER INSTALLATIONS (ELECTR	518,377	106,816	0	0	0	625,193
382.2 ERT INSTALLATION (ENCODER	9,882,631	0	(94,349)	0	0	9,788,281
383 HOUSE REGULATORS	619,596	155,177	0	0	0	774,773

**ACCOUNT SUMMARY BY FUNTIONAL CLASS**  
**NW Natural**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance	
<b>FERC Plant Account</b>							
386	OTHER PROPERTY ON CUSTOMERS P	0	0	0	0	0	
387.1	CATHODIC PROTECTION TESTING	154,483	0	0	0	154,483	
387.2	CALORIMETERS @ GATE STATIONS	96,424	0	0	0	96,424	
387.3	METER TESTING EQUIPMENT	72,671	0	0	0	72,671	
	<b>Distribution Plant Subtotal</b>	<b>1,771,064,382</b>	<b>57,124,258</b>	<b>(7,522,578)</b>	<b>0</b>	<b>1,820,666,061</b>	
<b>General Plant</b>							
389	LAND	2,850,886	6,866,829	(437,351)	0	9,280,364	
390	STRUCTURES & IMPROVEMENTS	26,641,985	9,108,687	(1,866,180)	0	33,884,492	
391.1	OFFICE FURNITURE & EQUIPMEN	10,638,940	632,469	0	0	11,271,409	
391.2	COMPUTERS	15,825,634	2,981,912	0	0	18,807,546	
391.3	ON SITE BILLING	938,788	0	0	0	938,788	
391.4	CUSTOMER INFORMATION SYSTEM	1,387,730	0	0	0	1,387,730	
392	TRANSPORTATION EQUIPMENT	23,666,199	5,633,876	(1,908,460)	0	27,391,614	
393	STORES EQUIPMENT	119,406	0	0	0	119,406	
394	TOOLS - SHOP & GARAGE EQUIPUI	13,637,498	1,684,531	0	0	15,322,029	
395	LABORATORY EQUIPMENT	68,293	0	0	0	68,293	
396	POWER OPERATED EQUIPMENT	7,189,771	854,208	(365,158)	0	7,678,821	
397	GEN PLANT-COMMUNICATION EQU	65,967	32,581	0	0	98,549	
397.1	MOBILE	1,295,887	0	(0)	0	1,295,887	
397.2	OTHER THAN MOBILE & TELEMET	1,759,910	0	0	0	1,759,910	
397.3	TELEMETERING - OTHER	4,038,502	205,321	0	0	4,243,823	
397.4	TELEMETERING - MICROWAVE	2,056,084	467	0	0	2,056,551	
397.5	TELEPHONE EQUIPMENT	2,066,580	150,095	0	0	2,216,676	
398	GEN PLANT-MISCELLANEOUS EQU	0	0	0	0	0	
398.1	PRINT SHOP	83,249	0	0	0	83,249	
398.2	KITCHEN EQUIPMENT	12,812	0	0	0	12,812	
398.3	JANITORIAL EQUIPMENT	14,873	46,547	0	0	61,420	
398.4	INSTALLED IN LEASED BUILDINGS	10,120	0	0	0	10,120	
398.5	OTHER MISCELLANEOUS EQUIPMENT	66,739	0	0	0	66,739	
	<b>General Plant Subtotal</b>	<b>114,435,854</b>	<b>28,197,524</b>	<b>(4,577,150)</b>	<b>0</b>	<b>138,056,228</b>	
<b>Utility Property Grand Total</b>		<b>\$2,309,134,669</b>	<b>\$122,824,672</b>	<b>(\$12,203,081)</b>	<b>\$1,732,789</b>	<b>\$0</b>	<b>\$2,421,489,050</b>

**ACCOUNT SUMMARY BY FUNTIONAL CLASS**  
**NW Natural**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
<b>Intangible Plant</b>						
303.1 COMPUTER SOFTWARE	163,357	0	0	0	0	163,357
303.2 CUSTOMER INFORMATION SYSTEM	61,429	0	0	0	0	61,429
Non Utility Intangible Plant Subtotal	224,786	0	0	0	0	224,786
<b>Natural Gas Underground Storage</b>						
352 WELLS	16,792,086	148,366	0	0	0	16,940,451
352.1 STORAGE LEASEHOLD & RIGHTS	1,020	0	0	0	0	1,020
352.2 RESERVOIRS	5,686,159	17,500	0	(714,223)	0	4,989,436
353 LINES	1,649,744	0	0	0	0	1,649,744
354 COMPRESSOR STATION EQUIPMENT	15,163,121	255,361	0	(789,309)	0	14,629,173
355 MEASURING / REGULATING EQUIPM	8,872,031	19,469	0	(229,257)	0	8,662,242
357 OTHER EQUIPMENT	63,256	0	0	0	0	63,256
Non Utility Natural Gas Underground Storage Subtotal	48,227,416	440,695	0	(1,732,789)	0	46,935,323
<b>Transmission Plant</b>						
368 TRANSMISSION COMPRESSOR	7,723,454	0	0	0	0	7,723,454
Non Utility Transmission Plant Subtotal	7,723,454	0	0	0	0	7,723,454
<b>Distribution Plant</b>						
376.12 MAINS 4" & >	878,618	0	0	0	0	878,618
Non Utility Distribution Plant Subtotal	878,618	0	0	0	0	878,618
<b>General Plant</b>						
389 LAND	438,739	0	0	0	0	438,739
390 STRUCTURES & IMPROVEMENTS	111,719	0	0	0	0	111,719
Non Utility General Plant Subtotal	550,458	0	0	0	0	550,458
<b>Non Utility Other</b>						
121.1 NON-UTIL PROP-DOCK	1,956,033	0	0	0	0	1,956,033
121.2 NON-UTIL PROP-LAND	125,102	0	0	0	0	125,102
121.3 NON-UTIL PROP-OIL ST	2,607,096	9,217	0	0	0	2,616,313

**ACCOUNT SUMMARY BY FUNCTIONAL CLASS**  
**NW Natural**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class	FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
121.7	NON-UTIL PROP-APPL CENTER	61,113	0	0	0	0	61,113
121.8	NON-UTIL PROP-STORAGE	384,149	0	(96,037)	0	0	288,112
<b>Non Utility Other</b>		<b>5,133,493</b>	<b>9,217</b>	<b>(96,037)</b>	<b>0</b>	<b>0</b>	<b>5,046,673</b>
<b>Non Utility Property Grand Total</b>		<b>\$62,738,226</b>	<b>\$449,912</b>	<b>(\$96,037)</b>	<b>(\$1,732,789)</b>	<b>\$0</b>	<b>\$61,359,312</b>

**Non Utility Property Summary**

Non Utility Property Grand Total	\$61,359,312
Gas Stored Underground - St. Helens	3,800,189
Construction Work in Progress Non Utility	<u>6,609,626</u>
<b>Balance Sheet Total for Non Utility Property</b>	<u><u>\$71,769,127</u></u>

<b>Name of Respondent</b>	<b>This Report Is:</b> X An Original A Resubmission	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company			Dec. 31, 2012

**Gas Property And Capacity Leased From Others**

1. Report below the information called for concerning gas property and capacity leased from others for gas operations.  
2. For all leases in which the average annual lease payment over the initial term of the lease exceeds \$500,000, describe in column (c), if applicable: the property or capacity leased. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessor (a)	(b)	Description of Lease (c)	Lease Payments for Current Year (d)
1	One Pacific Square LLC		Corporate Headquarters Building	3,937,126
2	Northwest Pipeline Corp.		Pipeline Capacity	46,843,070
3	TransCanada "Gas Trans. NW"		Pipeline Capacity	5,891,190
4	Tenaska Marketing Ventures		Pipeline Capacity	1,915,068
5	Tenaska Marketing Canada		Pipeline Capacity	24,512,409
6	TC Gas Storage		Pipeline Capacity	362,080
7	Shell Energy		Pipeline Capacity	658,800
8	Fortis (formerly Terasen)		Pipeline Capacity	9,009,966
9	KB Pipeline	*	Pipeline Capacity	224,258
10	Coos County Demand		Pipeline Capacity	260,389
11	International Paper		Pipeline Capacity	443,686
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43	<b>Total</b>			94,058,042

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> X An Original A Resubmission	<b>Date of Report</b>	<b>Year of Report</b> Dec. 31, 2012
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**Gas Property And Capacity Leased to Others**

1. for all leases in which the average lease income over the initial term of the lease exceeds \$500,000 provide in column (c), a description of each facility or leased capacity that is classified as gas plant in service, and is leased to others for gas operations.
2. In column (d) provide the lease payments received from others.
3. Designate associated companies with an asterick in column (b).

Line No.	Name of Lessor (a)	(b)	Description of Lease (c)	Lease Payments for Current Year (d)
1				
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3				
4	NOT APPLICABLE			
5				
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45	<b>Total</b>			0

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b> Dec. 31, 2012
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**Gas Plant Held for Future Use (Account 105)**

- Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other items of property held for future use.
- For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in this account (b)	Date Expected to be Used In Utility Service (c)	Balance at End of Year (d)
1				
2	Underground Storage	07/2009	undetermined	127,921
3	Easement	11/2011	undetermined	136,720
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50				264,641



<b>Name of Respondent</b>		<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012
<b>Construction Work in Progress-Gas (Account 107)</b>				
<p>1. Report below descriptions and balances at end of year of projects in process of construction (Account 107)</p> <p>2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).</p> <p>3. Minor projects (less than \$1,000,000) may be grouped.</p>				
Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)	
1	Misc Mains and Service Jobs	10,125,311	4,232,390	
2	Mist Underground Storage	7,080,903	120,360	
3	Other Projects:			
4	Misc IS Projects	5,259,842	1,371,986	
5	Corvallis Reinforcement	15,163,208	7,950,000	
6	Williams Gate Station	1,106,614	0	
7	Sherwood Build Project	2,323,935	14,270,000	
8	Other Projects	5,771,748	6,607,156	
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45	<b>Total</b>	46,831,561	34,551,892	

Name of Respondent	This Report is:	Date of Report	Year of Report
Northwest Natural Gas Company	<input checked="" type="checkbox"/> An Original		Dec. 31, 2012
	<input type="checkbox"/> A Resubmission		

**GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE**

<p>1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.</p>	<p>2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 917) of the Uniform System of Accounts.</p> <p>3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.</p>
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Annual Report of Northwest Natural Gas Company Year Ended December 31, 2012

**GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE**

1. a) Engineering Department overhead covers transmission and distribution system planning, design work, drafting and platting of construction work.

Distribution Department overhead covers transmission and distribution system work scheduling, field supervision and processing of work completed.

Administrative work overhead includes Purchasing, Accounting and general office expense.

General Services Department overhead covers planning and supervision of general plant improvements and facilities.

b) Charges during the year are segregated into overhead accounts based on the proportion of activity devoted to construction work.

c) Construction Overheads are being charged to individual work orders based upon overhead rates for different types of projects. Rates are determined by type of project using the annual capital budget and annual construction overhead budget.

d) Different rates are applied to different types of construction based on the annual capital budget for each type of plant.

e) Actual construction overhead rates applied to types of work in 2012	
a. Production, Storage, Transmission and Distribution plant	35 %
b. Meters	61 %
c. General Plant	13 %
d. Non-Utility Property	15 %

f) Direct assignment of construction overhead capitalized during 2012:  
    \$                      31,670,994

**ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC)**

AFUDC is applied to previous month's ending balance plus half of current month's expenditures of Construction Work in Progress (CWIP).

Name of Respondent Northwest Natural Gas Company		This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2012	Year of Report Dec. 31, 2012
<b>GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE (CONTINUED)</b>				
<b>COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES</b>				
For Line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.				
1. Components of Formula (Derived from actual book balances and actual cost rates):				
Line No.	Title (a)	Amount (b)	Capitalization Ration (percent) (c)	Cost Rte Percentage (d)
(1)	Average Short-Term Debt	S 126,913,000		
(2)	Short-Term Interest			s 0.26
(3)	Long-Term Debt	D 651,700,000		d 6.152
(4)	Preferred Stock	P 0		p 0
(5)	Common Equity	C 733,034,183		c 9.5
(6)	Total Capitalization		100.00	
(7)	Average Construction Work in Progress	W 46,485,256		
2. Gross Rates for Borrowed Funds $s(S/W)+d[(D/(D+P+C))(1-(S/W))]$			4.30	
3. Rate for Other Funds $[1-(S/W)] [p(P/(D+P+C))+c(C/(D+P+C))]$			8.70	
4. Weighted Average Rate Actually Used for the Year				
a. Rate for Borrowed Funds -			0.31	
b. Rate for Other Funds -				

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
NW NATURAL

Period Beginning: Jan 2012  
Period Ending: Dec 2012

Functional Class	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
FERC Plant Account								
<b>UTILITY</b>								
<b>Intangible Plant</b>								
301 ORGANIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302 FRANCHISES & CONSENTS	0	0	0	0	0	0	0	0
303.1 COMPUTER SOFTWARE	27,963,556	2,254,993	0	0	0	0	0	30,218,549
303.2 CUSTOMER INFORMATION SYSTEM	28,550,296	2,215,554	0	0	0	0	0	30,765,849
303.3 INDUSTRIAL & COMMERCIAL BIL	4,146,951	0	0	0	0	0	0	4,146,951
303.4 CRMS	1,401,734	39,874	0	0	0	0	0	1,441,608
303.5 POWERPLANT SOFTWARE	0	0	0	0	0	0	0	0
<b>Intangible Plant Subtotal</b>	<b>62,062,537</b>	<b>4,510,421</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>66,572,958</b>
<b>Production Plant - Oil Gas</b>								
304.1 LAND	0	0	0	0	0	0	0	0
305.2 P P O G STRU & IMPR-SEWER S	0	0	0	0	0	0	0	0
305.5 P P O G STRU & IMPR-OTHER Y	13,814	0	0	0	0	0	0	13,814
312.3 P P O G FUEL HANDLING AND S	0	0	0	0	0	0	0	0
318.3 P P O G LIGHT OIL REFINING	152,141	0	0	0	0	0	0	152,141
318.5 P P O G TAR PROCESSING	255,729	0	0	0	0	0	0	255,729
325 NATURAL GAS PROD AND GATHER	0	0	0	0	0	0	0	0
327 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
328 NATURAL GAS PROD AND GATHER	0	0	0	0	0	0	0	0
331 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
332 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
333 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
334 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
<b>Production Plant - Oil Gas Subtotal</b>	<b>421,683</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>421,683</b>
<b>Production Plant - Other</b>								
305.11 GAS PRODUCTION - COTTAGE G	8,736	0	0	0	0	0	0	8,736
305.17 STRUCTURES MIXING STATION	51,246	0	0	0	0	0	0	51,246
311 P P OTHER-LIQUEFIED PETROLE	(0)	(0)	0	0	0	0	0	(0)
311.4 P P OTHER-L P G GRANGER	0	0	0	0	0	0	0	0
311.7 LIQUIFIED GAS EQUIPMENT COO	8,066	0	0	0	0	0	0	8,066
311.8 LIQUIFIED GAS EQUIPMENT LIN	6,585	0	0	0	0	0	0	6,585
319 GAS MIXING EQUIPMENT GASCO	194,720	0	0	0	0	0	0	194,720
<b>Production Plant - Other Subtotal</b>	<b>269,353</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>269,353</b>

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS  
NW NATURAL

Period Beginning: Jan 2012  
Period Ending: Dec 2012

Functional Class	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
<b>UTILITY</b>								
<b>Natural Gas Underground Storage</b>								
350.1	0	0	0	0	0	0	0	0
350.2	18,040	1,776	0	0	0	0	0	19,815
351	2,072,376	113,349	0	0	0	0	0	2,185,725
352	9,315,665	414,974	0	0	0	0	0	9,730,639
352.1	1,230,738	69,001	0	0	0	0	0	1,299,739
352.2	1,245,146	112,692	0	0	0	128,909	0	1,486,747
352.3	2,714,352	121,089	0	0	0	0	0	2,835,441
353	2,366,202	135,012	0	0	0	0	0	2,501,213
354	12,943,818	757,866	0	0	0	256,980	0	13,958,663
355	3,442,995	143,769	0	0	0	75,075	0	3,661,839
356	188,197	7,375	0	0	0	0	0	195,572
357	675,543	30,368	0	0	0	0	0	705,911
Natural Gas Underground Storage Subtotal	36,213,072	1,907,269	0	0	0	460,965	0	38,581,306
<b>Local Storage Plant</b>								
360.11	0	0	0	0	0	0	0	0
360.12	0	0	0	0	0	0	0	0
360.2	0	0	0	0	0	0	0	0
361.11	946,022	243,909	0	0	0	0	0	1,189,931
361.12	1,824,626	142,953	0	0	0	0	0	1,967,578
361.2	8,631	466	0	0	0	0	0	9,097
362.11	2,009,439	63,229	0	0	0	0	0	2,072,668
362.12	4,808,411	157,541	0	0	0	0	0	4,965,952
362.2	1,088	21	0	0	0	0	0	1,109
363.11	2,215,009	82,422	0	0	0	0	0	2,297,431
363.12	6,893,189	57,019	0	0	0	0	0	6,950,209
363.21	2,477,403	36,821	0	0	0	0	0	2,514,225
363.22	2,605,814	1,002	0	0	0	0	0	2,606,816
363.31	171,402	12,845	0	0	0	0	0	184,247
363.32	177,107	14,176	0	0	0	0	0	191,282
363.41	596,915	295	0	0	0	0	0	597,210
363.42	114,984	828	0	0	0	0	0	115,812
363.5	1,828,161	107	(103,353)	0	0	0	0	1,724,915
363.6	739,473	0	0	0	0	0	0	739,473
Local Storage Plant Subtotal	27,417,674	813,632	(103,353)	0	0	0	0	28,127,954
<b>Transmission Plant</b>								
365.1	0	0	0	0	0	0	0	0
365.2	1,276,318	122,003	0	0	0	0	0	1,398,320
366.3	195,692	20,319	0	0	0	0	0	216,010
367	10,580,010	1,656,706	0	0	0	0	0	12,236,716
367.21	829,551	50,084	0	0	0	0	0	879,636
367.22	8,462,518	367,916	0	0	0	0	0	8,830,433
367.23	8,118,755	913,510	0	0	0	0	0	9,032,265

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
NW NATURAL

Period Beginning: Jan 2012  
Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
<b>UTILITY</b>								
367.24	11.7M S MIST TRANS LINE	3,010,007	452,566	0	0	0	0	3,462,572
367.25	12M NORTH S MIST TRANS	2,878,823	485,382	0	0	0	0	3,364,205
367.26	38M NORTH S MIST TRANS	10,776,925	1,774,797	0	0	0	0	12,551,723
368	TRANSMISSION COMPRESSOR	(9)	0	0	0	0	0	(9)
369	MEASURING & REGULATE STATION	921,515	99,544	0	0	0	0	1,021,059
370	COMMUNICATION EQUIPMENT	0	0	0	0	0	0	0
	<b>Transmission Plant Subtotal</b>	<b>47,050,104</b>	<b>5,942,826</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52,992,931</b>
<b>Distribution Plant</b>								
374.1	LAND	0	0	0	0	0	0	0
374.2	LAND RIGHTS	718,117	138,772	0	0	0	0	856,889
375	STRUCTURES & IMPROVEMENTS	79,335	433	0	0	0	0	79,768
376.11	MAINS < 4"	252,694,573	12,624,109	(260,936)	(885,994)	16,811	0	264,188,563
376.12	MAINS 4" & >	167,618,804	11,053,694	(3,746,279)	(1,082,936)	16,964	0	173,860,246
377	COMPRESSOR STATION EQUIPMENT	535,056	19,068	0	0	0	0	554,124
378	MEASURING & REG EQUIP - GENER	8,442,259	519,695	0	0	0	0	8,961,953
379	MEASURING & REG EQUIP - GATE	1,192,606	79,009	0	0	0	0	1,271,615
380	SERVICES	321,010,693	16,935,277	(689,693)	(2,784,271)	0	0	334,472,007
381	METERS	17,184,020	1,711,954	(442,790)	0	0	0	18,453,185
381.1	METERS (ELECTRONIC)	507,007	132,801	0	0	0	0	639,808
381.2	ERT (ENCODER RECEIVER TRANS	8,627,073	2,375,818	(479,487)	0	0	0	10,523,405
382	METER INSTALLATIONS	13,710,812	1,445,362	(1,809,044)	0	0	0	13,347,130
382.1	METER INSTALLATIONS (ELECTR	518,377	7,406	0	0	0	0	525,783
382.2	ERT INSTALLATION (ENCODER	2,228,090	654,797	(94,349)	0	0	0	2,788,538
383	HOUSE REGULATORS	46,724	19,216	0	0	0	0	65,939
386	OTHER PROPERTY ON CUSTOMERS P	0	0	0	0	0	0	0
387.1	CATHODIC PROTECTION TESTING	138,969	85	0	0	0	0	139,055
387.2	CALORIMETERS @ GATE STATIONS	96,424	0	0	0	0	0	96,424
387.3	METER TESTING EQUIPMENT	72,671	0	0	0	0	0	72,671
	<b>Distribution Plant Subtotal</b>	<b>795,421,611</b>	<b>47,717,496</b>	<b>(7,522,578)</b>	<b>(4,753,200)</b>	<b>33,774</b>	<b>0</b>	<b>830,897,103</b>
<b>General Plant</b>								
389	LAND	0	0	0	0	437,351	0	437,351
390	STRUCTURES & IMPROVEMENTS	8,699,239	555,461	(1,866,180)	0	844,509	0	8,233,029
391.1	OFFICE FURNITURE & EQUIPMEN	6,091,652	866,673	0	0	0	0	6,958,326
391.2	COMPUTERS	11,937,639	2,837,782	0	0	0	0	14,775,421
391.3	ON SITE BILLING	938,788	0	0	0	0	0	938,788
391.4	CUSTOMER INFORMATION SYSTEM	695,871	261,678	0	0	0	0	957,549
392	TRANSPORTATION EQUIPMENT	9,271,771	1,257,081	(1,908,460)	0	240,524	0	8,860,916
393	STORES EQUIPMENT	119,406	0	0	0	0	0	119,406
394	TOOLS - SHOP & GARAGE EQUIPUI	6,222,185	1,003,520	0	0	8,409	0	7,234,114
395	LABORATORY EQUIPMENT	66,281	2,012	0	0	0	0	68,293

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
NW NATURAL

Period Beginning: Jan 2012  
Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
<b>UTILITY</b>								
396 POWER OPERATED EQUIPMENT	3,811,967	145,759	(365,158)	0	92,512	0	0	3,685,080
397 GEN PLANT-COMMUNICATION EQU	10,908	5,373	0	0	0	0	0	16,281
397.1 MOBILE	1,195,683	8,812	(0)	0	0	0	0	1,204,495
397.2 OTHER THAN MOBILE & TELEMET	1,591,942	75,324	0	0	0	0	0	1,667,266
397.3 TELEMETERING - OTHER	3,093,760	2,878	0	0	0	0	0	3,096,638
397.4 TELEMETERING - MICROWAVE	1,882,654	21,388	0	0	0	0	0	1,904,042
397.5 TELEPHONE EQUIPMENT	2,066,580	11,144	0	0	0	0	0	2,077,725
398 GEN PLANT-MISCELLANEOUS EQU	0	0	0	0	0	0	0	0
398.1 PRINT SHOP	83,249	0	0	0	0	0	0	83,249
398.2 KITCHEN EQUIPMENT	985	525	0	0	0	0	0	1,510
398.3 JANITORIAL EQUIPMENT	14,873	401	0	0	0	0	0	15,274
398.4 INSTALLED IN LEASED BUILDINGS	10,120	0	0	0	0	0	0	10,120
398.5 OTHER MISCELLANEOUS EQUIPMENT	66,739	0	0	0	0	0	0	66,739
General Plant Subtotal	57,872,293	7,055,814	(4,139,799)	0	1,623,305	0	0	62,411,612
Utility Property Grand Total	\$1,026,728,327	\$67,947,459	(\$11,765,730)	(\$4,753,200)	\$1,657,079	\$460,965	\$0	\$1,080,274,900

**NON UTILITY**

<b>Intangible Plant</b>								
303.1 COMPUTER SOFTWARE	\$10,089	\$7,041	\$0	\$0	\$0	\$0	\$0	\$17,130
303.2 CUSTOMER INFORMATION SYSTEM	20,850	4,275	0	0	0	0	0	25,126
Non Utility Intangible Plant Subtotal	30,940	11,316	0	0	0	0	0	42,256
<b>Natural Gas Underground Storage</b>								
352 WELLS	1,846,599	349,937	0	0	0	0	0	2,196,536
352.1 STORAGE LEASEHOLD & RIGHTS	102	20	0	0	0	0	0	122
352.2 RESERVOIRS	871,686	101,780	0	0	0	(128,909)	0	844,556
353 LINES	185,289	33,994	0	0	0	0	0	219,282
354 COMPRESSOR STATION EQUIPMENT	3,832,043	394,859	0	0	0	(256,980)	0	3,969,922
355 MEASURING / REGULATING EQUIPM	1,199,168	189,350	0	0	0	(75,075)	0	1,313,443
357 OTHER EQUIPMENT	2,945	1,442	0	0	0	0	0	4,387
Non Utility Natural Gas Underground Storage Subtotal	7,937,831	\$1,071,382	\$0	\$0	\$0	(\$460,965)	\$0	8,548,248

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS  
NW NATURAL

Period Beginning: Jan 2012  
Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
<b>NON UTILITY</b>								
<b>Transmission Plant</b>								
368 TRANSMISSION COMPRESSOR	\$893,901	238,655	0	0	0	0	0	\$1,132,556
Non Utility Transmission Plant Subtotal	893,901	\$238,655	\$0	\$0	\$0	\$0	\$0	\$1,132,556
<b>Distribution Plant</b>								
376.12 MAINS 4" & >	108,160	21,272	0	0	0	0	0	129,432
Non Utility Distribution Plant Subtotal	108,160	\$21,272	\$0	\$0	\$0	\$0	\$0	\$129,432
<b>General Plant</b>								
389 LAND	\$0	0	0	0	0	0	0	0
390 STRUCTURES & IMPROVEMENTS	15,604	2,033	0	0	0	0	0	17,637
Non Utility General Plant Subtotal	15,604	2,033	0	0	0	0	0	17,637
<b>Non Utility Other</b>								
121.1 NON-UTIL PROP-DOCK	1,837,760	41,468	0	0	0	0	0	1,879,228
121.2 NON-UTIL PROP-LAND	0	0	0	0	0	0	0	0
121.3 NON-UTIL PROP-OIL ST	2,201,485	3,289	0	0	0	0	0	2,204,774
121.7 NON-UTIL PROP-APPL CENTER	13,165	4,219	0	0	0	0	0	17,385
121.8 NON-UTIL PROP-STORAGE	(1)	0	0	0	0	0	0	(1)
Non Utility Other	4,052,409	\$48,976	\$0	\$0	\$0	\$0	\$0	4,101,384
<b>Non Utility Property Grand Total</b>	<b>\$13,038,843</b>	<b>\$1,393,635</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$460,965)</b>	<b>\$0</b>	<b>\$13,971,513</b>

TOTAL SUMMARY ALL UTILITY DEPRECIATION RESERVES 12/31/2012

UTILITY

108010	(\$21,737,276)
108011	811,485,881
108012	10,855,762
108013	(2,037,787)
108014	(136,482)
108015	3,749,011
108100	280,304,479
108002	(2,324,180)
108003	36,770
108004	78,721
108666	-
<b>SUBTOTAL</b>	<b>\$1,080,274,900</b>
<b>ADD:</b>	
108001 REMOVAL WORK IN PROCESS	(10,768,930)
<b>TOTAL UTILITY DEPRECIATION RESERVES</b>	<b>\$1,069,505,970</b>



**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS  
NW NATURAL**

Period Beginning: Jan 2012  
Period Ending: Dec 2012

Functional Class	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
<b>TOTAL SUMMARY ALL NON-UTILITY DEPRECIATION RESERVES</b>								
<b>NON UTILITY</b>								
122027	4,161,279							
122028	8,942,024							
122100	908,807							
122002	(40,596)							
<b>TOTAL NON UTILITY DEPRECIATION RESERVES</b>								<u><u>13,971,513</u></u>

Name of Respondent				This Report Is:		Date of Report		Year of Report						
Northwest Natural Gas Company				X An Original A Resubmission		(Mo, Da, Yr)		Dec. 31, 2012						
GAS STORED (ACCOUNTS 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, AND 164.3)														
1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g) and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.					2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.					3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).				
Line No.	Description	(Account 117.1, 117.2, 117.3, 117.4, 117.5, 117.6, 117.7, 117.8)	(Account (c))	Noncurrent (Account (d))	(Account (e))	Current (Account (f))	LNG (Account (g))	LNG (Account (h))	Total (i)					
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)					
1	Balance at Beginning of Year	14,067,641				55,477,952	9,843,598	0	79,389,191					
2	Gas Delivered to Storage	221,037				15,897,511	743,900	0	16,862,448					
3	Gas Withdrawn from Storage	156,316				22,402,024	1,426,422	0	23,984,762					
4	Other Debits and Credits	0				606,556	0	0	606,556					
5	Balance at End of Year	14,132,362				49,579,995	9,161,076	0	72,873,433					
6	Dekatherms	11,014,292				15,244,389	1,801,481	0	28,060,162					
7	Amount Per Dekatherm	1.28				3.25	5.09	0	2.60					

Footnotes:

1. Independent engineering studies are the basis for separation between noncurrent and current inventory.
2. See Notes to consolidated Financial Statements for method used to report inventories of gas in storage (page 122-A).

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<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**INVESTMENTS (Accounts 123, 124, 136)**

- |   |   |
|---|---|
| <p>1. Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.</p> <p>2. Provide a subheading for each account and list thereunder the information called for:</p> <p>(a) Investment in Securities - List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of</p> | <p>Directors, and included in Account 124, Other Investments, state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.</p> <p>(b) Investment Advances - Report separately for each person or company the amounts of loans or investment advances which are properly includable in Account 123. Include advances subject to current repayment in account 145 and 146. With respect to each advance, show whether the advance is a note or open account.</p> |
|---|---|

Line No.	Description of Investment (a)	*	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.) (c)	Purchases or Additions During Year (d)
1	Account 123		None	
2				
3	Account 124			
4				
5	Investment - Encana Gas Reserve - 124045		48,594,396	43,582,150
6	Amortization of Encana Gas Reserve - 124046		(1,143,368)	-
7				
8				
9				
10				
11	Investment in Life Insurance (transfer from 186 Deferred Debits) - 124100-124109		51,911,292	8,918,785
12				
13				
14	Investment in Vancouver Land - 124301		1,862,179	-
15				
16				
17				
18	Total Account 124		101,224,499	52,500,935
19				
20				
21				
22				
23	Account 136 Temporary Cash Investments			
24				
25	Marketable Securities - 136002, 136032		89	-
26				
27	OLGA Investment Account - 136100		320,223	2,396,779
28				
29	OLIEE Investment Account - 136104		1,697,379	1,883,125
30				
31	Smart Inv - 136105		80,700	979,023
32				
33	Total Account 136		2,098,391	5,258,927
34				
35				
36				
37				
38				
39				
40				

<b>Name of Respondent</b>	<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**INVESTMENTS (Accounts 123, 124, 136) (Continued)**

List each note giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.

3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.

4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.

5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.

6. In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (h).

Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of year (f)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)	Line No.
		None	None		1
					2
					3
-	92,176,546	92,176,546			4
6,339,744	(7,483,112)	(7,483,112)			5
					6
					7
					8
					9
9,391,546	51,438,531	51,438,531			10
					11
					12
-	1,862,179	1,862,179			13
					14
					15
					16
15,731,290	137,994,144	137,994,144	-		17
					18
					19
					20
					21
					22
-	89	89			23
					24
2,250,647	466,355	466,355			25
					26
1,840,368	1,740,136	1,740,136			27
					28
971,664	88,059	88,059			29
					30
					31
					32
5,062,679	2,294,639	2,294,639	-		33
					34
					35
					36
					37
					38
					39
					40

<b>Name of Respondent</b>		<b>This Report Is:</b>		<b>Date of Report</b>		<b>Year of Report</b>	
Northwest Natural Gas Company		X An Original A Resubmission		(Mo, Da, Yr)		Dec. 31, 2012	
<b>INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1)</b>							
1. Report below investments in Accounts 123.1, Investments in Subsidiary Companies.				(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.			
2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h). (a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.				3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.			
Line No.	Description of Investment (a)			Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)	
1	NNG Financial Corporation			6/28/1990		870,106	
2	(Short term Financing and Investments)						
3							
4	Northwest Natural Energy LLC			5/26/2009		172,355,978	
5	(Holding Company)						
6							
7	Northwest Biogas, LLC			3/23/2009		150,000	
8	(Biodigester Company)						
9							
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39							
40	TOTAL Cost of Account 123.1				Total	173,376,084	

Name of Respondent	This Report Is:	Date of Report	Year of Report	
Northwest Natural Gas Company	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012	
<b>INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)</b>				
<p>4. Designate in a footnote any securities, notes, or accounts that were pledged and purpose of pledge.</p> <p>5. If commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.</p> <p>6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.</p> <p>7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including interest adjustment includible in column (f).</p> <p>8. Report on Line 40, column (a) the total cost of Account 123.1.</p>				
Equity in Subsidiary Earnings for Year (e)	Additional Investment for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
67,106	0	937,212		1
(3,034,102)	3,225,000	172,546,876		2
0	0	150,000		3
				4
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<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report (Mo, Da, Yr)</b> Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**PREPAYMENTS (Account 165)**

1. Report below the particulars (details) on each prepayment.

Line No.	(a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	2,288,580
2	Prepaid Demand Charges	2,044,000
3	Prepaid Taxes	9,087,676
4	Miscellaneous Prepayments	1,591,537
5	<b>TOTAL</b>	<b>15,011,793</b>

**EXTRAORDINARY PROPERTY LOSSES (Account 182.1)**

Line No.	Description of Extraordinary Loss [Include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr)] (a)	Balance at Beginning of Year (b)	Total Amount of Loss (c)	Losses Recognized During Year (d)	WRITTEN OFF DURING YEAR		Balance at End of Year (g)
					Account Charged (e)	Amount (f)	
7	None						
8							
9							
10							
11							
12							
13							
14							
15	<b>TOTAL</b>						<b>0</b>

**UNRECOVERED PLANT AND REGULATORY STUDY COSTS (Account 182.2)**

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr)] (a)	Balance at Beginning of Year (b)	Total Amount of Charges (c)	Costs Recognized During Year (d)	WRITTEN OFF DURING YEAR		Balance at End of Year (g)
					Account Charged (e)	Amount (f)	
16	None						
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	<b>TOTAL</b>						<b>0</b>



<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b> Dec. 31, 2012
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**OTHER REGULATORY ASSETS (ACCOUNT 182.3)**

- Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).
- For regulatory assets being amortized, show period of amortization in column (a).
- Minor items (5% of the Balance at End of Year for account 182.3 or amounts less than \$250,000, whichever is less) may be grouped by classes.
- Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.

Line No.	Description and Purpose of Other Regulatory Assets  (a)	Balance at Beginning Year  (b)	Debits (Credits)  (c)	Written off During Quarter/Year Account Charged  (d)	Written off During the Period Amount  (e)	Balance at End of Current Year  (f)
1						
2						
3	DEFERRED TAX LIABILITY (Page 261B-2)	\$ 65,754,598	\$ (3,187,000)	283013-283016	\$ (2,314,587)	60,253,011
4						
5	AMT DEFERRED TAX LIABILITY	76,363	(360,729)	283011	-	(284,366)
6						
7	DEFERRED TAX LIABILITY (Page 261B-2)	\$ 65,830,961	\$ (3,547,729)		\$ (2,314,587)	\$ 59,968,645
8						
9	LESS: AMT DEFERRED TAX LIABILITY	(76,363)	360,729	283011	-	284,366
10						
11	FAS 109 TAX RATE ADJUSTMENT	2,700,214	-	186016	(2,700,214)	-
12						
13	REGULATORY DEFERRED TAX ASSET (Page 111 Line 69)	\$ 68,454,812	\$ (3,187,000)		\$ (5,014,801)	\$ 60,253,011
14						
15						
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41						
42	TOTAL	\$ 68,454,812	\$ (3,187,000)		\$ (5,014,801)	\$ 60,253,011

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Northwest Natural Gas Company		X An Original A Resubmission		(Mo, Da, Yr)		Dec. 31, 2012	
MISCELLANEOUS DEFERRED DEBITS (Account 186)							
1. Report below the details called for concerning miscellaneous deferred debits.				of amortization in column (a).			
2. For any deferred debit being amortized, show period				3. Minor items (less than \$250,000) may be grouped by classes.			
Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Yr (b)	DEBITS		CREDITS		Balance at End of Year (f)
			Amount (c)	Account Charged (d)	Amount (e)		
1							
2	Pension and Other Retirement Benefits	186,003,626	29,422,664		15,491,386		199,934,904
3							
4	Pension Deferral	6,007,909	9,378,943		364,949		15,021,903
5							
6	Environmental	75,252,056	9,568,111		15,119,575		69,700,592
7							
8	Regulatory Receivable - Environmental	35,279,439	21,987,690		485,474		56,781,655
9							
10	Deferred Derivative Activity	63,853,000	118,054,586		170,533,586		11,374,000
11							
12	Leasehold Improvements Amortized Over Remaining Life	2,381,716	442,181		801,453		2,022,444
13							
14	AMR Deferral	65,707	680,323		64		745,966
15							
16	Margin Sharing **	(10,199,507)	12,735,705		2,536,198		-
17							
18	Unbilled Revenue	(769,225)	8,315,601		8,248,647		(702,271)
19							
20	Other	(647,513)	11,733,208		11,131,001		(45,306)
21							
22	OR - Decoupling	24,075,401	33,239,184		39,677,480		17,637,105
23							
24	OR - SB408 Activity	3,552,170	566,390		4,118,560		-
25							
26	OR - Deferred Industrial DSM	3,393,279	3,695,336		3,768,858		3,319,757
27							
28	OR - Earnings Test Estimate	(1,682,915)	2,546,658		1,686,961		(823,218)
29							
30	OR - Gas Inventory Carrying Costs	0	1,080,891		2,008		1,078,883
31							
32	OR - Warm	(102,229)	723,002		352,496		268,277
33							
34	WA - Energy Efficiency	1,083,378	2,132,061		1,273,311		1,942,128
35							
36	WA - Low Income	412,213	1,010,493		1,027,113		395,593
37							
38	** Note - Certain balances have been reclassified and/or renamed when compared to the prior year.						
39	Margin Sharing was reclassified to Misc Current and Accrued Liabilities (Account 242)						
40							
41	TOTAL	387,958,505	267,313,027		276,619,120		378,652,412

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<b>Name of Report</b> Northwest Natural Gas Company	<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b> Dec. 31, 2012
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**Accumulated Deferred Income Taxes (Account 190)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (specify), include deferrals relating to other income and deductions.
3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric			
3	Gas			
4				
5	Total (Total of lines 2 thru 4)			
6				
7	TOTAL Account 190 (Total of lines 5 thru 6)			
8	Classification of TOTAL			
9	Federal Income Tax			
10	State Income Tax			
11	Local Income Tax			
	<b>See FERC Annual Report pages 276-277</b>			

Name of Respondent Northwest Natural Gas Company	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2012
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**Accumulated Deferred Income Taxes (Account 190) (continued)**

Changes During Year Amounts Debited to Account 410.2 (e)	Changes During Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)	Line No.
							1
							2
							3
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							11
See FERC Annual Report pages 276-277							

Name of Report Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2012
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**CAPITAL STOCK (Account 201 and 204)**

- |  |   |
|--|---|
| <p>1. Report below the detail called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.</p> | <p>2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.</p> <p>3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.</p> |
|--|---|

Line No.	Class and Series of Stock and Name of Stock Exchange	Number of Shares Authorized by Charter	Par or Stated Value Per Share	Call Price at End of Year
	(a)	(b)	(c)	(d)
1	<b>Common Stock</b>	100,000,000	N/A	
2				
3				
4				
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<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr) Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**CAPITAL STOCK (Accounts 201 and 204) (Continued)**

- |  |  |
|--|--|
| <p>4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.</p> <p>5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.</p> | <p>6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.</p> |
|--|--|

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent.)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
26,917,085	354,901,381					1
						2
						3
						4
						5
						6
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<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION,  
PREMIUM ON CAPITAL STOCK, AND INSTALLMENTS RECEIVED ON CAPITAL STOCK  
(Accounts 202, 203, 205, 206, 207 and 212)**

- |  |   |
|--|---|
| <p>1. Show for each of the above accounts the amounts applying to each class and series of capital stock.</p> <p>2. For Account 202, Common Stock Subscribed, and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year.</p> <p>3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203,</p> | <p>Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of the year.</p> <p>4. For Premium on Account 207, Capital Stock, designate with an asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.</p> |
|--|---|

Line No.	Name of Account and Description of Item (a)	* (b)	Number of Shares (c)	Amount (d)
1	Account 202 - Common Stock Subscribed			NONE
2				
3	Account 205 - Preferred Stock Subscribed			NONE
4				
5	Account 203 and 206 - Capital Stock Liability for Conversion			NONE
6				
7	Account 207 - Premium on Capital Stock:			NONE
8				
9				
10	Account 212 - Installments Received on Capital Stock			
11				
12	Installments Received Under Employee Purchase Plan			20,215
13	Installments Received Under Dividend Reinvestment Plan			-
14	Total Installments Received on Capital Stock (Account 212)			20,215
15				
16				
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38				
39	TOTAL			20,215



<b>Name of Respondent</b>	<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**OTHER PAID IN CAPITAL (Accounts 208 - 211)**

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) Donations Received from Stockholders (Account 208) - State amount and give briefly explain the origin and purpose of each donation.

(b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and give briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Account 208 - Donations Received from Stockholders	NONE
2		
3	Account 209 - Reduction in Par or Stated Value of Capital Stock	NONE
4		
5	Account 210 - Gain on Resale or Cancellation of Reacquired Capital Stock	
6		
7	Balance At Beginning of Year	1,649,864
8		
9	Credit:	
10		
11		
12	Debit:	
13		
14	Balance at End of Year	1,649,864
15		
16		
17	Account 211 - Miscellaneous Paid-In Capital	None
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
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29		
30		
31		
32		
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35		
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39		
40	<b>TOTAL</b>	<b>1,649,864</b>

<b>Name of Respondent</b>	<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)**

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. Use as many rows as necessary to report all data.  
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off during the year and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	N/A	-
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		

**CAPITAL STOCK EXPENSE (ACCOUNT 214)**

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. Use as many rows as necessary to report all data. Number the rows in sequence starting from the last row number used for Discount on Capital Stock above.  
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
16	Capital Stock Expense	-
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
	<b>TOTAL</b>	-

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report (Mo, Da, Yr)</b>	<b>Year of Report</b> Dec. 31, 2012
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**SECURITIES ISSUED OR ASSUMED AND  
SECURITIES REFUNDED OR RETIRED DURING THE YEAR**

1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses.
2. Provide details showing the full accounting for the total principal amounts, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.
3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.
4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.
5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

<b>Class of Security</b>	<b>Underwriter of Payee</b>	<b>Date</b>	<b>Stated or Par Value per Share</b>	<b>Number of Shares</b>	<b>Principal Amount or Par Value</b>
<u>Debt Securities Issued</u>					
4.000% Series	Issued by Company	10/15/2012	N/A	N/A	\$ 50,000,000
	<b>Total Debt Issued</b>				
<u>Debt Securities Retired</u>					
7.130% Series B	Reacquired by Company	3/26/2012	N/A	N/A	\$ 40,000,000
	<b>Total Debt Retired</b>				
<u>Common Stock</u>					
Common stock issuance expenses:					
Stock option plan	Issued by Company		N/A	46,825	\$ 1,902,066
ESPP	Issued by Company		N/A	18,157	\$ 721,196
DRPP	Issued by Company		N/A	96,002	\$ 4,427,050
Stock repurchase	Reacquired by Company		N/A	-	\$ -
	<b>Total Common Stock</b>			<u>160,984</u>	<u>\$ 7,050,312</u>

<b>Name of Respondent</b>	<b>This Report Is:</b> X An Original A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			Dec. 31, 2012

**LONG-TERM DEBT (Account 221, 222, 223, and 224)**

- |  |  |
|--|--|
| <p>1. Report by Balance Sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.</p> <p>2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> | <p>3. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.</p> |
|--|--|

Line No.	Class and Series of Obligation and Name of Stock Exchange  (a)	Date of Maturity  (c)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (d)
1	<b>Account 221</b>		
2	First Mortgage Bonds		
3			
4			
5	7.130% Series B	Redeemed	Redeemed
6	8.260% Series B	09-21-2014	10,000,000
7	3.950% Series B	07-15-2014	50,000,000
8	4.700% Series B	06-22-2015	40,000,000
9	5.150% Series B	12-15-2016	25,000,000
10	7.000% Series B	08-01-2017	40,000,000
11	6.600% Series B	03-16-2018	22,000,000
12	8.310% Series B	09-21-2019	10,000,000
13	7.630% Series B	12-09-2019	20,000,000
14	5.370% Series B	02-01-2020	75,000,000
15	9.050% Series A	08-13-2021	10,000,000
16	3.176% Series B	9-15-2021	50,000,000
17	5.620% Series B	11-21-2023	40,000,000
18	7.720% Series B	09-01-2025	20,000,000
19	6.520% Series B	12-01-2025	10,000,000
20	7.050% Series B	10-15-2026	20,000,000
21	7.000% Series B	05-21-2027	20,000,000
22	6.650% Series B	11-10-2027	19,700,000
23	6.650% Series B	06-01-2028	10,000,000
24	7.740% Series B	08-29-2030	20,000,000
25	7.850% Series B	09-01-2030	10,000,000
26	5.820% Series B	09-24-2032	30,000,000
27	5.660% Series B	02-25-2033	40,000,000
28	5.250% Series B	06-21-2035	10,000,000
29	4.000% Series	10-31-2042	50,000,000
30			
31			
32			
33			
34			
35			
36			
37	Total First Mortgage Bonds		651,700,000
38			
39	<b>Account 239</b>		
40	Less: Debt due with-in one year		-
41			
42			
43			
44			
45			
46			
47			
48			
49	<b>Account 222 and 223</b>		
50	None		
51	TOTAL		651,700,000

Name of Respondent		This Report Is:		Date of Report (Mo, Da, Yr)		Year of Report		
Northwest Natural Gas Company		X An Original A resubmission				Dec. 31, 2012		
<b>LONG-TERM DEBT (Accounts 221, 222, 223 and 224) (Continued)</b>								
5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.				at end of year, describe such securities in a footnote.				
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.				8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.				
7. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding				9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.				
INTEREST FOR YEAR			HELD BY RESPONDENT					
Rate (in %)	Amount	Reacquired Bonds (Acct. 222)	Sinking and Other Funds	Redemp- tion Price Per \$100 at End of Year	Line No.			
(e)	(f)	(g)	(h)	(i)				
					1			
					2			
					3			
					4			
7.130%	673,389			N/A	5			
8.260%	826,000			N/A	6			
3.950%	1,975,000			N/A	7			
4.700%	1,880,000			N/A	8			
5.150%	1,287,500			N/A	9			
7.000%	2,800,000			N/A	10			
6.600%	1,452,000			N/A	11			
8.310%	831,000			N/A	12			
7.630%	1,526,000			N/A	13			
5.370%	4,027,500			N/A	14			
9.050%	905,000			N/A	15			
3.176%	1,581,877			N/A	16			
5.620%	2,248,000			N/A	17			
7.720%	1,544,000			N/A	18			
6.520%	652,000			N/A	19			
7.050%	1,410,000			N/A	20			
7.000%	1,400,000			N/A	21			
6.650%	1,310,050			N/A	22			
6.650%	665,000			N/A	23			
7.740%	1,548,000			N/A	24			
7.850%	784,460			N/A	25			
5.820%	1,746,000			N/A	26			
5.660%	2,264,000			N/A	27			
5.250%	525,000			N/A	28			
4.000%	338,887			N/A	29			
					30			
					31			
					32			
					33			
					34			
					35			
					36			
	36,200,663				37			
					38			
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					49			
					50			
	36,200,663				51			

Name of Respondent		This Report Is:	Date of Report	Year of Report	
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012	
UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)					
1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt.			3. In column (b) show the principal amount of bonds or other long-term debt originally issued.		
2. Show premium amounts by enclosing figures in parentheses.			4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.		
Line No.	Designation of Long-Term Debt  (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	AMORTIZATION PERIOD	
				Date From (d)	Date To (e)
1	<b>Account 181</b>				
2	First Mortgage Bonds				
3					
4					
5					
6	7.130%	Redeemed	Redeemed	03/26/2002	03/26/2012
7	8.260% (1)	10,000,000	903,369	09/21/1994	09/21/2014
8	3.950%	50,000,000	441,576	07/09/2009	07/15/2014
9	4.700%	40,000,000	341,898	06/21/2005	06/22/2015
10	5.150%	25,000,000	277,676	12/15/2006	12/15/2016
11	7.000%	40,000,000	375,600	08/01/1997	08/01/2017
12	6.600% (2)	22,000,000	1,344,884	03/17/1998	03/16/2018
13	8.310% (1)	10,000,000	1,111,757	09/21/1994	09/21/2019
14	7.630%	20,000,000	195,421	12/09/1999	12/09/2019
15	5.370% (7)	75,000,000	10,862,808	04/25/2009	02/01/2020
16	9.050%	10,000,000	115,333	08/13/1991	08/13/2021
17	3.176%	50,000,000	605,155	09/12/2011	09/15/2021
18	5.620% (6)	40,000,000	3,325,438	11/21/2003	11/21/2023
19	7.720% (4)	20,000,000	1,286,261	09/06/2000	09/01/2025
20	6.520%	10,000,000	90,146	12/01/1995	12/01/2025
21	7.050%	20,000,000	175,940	10/15/1996	10/15/2026
22	7.000%	20,000,000	153,906	05/20/1997	05/21/2027
23	6.650%	19,700,000	162,800	11/10/1997	11/10/2027
24	6.650%	10,000,000	98,300	06/01/1998	06/01/2028
25	7.740% (3)	20,000,000	1,504,914	08/29/2000	08/29/2030
26	7.850% (5)	10,000,000	753,107	09/06/2000	09/01/2030
27	5.820%	30,000,000	390,382	09/24/2002	09/24/2032
28	5.660%	40,000,000	356,663	02/25/2003	02/25/2033
29	5.250%	10,000,000	97,974	06/21/2005	06/21/2035
30	4.000%	50,000,000	509,105	10/30/2012	10/31/2042
31	Shelf Registration Expense	-	-	N/A	N/A
32	Shelf Registration Expense	-	-	N/A	N/A
33	Line of Credit	-	-	N/A	N/A
34					
35					
36		651,700,000	25,480,413		
37					
38					
39	[1] Includes premium and unamortized cost on early redemption of 9.8% series bonds (\$1,044,111 allocated to the 8.31% series, and \$835,723 allocated to the 8.26% series). These amounts are being amortized in account 189006.				
40	[2] Includes \$910,800 premium and \$222,664 unamortized costs on early redemption of 9.125% series bonds allocated to the 6.60% series. These amounts are being amortized in account 189007.				
41	[3] Includes \$992,143 premium, \$178,966 unamortized costs on early redemption of 9.75% series bonds, and \$148,605 unamortized costs on early redemption of 15.375% series bonds allocated to the 7.74% series. These amounts are being amortized in account 189008.				
42	[4] Includes \$826,786 premium, \$149,139 unamortized costs on early redemption of 9.75% series bonds, and \$123,837 unamortized costs on early redemption of 15.375% series bonds allocated to the 7.72% series. These amounts are being amortized in account 189008.				
43	[5] Includes \$496,071 premium, \$89,483 unamortized costs on early redemption of 9.75% series bonds, and \$74,302 unamortized costs on early redemption of 15.375% series bonds allocated to the 7.85% series. These amounts are being amortized in account 189008.				
44	[6] Includes \$150,000 premium and \$405,971 unamortized costs on early redemption of 7.50% series bonds, \$413,600 premium and \$1,116,479 unamortized costs on early redemption of 7.52% series bonds and \$730,000 premium and \$136,800 unamortized costs on early redemption of 7.25% series bonds allocated to 5.62% series. These amounts are being amortized in account 189013.				
45	[7] Includes \$10,096,000 costs paid on interest rate hedge loss and \$298,058 unamortized costs on shelf registration, allocated to 5.37% series.				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report	
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2012	
<b>UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226) (Cont.)</b>				
5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.		6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years. 7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.		
Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)	Line No.
				1
				2
				3
				4
				5
8,811		8,811	-	6
9,212		3,384	5,828	7
220,776		88,320	132,456	8
116,809		34,188	82,621	9
137,634		27,768	109,866	10
104,855		18,780	86,075	11
65,625		10,572	55,053	12
20,850		2,700	18,150	13
77,327		9,768	67,559	14
8,119,282		986,652	7,132,630	15
36,800		3,840	32,960	16
584,983		60,516	524,467	17
221,936		18,624	203,312	18
102,008		7,464	94,544	19
41,750		3,000	38,750	20
86,797		5,868	80,929	21
79,180		5,136	74,044	22
85,880		5,424	80,456	23
53,781		3,276	50,505	24
114,622		6,168	108,454	25
58,016		3,108	54,908	26
270,165		13,020	257,145	27
251,714		11,892	239,822	28
76,432		3,264	73,168	29
-	535,479	3,133	532,346	30
438,980	220,563	133,321	526,222	31
				32
24,000	1,004,461	82,614	945,847	33
				34
				35
Total	11,408,225	1,560,611	11,608,117	36
				37
				38
				39
				40
	Total above	1,560,611		41
	Less Shelf Registration Expense	(215,935)		42
	Amortization Expense per P&L	1,344,676		43
				44
				45

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> X An Original A Resubmission	<b>Date of Report (Mo, Da, Yr)</b>	<b>Year of Report</b> Dec. 31, 2012
--	---	------------------------------------	--

**UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257)**

- |  |  |
|--|--|
| <p>1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.</p> <p>2. In column (c) show the principal amount of bonds or other long-term debt reacquired.</p> <p>3. In column (d) show the net gain or net loss realized</p> | <p>on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform System of Accounts.</p> <p>4. Show loss amounts by enclosing the figures in parentheses.</p> <p>5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.</p> |
|--|--|

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	<b>Account 189</b>					
6						
7	First Mortgage Bonds					
8						
9						
10	9.8%	11/01/93	24,938,000	(2,170,710)	438,546	355,002
11	9.125%	04/01/98	18,000,000	(1,133,464)	351,364	294,484
12	9.75% (1)	09/29/00	50,000,000	(3,079,332)	1,833,000	1,723,020
13	7.52% (2)	07/01/03	11,000,000	(1,530,079)	905,250	828,750
14	7.50% (3)	07/01/03	4,000,000	(555,971)	329,014	301,210
15	7.25%	08/18/03	20,000,000	(866,800)	512,904	469,560
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	(1) Includes \$2,732,588 loss on debt reacquired in 2000 and \$346,744 unamortized					
26	loss allocated from the 15.375% Guaranteed Notes.					
27						
28	(2) Includes \$489,200 loss on debt reacquired in 2003 and \$1,040,879 unamortized					
29	loss allocated from the 9.38% Bonds.					
30						
31	(3) Includes \$177,360 loss on debt reacquired in 2003 and \$378,611 unamortized					
32	loss allocated from the 9.38% Bonds.					
33						
34						
35						
36						
37						
38	<b>TOTAL</b>				<b>4,370,078</b>	<b>3,972,026</b>



<b>Name of Respondent</b>	<b>This Report Is:</b> (1) X An Original (2) A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Co.			Dec. 31, 2012

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME  
FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group that files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

Line No.		Combined Amounts	Elimination	NW Natural Gas Company 93-0256722	NNG Financial Corporation 93-1034064	NW Energy Corporation 93-1329989
1						
2	<b>NET INCOME FOR THE YEAR (PAGE 116a)</b>	\$ 59,855,336	\$ (67,107)	\$ 59,855,336	\$ 67,107	\$ -
3						
4	TAXABLE INCOME (LOSS) NOT RECORDED ON BOOKS:					
5	CONTRIBUTIONS IN AID OF CONSTRUCTION	-		-		
6	OTHER INCOME	(18,189,641)		(18,189,641)		
7	INCOME FROM SUBSIDIARIES	38,489		38,489		
8						
9	<b>EXPENSES RECORDED ON BOOKS NOT DEDUCTED ON RETURN:</b>					
10	ACCRUED VACATION	154,613		154,613		
11	BOND AMORTIZATION	398,052		398,052		
12	DEFERRED DIRECTORS FEES	160,430		160,430		
13	NONDEDUCTIBLE MEALS AND ENTERTAINMENT	694,121		694,121		
14	NONDEDUCTIBLE POLITICAL, SOCIAL AND OTHER	1,003,205		1,003,205		
15	PREPAYMI/OTHER INCOME	931,037		931,037		
16	PROPERTY TAX ADJUSTMENT - ACCRUAL TO CASH	481,332		481,332		
17	SEC. 263A INVENTORY ADJUSTMENTS	3,756,090		3,756,090		
18	PENSION ADJUSTMENTS	5,764,602		5,764,602		
19	DEFERRED COMPENSATION	503,049		503,049		
20	STOCK BASED COMPENSATION	378,004		378,004		
21	FEDERAL TAX PROVISION (SEE ANALYSIS BELOW)	33,455,427		33,413,227	42,200	
22	STATE TAX PROVISION (SEE ANALYSIS BELOW)	10,648,655		10,756,267	(107,612)	
23						
24	<b>BOOK INCOME NOT SUBJECT TO TAX:</b>					
25	COMPANY OWNED LIFE INSURANCE	2,284,376		2,284,376		
26						
27						
28	<b>EXPENSES ALLOWABLE FOR TAX NOT ON BOOKS:</b>					
29	REGULATORY REVENUE & COST ADJUSTMENTS	29,269,463		29,269,463		
30	BAD DEBT RESERVE	376,410		376,410		
31	DEPREC - EXCESS OF TAX OVER BOOK DEPRECIATION	79,807,706		79,888,828	(81,122)	
32	DIVIDENDS PAID TO AN ESOP	759,471		759,471	-	
33	PREPAID INSURANCE	106,323		106,323		
34	INTANGIBLE DRILLING COSTS	41,234,515		41,234,515		
35	REMOVAL COSTS	2,226,667		2,226,667		
36						
37	FEDERAL NET OPERATING LOSS CARRYFORWARD to 2013	\$(56,032,131)	\$ (67,107)	\$(56,047,841)	\$ 82,817	\$ -
38						

NORTHWEST NATURAL GAS CO AND SUBSIDIARIES  
RECONCILIATION OF BOOK INCOME TO FEDERAL TAXABLE INCOME  
TAX PROVISION FOR YEAR ENDED DECEMBER 31, 2012

<u>LINE #</u>			
1	<b><u>NET INCOME FOR THE YEAR (PAGE 116a)</u></b>		<b>\$ 59,855,336</b>
2			
3	<u>TAXABLE INCOME (LOSS) NOT RECORDED ON BOOKS:</u>		
4	CONTRIBUTIONS IN AID OF CONSTRUCTION	-	
5	OTHER INCOME	(18,189,641)	
6	INCOME FROM SUBSIDIARY	38,489	
7		<hr/>	(18,151,152)
8	<u>EXPENSES RECORDED ON BOOKS NOT DEDUCTED ON RETURN:</u>		
9	ACCRUED VACATION	154,613	
10	BOND AMORTIZATION	398,052	
11	DEFERRED DIRECTORS FEES	160,430	
12	NONDEDUCTIBLE MEALS AND ENTERTAINMENT	694,121	
13	NONDEDUCTIBLE POLITICAL, SOCIAL AND OTHER	1,003,205	
14	OTHER INCOME	931,037	
15	PROPERTY TAX ADJUSTMENT - ACCRUAL TO CASH	481,332	
16	SEC. 263A INVENTORY ADJUSTMENTS	3,756,090	
17	PENSION ADJUSTMENTS	5,764,602	
18	DEFERRED COMPENSATION	503,049	
19	STOCK BASED COMPENSATION	378,004	
20	FEDERAL TAX PROVISION (SEE ANALYSIS BELOW)	33,455,427	
21	STATE TAX PROVISION (SEE ANALYSIS BELOW)	10,648,655	
		<hr/>	58,328,617
22	<u>BOOK INCOME NOT SUBJECT TO TAX:</u>		
23	COMPANY OWNED LIFE INSURANCE	2,284,376	
24		<hr/>	2,284,376
25			
26	<u>EXPENSES ALLOWABLE FOR TAX NOT ON BOOKS:</u>		
27	REGULATORY REVENUE & COST ADJUSTMENTS	29,269,463	
28	BAD DEBT RESERVE	376,410	
29	DEPREC - EXCESS OF TAX OVER BOOK DEPRECIATION	79,807,706	
30	DIVIDENDS PAID TO AN ESOP	759,471	
31	PREPAID INSURANCE	106,323	
32	INTANGIBLE DRILLING COSTS	41,234,515	
33	REMOVAL COSTS	2,226,667	
34		<hr/>	153,780,556
35	FEDERAL NET OPERATING LOSS CARRYFORWARD TO 2012		<u><u>\$ (56,032,131)</u></u>

NORTHWEST NATURAL GAS CO AND SUBSIDIARIES  
RECONCILIATION OF BOOK INCOME TO FEDERAL TAXABLE INCOME  
TAX PROVISION FOR YEAR ENDED DECEMBER 31, 2012

LINE #

1	<b><u>TAX COMPUTATION:</u></b>	
2		
3	FEDERAL INCOME TAX (BENEFIT) AT STATUTORY RATE	-
4	FEDERAL ALTERNATIVE MINIMUM TAX	-
5		
6	ADJ: LOW INCOME HOUSING & §29 CREDITS	-
7	ALTERNATIVE MINIMUM TAX CREDIT	-
8	FUEL TAX CREDIT (FORM 4136)	-
9	FOREIGN TAX CREDIT	-
10		-
11		
12	CURRENT FEDERAL TAX PROVISION CURRENT YEAR - 2012	1,628,933
13	PLUS PRIOR PERIOD ADJUSTMENTS	
14		
15	<b>TOTAL FEDERAL CURRENT TAX PROVISION (Pg 261-B2)</b>	<b><u>1,628,933</u></b>
16		
17	DEFERRED FEDERAL TAX PROVISION CURRENT YEAR - 2012	32,543,308
18	PLUS PRIOR YEAR PROVISION TO RETURN TRUE UP	(352,787)
19		
20	ADJ: INVESTMENT TAX CREDIT APPLIED	-
21	DEFERRED ALTERNATIVE MINIMUM TAX	-
22	DEFERRED INVESTMENT TAX CREDIT	(364,026)
23		<u>(364,026)</u>
24	<b>TOTAL FEDERAL DEFERRED TAX PROVISION (Pg 261-B2)</b>	<b><u>31,826,494</u></b>
25		
26	COMBINED FEDERAL INCOME TAX PROVISION	<b><u>33,455,427</u></b>
27		
28		
29	<u>ALLOCATION OF FEDERAL INCOME TAX PROVISION</u>	
30		
31	OPERATING	31,327,162
32	NON-OPERATING	3,712,746
33	NNG FINANCIAL CORPORATION	35,153
34	GILL RANCH, LLC	(1,014,105)
35	NW GAS STORAGE, LLC	(565,956)
36	PALOMAR	(30,148)
37	NW ENERGY, LLC	(9,424)
38		
39	COMBINED FEDERAL INCOME TAX PROVISION	<b><u>33,455,427</u></b>
40		
41	<u>COMBINED FEDERAL AND STATE INCOME TAX PROVISION</u>	
42	OPERATING	41,423,682
43	NON-OPERATING	4,693,842
44	NNG FINANCIAL CORPORATION	(65,401)
45	OTHER SMLLC'S AND PARTNERSHIPS	(1,948,041)
	PAGES 261-B2 CONTINUED (CURRENT & DEFERRED FED & STATE)	<b><u>44,104,082</u></b>

NORTHWEST NATURAL GAS CO AND SUBSIDIARIES  
RECONCILIATION OF BOOK INCOME TO STATE TAXABLE INCOME  
TAX PROVISION FOR YEAR ENDED DECEMBER 31, 2012

LINE #			
1	<b><u>NET INCOME FOR THE YEAR PER (PAGE 116a)</u></b>		<b>\$ 59,855,336</b>
2			
3	TAXABLE INCOME (LOSS) NOT RECORDED ON BOOKS:		
4	CONTRIBUTIONS IN AID OF CONSTRUCTION	-	
5	OTHER INCOME	(18,189,641)	
6	INCOME FROM SUBSIDIARY	<u>38,489</u>	
7			(18,151,152)
8			
9	<b><u>EXPENSES RECORDED ON BOOKS NOT DEDUCTED ON RETURN:</u></b>		
10	ACCRUED VACATION	154,613	
11	BOND AMORTIZATION	398,052	
12	DEFERRED DIRECTORS FEES	160,430	
13	NONDEDUCTIBLE MEALS AND ENTERTAINMENT	694,121	
14	NONDEDUCTIBLE POLITICAL, SOCIAL AND OTHER	1,003,205	
15	OTHER INCOME	931,037	
16	PROPERTY TAX ADJUSTMENT - ACCRUAL TO CASH	481,332	
17	SEC. 263A INVENTORY ADJUSTMENTS	3,756,090	
18	PENSION ADJUSTMENTS	5,764,602	
19	DEFERRED COMPENSATION	503,049	
20	STOCK BASED COMPENSATION	378,004	
21	FEDERAL TAX PROVISION (SEE ANALYSIS ABOVE)	33,455,427	
22	STATE TAX PROVISION (SEE ANALYSIS BELOW)	<u>10,648,655</u>	
23			58,328,617
24			
25	<b><u>BOOK INCOME NOT SUBJECT TO TAX:</u></b>		
26	COMPANY OWNED LIFE INSURANCE	<u>2,284,376</u>	
27			2,284,376
28			
29	<b><u>EXPENSES ALLOWABLE FOR TAX NOT ON BOOKS:</u></b>		
30	REGULATORY REVENUE & COST ADJUSTMENTS	29,269,463	
31	BAD DEBT RESERVE	376,410	
32	DEPREC - EXCESS OF TAX OVER BOOK DEPRECIATION	95,725,230	
33	DIVIDENDS PAID TO AN ESOP	759,471	
34	PREPAID INSURANCE	106,323	
35	INTANGIBLE DRILLING COSTS	41,234,515	
36	REMOVAL COSTS	<u>2,226,667</u>	
37			169,698,080
38	STATE NET OPERATING LOSS CARRYFORWARD TO 2013		<u><u><b>\$(71,949,655)</b></u></u>

NORTHWEST NATURAL GAS CO AND SUBSIDIARIES  
RECONCILIATION OF BOOK INCOME TO STATE TAXABLE INCOME  
TAX PROVISION FOR YEAR ENDED DECEMBER 31, 2012

LINE #		
1	<b><u>TAX COMPUTATION:</u></b>	
2		
3	STATE INCOME TAX (BENEFIT) (MINIMUM TAX)	\$ -
4	STATE ALTERNATIVE MINIMUM TAX	20,805
5		
6	ADJ: LOW INCOME HOUSING & §29 CREDITS	0
7	ALTERNATIVE MINIMUM TAX CREDIT	0
8	DEPENDENT CARE TAX CREDIT	0
9	BUSINESS ENERGY TAX CREDIT	0
10		<hr/> 0
11		
12	CURRENT STATE TAX PROVISION CURRENT YEAR -2011	20,805
13	PLUS PRIOR YEAR PROVISION TO RETURN TRUE UP	62,680
14		
15	<b>TOTAL STATE CURRENT TAX PROVISION (Pg 261-B2)</b>	<hr/> <b>83,485</b> <hr/>
16		
17	DEFERRED STATE TAX PROVISION CURRENT YEAR - 2012	10,683,507
18	PLUS PRIOR YEAR PROVISION TO RETURN TRUE UP	(118,337)
19		
20	ADJ: INVESTMENT TAX CREDIT APPLIED	0
21	DEFERRED ALTERNATIVE MINIMUM TAX	0
22	DEFERRED INVESTMENT TAX CREDIT	0
23		<hr/> 0
24	<b>TOTAL STATE DEFERRED TAX PROVISION (Pg 261-B2)</b>	<hr/> <b>10,565,170</b> <hr/>
25		
26	COMBINED STATE INCOME TAX PROVISION	<hr/> <b>\$ 10,648,655</b> <hr/>
27		
28		
29	<b><u>ALLOCATION OF STATE INCOME TAX PROVISION</u></b>	
30		
31	OPERATING	\$ 10,096,520
32	NON-OPERATING	981,097
33	NNG FINANCIAL CORPORATION	(100,553)
34	GILL RANCH, LLC	(204,675)
35	NW GAS STORAGE, LLC	(118,016)
36	PALOMAR	(3,515)
37	NW ENERGY, LLC	(2,202)
38		
39	COMBINED STATE INCOME TAX PROVISION	<hr/> <b>\$ 10,648,655</b> <hr/>

**NORTHWEST NATURAL GAS COMPANY  
RECONCILIATION OF TAX ACCRUAL ACCOUNTS - CURRENT  
YEAR ENDED DECEMBER 31, 2012**

FERC FORM 2

	FEDERAL	2006 ACCRUAL <u>236.026</u>	2007 ACCRUAL <u>236.027</u>	2008 ACCRUAL <u>236.028</u>	2009 ACCRUAL <u>236.029</u>	2010 ACCRUAL <u>236.020</u>	2011 ACCRUAL <u>236.021</u>	2012 ACCRUAL <u>236.022</u>
	<u>Total</u>							
<b>BALANCE AT 12/31/11 (Page 262)</b>	<b>\$ 3,506,659</b>	\$ -	\$ -	\$ -	\$ 3,451,842	-	\$ 54,817	-
ACCRUALS	(1,628,933)	-	-	-	(1,336,304)	-	(356,582)	63,953
PAYMENTS	2,896,287	-	-	-	289,705	-	356,582	2,250,000
TAX BENEFIT INCLUDED IN	-	-	-	-	-	-	-	-
PREMIUM ON COMMON STOCK	(17,797)	-	-	-	-	-	-	(17,797)
OVERPAYMENT APPLIED	-	-	-	-	-	-	-	-
REFUNDS & REFUNDS PENDING	(2,421,939)	-	-	-	(2,421,939)	-	-	-
OTHER	-	-	-	-	-	-	0	0
<b>BALANCE AT 12/31/12 (Page 263)</b>	<b>\$ 2,334,277</b>	\$ -	\$ -	\$ -	\$ (16,696)	\$ -	\$ 54,817	\$ 2,296,156

UTILITY (409-03080)	1,700,020
UTILITY (SB 408) (409-02974)	-
NON-UTILITY (409-03070 & 409-03075)	(7,134)
SUBTOTAL	<u>1,692,886</u>
NNGFC (409-23075)	(63,953)
GILL RANCH STORAGE (409-43075)	-
NW GAS STORAGE (409-44001)	-
NW ENERGY (409-49001)	-
PALOMAR (409-49003)	-
<b>ACCRUALS ABOVE (Page 261A&amp;B)</b>	<b>1,628,933</b>
OTHER (CURRENT/DEFERRED RECLASS)	-
<b>CONSOLIDATED FORM 10-K</b>	<b>\$ 1,628,933</b>

	STATE	2006 ACCRUAL <u>236.026</u>	2007 ACCRUAL <u>236.027</u>	2008 ACCRUAL <u>236.028</u>	2009 ACCRUAL <u>236.029</u>	2010 ACCRUAL <u>236.030</u>	2011 ACCRUAL <u>236.031</u>	2012 ACCRUAL <u>236.031</u>
	<u>Total</u>							
<b>BALANCE AT 12/31/11 (Page 262)</b>	<b>\$ 3,507,760</b>	\$ 71,962	\$ 33,397	\$ (365,404)	\$ 326,274	\$ 0	\$ 3,441,531	\$ -
ACCRUALS	(83,485)	(71,962)	(33,397)	365,404	(326,274)	-	(21,145)	3,889
TAX PAYMENTS	182,500	-	-	-	-	-	140,000	42,500
TAX BENEFIT INCLUDED IN	-	-	-	-	-	-	-	-
PREMIUM ON COMMON STOCK	-	-	-	-	-	-	-	-
OVERPAYMENT APPLIED	-	-	-	-	-	-	-	-
REFUNDS & REFUNDS PENDING	(3,349,255)	-	209,047	-	-	-	(3,558,302)	-
OTHER	(2,084)	-	-	-	-	-	(2,084)	-
<b>BALANCE AT 12/31/12 (Page 263)</b>	<b>\$ 255,436</b>	\$ -	\$ 209,047	\$ -	\$ -	\$ 0	\$ -	\$ 46,389

UTILITY (409-03150)	208,589
UTILITY (SB 408) (409-02973)	-
NON-UTILITY (409-03135 & 409-03145)	(1,565)
SUBTOTAL	<u>207,024</u>
NNGFC (409-23145)	(123,539)
GILL RANCH STORAGE (409-43145)	-
NW GAS STORAGE (409-44002)	-
NW ENERGY (409-49002)	-
PALOMAR (409-49004)	-
<b>ACCRUALS ABOVE (Page 261A&amp;B)</b>	<b>83,485</b>
OTHER (CURRENT/DEFERRED RECLASS)	-
<b>CONSOLIDATED FORM 10-K</b>	<b>\$ 83,485</b>

Page 261 -B2 Continued

**NORTHWEST NATURAL GAS COMPANY**  
**RECONCILIATION OF TAX ACCRUAL ACCOUNTS - DEFERRED**  
**YEAR ENDED DECEMBER 31, 2012**

FERC FORM 2

FEDERAL	FAS 109 AMT	UTILITY REGULATORY	NON-OPR	UTILITY DEPREC	UTILITY OTHER	STORAGE DEPREC	UTILITY SB 406	283.096, 283.304	
TOTAL	283.011 & 016	283.021	283.031, 091	283.061	283.071	283.081	283.093	283.306	
<b>BALANCE AT 12/31/11 (Page 276)</b>	\$ (338,238,252)	\$ (65,830,960)	\$ 3,996,257	\$ 1,002,755	\$ (236,879,982)	\$ (32,816,294)	\$ (10,095,208)	\$ (1,814,614)	\$ 4,199,794
ACCRUALS-NWN (CURRENT YEAR)	(36,684,508)		(9,546,081)	34,172	(23,200,498)	(155,500)	(3,816,601)	0	0
ACCRUALS-NWN (PROVISION TO RETURN)	352,787	360,729	(756,278)	1,127	(2,277,363)	3,027,866	(3,294)	0	0
ACCRUALS-IRS AUDIT	54,480				54,480			0	0
ACCRUALS-AMENDED RETURN	1,336,304				1,343,438		(7,134)	0	0
ACCRUALS-OREGON TAX RATE CHANGE	(274,064)		4,058		(230,580)	(36,857)	(10,685)	0	0
OTHER	11,332				11,335		(3)	0	0
	<u>(35,203,669)</u>	<u>360,729</u>	<u>(10,298,300)</u>	<u>35,300</u>	<u>(24,353,668)</u>	<u>2,889,989</u>	<u>(3,837,717)</u>	<u>-</u>	<u>-</u>
OFFSET REG ASSET-FAS 109 (Page 232)(OR RATE)	-	0	0	0	0	0	0	0	0
OFFSET REG ASSET-FAS 109 (Page 232)	5,501,587	5,501,587							
OFFSET OTHER COMPREHENSIVE									
INCOME (OCI) & PENSION	806,392								806,392
TAX SHARING	8,682,293				8,682,293				
RECLASSES	-				(1,814,614)		1,814,614		
OTHER	(102,911)				(102,911)				
<b>BALANCE AT 12/31/12 (Page 277)</b>	<u>\$ (358,554,560)</u>	<u>\$ (59,968,644)</u>	<u>\$ (6,302,043)</u>	<u>\$ 1,038,054</u>	<u>\$ (261,233,650)</u>	<u>\$ (23,161,537)</u>	<u>\$ (13,932,925)</u>	<u>\$ (0)</u>	<u>\$ 5,006,186</u>

PAGE 276 UTILITY DEBITS 410 (03005) 63,207,707  
PAGE 276 UTILITY CREDITS 411 (02974 & 03015) (33,216,539)  
PAGE 277 NON UTILITY DEBITS 410 (03000 & 03020) 4,059,280  
PAGE 277 NON UTILITY CREDITS 411 (03020) (339,400)  
33,711,048  
CORP 5000, DEFERRED ITC (411-03100 & 03115) (364,026)  
CORP 2000 NNGFC DEFERREDS (410-23020) 99,106  
GILL RANCH STORAGE DEFERREDS (410-42977 & 411-42980) (1,014,105)  
NW GAS STORAGE DEFERREDS (411-44980) (565,956)  
NW ENERGY DEFERREDS (410-49053 & 411-49053) (9,424)  
PALOMAR DEFERREDS (30,148)  
**TOTAL FEDERAL DEFERRED TAX (Page 261A&B)** 31,826,494  
OTHER -  
**CONSOLIDATED FORM 10-K** \$ 31,826,494

STATE	NOL CARRYOVER	UTILITY REGULATORY	NON-OPR	UTILITY DEPREC	UTILITY OTHER	STORAGE DEPREC	UTILITY SB 408	283.097, 283.305	
TOTAL	283.017	283.022	283.032, 092	283.062	283.072, 300	283.082	283.094	283.307	
<b>BALANCE AT 12/31/11 (Page 276)</b>	\$ (54,087,544)	\$ -	\$ 816,799	\$ 161,247	\$ (46,413,342)	\$ (6,979,207)	\$ (2,150,742)	\$ (441,483)	\$ 919,184
ACCRUALS-NWN (CURRENT YEAR)	(7,631,625)		(1,994,947)	6,504	(5,299,363)	453,140	(796,959)		
ACCRUALS-NWN (PROVISION TO RETURN)	118,337		(163,867)	(932)	(399,537)	673,260	9,413		
ACCRUALS-OREGON AUDIT	66,115		17,608		(30,061)	80,133	(1,565)		
ACCRUALS-AMENDED RETURN	-								
ACCRUALS-OREGON TAX RATE CHANGE	780,751		(11,594)	(2,289)	658,799	105,307	30,528		
OTHER	2,395				2,395				
	<u>(6,664,027)</u>	<u>-</u>	<u>(2,152,800)</u>	<u>3,283</u>	<u>(5,067,768)</u>	<u>1,311,841</u>	<u>(758,583)</u>	<u>-</u>	<u>-</u>
OFFSET REG ASSET-FAS 109 (Page 232)(OR RATE)	-	-	-	-	-	-	-	-	-
OFFSET OTHER COMPREHENSIVE	-	-	-	-	-	-	-	-	-
INCOME (OCI) & PENSION	99,062								99,062
OTHER	506,462				64,979		441,483		
<b>BALANCE AT 12/31/12 (Page 277)</b>	<u>\$ (60,146,046)</u>	<u>\$ -</u>	<u>\$ (1,336,000)</u>	<u>\$ 164,530</u>	<u>\$ (51,481,110)</u>	<u>\$ (5,602,388)</u>	<u>\$ (2,909,325)</u>	<u>\$ 0</u>	<u>\$ 1,018,245</u>

PAGE 276 UTILITY DEBITS 410 (02985) 9,266,478  
PAGE 276 UTILITY CREDITS 411 (02973 & 02980) 621,453  
PAGE 277 NON UTILITY DEBITS 410 (03027 & 03140) 1,050,991  
PAGE 277 NON UTILITY CREDITS 411 (02990) (68,329)  
10,870,593  
CORP 2000 NNGFC DEFERREDS (410-23140) 22,986  
GILL RANCH STORAGE DEFERREDS (410-42053 & 411-42053) (204,675)  
NW GAS STORAGE DEFERREDS (411-44053) (118,016)  
NW ENERGY DEFERREDS (410-49980) (2,202)  
PALOMAR DEFERREDS (3,515)  
**TOTAL STATE DEFERRED TAX (Page 261A&B)** 10,565,171  
OTHER -  
**CONSOLIDATED FORM 10-K** \$ 10,565,171

Page 261 - B2 Continued

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR**

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner

Line No.	Kind of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR	
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Incl. in Account 165) (c)
1	<b>Federal Tax:</b> Corporate Income - (see Page 261-B2 Cont)	(3,506,659)	
2			
3	Payroll - FICA & Medicare	923,863	
4	Payroll - Unemployment	-	
5	Payroll - Severance	50,624	
6	Diesel and Gasoline Tax	-	
7	Other - U.S. Dept. of Transportation	-	
8			
9	Miscellaneous	-	
10			
11	Total Federal	(2,532,172)	-
12			
13			
14	<b>Oregon Tax:</b> Corporate Excise (see Page 261-B2 Cont)	(3,507,760)	
15	Payroll - Transit Authority	-	
16	Payroll - Unemployment	-	
17	Payroll - Workers Compensation	-	
18			
19	Real & Personal Property - Accrued		9,340,480
20	Real & Personal Property - Prepaid		
21			
22	Regulatory Commission Fee	-	
23	Vehicle Licence Fee & Fuel Use Tax	-	
24		-	
25		-	
26	Other - State Department of Energy	-	
27	Other - State Department of Energy (pre-certification)	-	
28	Other - State of Oregon Department of Transportation	-	
29	Other - State Vehicle Fuel Use Tax	-	
30	Other - State Corporate Registration	-	
31	Other - Payroll Underaccrual	-	
32	Other - Storage Property Tax Reclassification	-	
33	Miscellaneous	-	
34			
35	Total State of Oregon	(3,507,760)	9,340,480
36			
37			
38			
39			
40	<b>TOTAL</b>		



<b>Name of Respondent</b>	<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

that the total tax for each State and subdivision can readily be ascertained.

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll

deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

10. Items under \$250,000 may be grouped.

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	BALANCE AT END OF YEAR		Line No.
			Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	
1,628,933	2,896,287	2,439,736	(2,334,277)		1
					2
6,289,298	6,255,230	(113,530)	844,401		3
48,240	47,979	1,444	1,705		4
-	5,988		44,636		5
41,697	41,697		-		6
-	-		-		7
			-		8
20,220	20,220		-		9
					10
8,028,388	9,267,401	2,327,650	(1,443,535)		11
					12
39,090	100,000	3,351,340	(217,331)		13
494,463	491,785	120,388	123,066		14
843,500	838,931	22,593	27,162		15
-	-		-		16
-	-		-		17
18,444,124	18,444,124		-		18
653,942	401,138		-	9,087,676	19
					20
1,848,330	1,848,330		-		21
-	-		-		22
			-		23
			-		24
			-		25
514,018	514,018		-		26
152,894	152,894		-		27
9,191	9,191		-		28
-	-		-		29
-	-		-		30
-	-		-		31
(653,942)	(653,942)		-		32
100,000	100,000		-		33
					34
22,445,609	22,246,468	3,494,320	(67,103)	9,087,676	35
					36
					37
					38
					39
					40

<b>Name of Respondent</b>	<b>This Report is:</b> X An Original A Resubmission	<b>Date of Report</b> <b>(Mo, Da, Yr)</b>	<b>Year of Report</b>
Northwest Natural Gas Company			Dec. 31, 2012

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR**

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner

Line No.	Kind of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR	
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Incl. in Account 165) (c)
1	<b>Washington Tax:</b>		
2	Business & Occupation	-	-
3	Payroll - Unemployment	-	-
4	Real & Personal Property	1,402,761	-
5	Regulatory Commission	-	-
6	Utility Tax	451,374	-
7			
8	Other	-	-
9	Miscellaneous	-	-
10	Total State of Washington	1,854,136	-
11			
12	<b>California Tax:</b>		
13	Franchise	-	-
14	Other	-	-
15			
16	Total State of California	-	-
17			
18	<b>Local Oregon Tax:</b>		
19	City & County business licenses & income tax	(184,800)	-
20	Franchise	7,814,861	-
21	Property taxes	-	-
22	Other	-	-
23	Miscellaneous	-	-
24	Total Local State of Oregon Tax Expense	7,630,061	-
25			
26	<b>Local Washington Tax:</b>		
27	City & County business licenses & income tax	-	-
28	Franchise	-	-
29	Property taxes	-	-
30	Other	-	-
31			
32	Total Local State of Washington Tax Expense	-	-
33			
34	<b>Local California Tax:</b>		
35	Franchise	-	-
36	Property taxes	-	-
37	Other	-	-
38	Total Local State of California Tax Expense	-	-
39			
40	<b>TOTAL</b>	<b>3,444,264</b>	<b>9,340,480</b>

Summary above	3,444,264
GRS	34
Reclass Interest Accrued	(30,373)
Page 113, Line 43	<u>3,413,925</u>

<b>Name of Respondent</b>	<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**TAXES ACCRUED, PERPAID AND CHARGED DURING YEAR (Continued)**

that the total tax for each State and subdivision can readily be ascertained.

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

10. Items under \$250,000 may be grouped.

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	BALANCE AT END OF YEAR		Line No.
			Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	
73,009	73,009	-	-	-	1
3,685	3,665	230	250	-	2
1,812,304	1,583,776	-	1,631,289	-	3
165,723	165,723	-	-	-	4
2,504,838	2,627,317	-	328,896	-	5
29,952	29,952	-	-	-	6
-	-	-	-	-	7
-	-	-	-	-	8
4,589,511	4,483,442	230	1,960,435	-	9
-	-	-	-	-	10
44,395	82,500	-	(38,105)	-	11
-	-	-	-	-	12
44,395	82,500	-	(38,105)	-	13
-	(6,222)	-	(178,578)	-	14
15,924,908	16,868,724	-	6,871,045	-	15
-	-	-	-	-	16
-	-	-	-	-	17
-	-	-	-	-	18
15,924,908	16,862,502	-	6,692,467	-	19
-	-	-	-	-	20
-	-	-	-	-	21
-	-	-	-	-	22
-	-	-	-	-	23
-	-	-	-	-	24
-	-	-	-	-	25
-	-	-	-	-	26
-	-	-	-	-	27
-	-	-	-	-	28
-	-	-	-	-	29
-	-	-	-	-	30
-	-	-	-	-	31
-	-	-	-	-	32
-	-	-	-	-	33
-	-	-	-	-	34
2,103,637	2,103,637	-	-	-	35
168,661	168,661	-	-	-	36
2,272,298	2,272,298	-	-	-	37
-	-	-	-	-	38
53,305,108	55,214,611	5,822,200	7,104,158	9,087,676	39
					40

93,131,674	SAP query of GL 503800
(42,391,665)	SAP query of GL 410-411
2,450,393	Capitalized payroll taxes
114,706	Vehicle taxes and B&O taxes
<u>53,305,108</u>	Total taxes charged, above

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR**

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner

**DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)**

Line No.	Kind of Tax (See Instruction 5) (i)	Gas Account 408.1 409.1 (j)	Gas 9-107 (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1	<b>Federal Tax:</b>			
2	Corporate Income - NW Natural Corporation	1,700,020	-	(7,134)
3	Corporate Income - NNG Financial Corporation	-	-	-
4	Corporate Income - NW Energy Corporation	-	-	-
5				
6	Payroll - FICA & Medicare	4,282,412	1,856,300	-
7	Payroll - Unemployment	32,847	14,238	-
8	Payroll - Severance	-	-	-
9	Diesel and Gasoline Tax	-	-	-
10	Other - U.S. Dept. of Transportation	-	-	-
11		-	-	-
12	Miscellaneous	-	-	-
13				
14	Total Federal Tax Expense	6,015,279	1,870,538	(7,134)
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40	TOTAL			

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr) Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

- |   |  |
|---|--|
| <p>that the total tax for each State and subdivision can readily be ascertained.</p> <p>5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll</p> | <p>deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p> <p>10. Items under \$250,000 may be grouped.</p> |
|---|--|

**DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)**

Line No.	Gas 9-143 (m)	Account (n)	Amount (o)	Description (p)
1				
2	-		-	
3	-	409-23075	(63,953)	NNG Financial Corporation (current only)
4	-		-	GRS, NWGS and NW Energy (current only)
5				
6	-	9-184	150,586	Payroll Clearing
7	-	9-184	1,155	Payroll Clearing
8				
9	-	165.12	41,697	Vehicle Fuel Tax & Taxes & Licenses
10	-		-	
11	-		-	
12	-	408-23185	20,220	Fees & Permits
13				
14	-		149,705	
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
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32				
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35				
36				
37				
38				
39				
40				

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr) Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR**

- |  |   |
|--|---|
| <p>1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid</p> | <p>or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner</p> |
|--|---|

**DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)**

Line No.	Kind of Tax (See Instruction 5) (i)	Gas Account 408.1 409.1 (j)	Gas 9-107 (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1	<b>Oregon Tax:</b>			
2	Corporate Income - NW Natural Corporation	164,194	-	(1,565)
3	Corporate Income - NNG Financial Corporation	-	-	-
4	Corporate Income - NW Energy Corporation	-	-	-
5				
6	Payroll - Transit Authority	336,682	145,942	-
7	Payroll - Unemployment	574,343	248,961	-
8	Payroll - Workers Compensation	-	-	-
9				
10	Real & Personal Property - Accrued	18,444,124	-	-
11	Real & Personal Property - Prepaid	-	-	653,942
12	Real & Personal - Other	-	-	-
13	Regulatory Commission Fee	1,848,330	-	-
14	Vehicle Licence Fee	-	-	-
15				
16				
17	Other - State Department of Energy	514,018	-	-
18	Other - State Department of Energy (pre-certification)	152,894	-	-
19	Other - State of Oregon Department of Transportation	9,191	-	-
20	Other - State Vehicle Fuel Use Tax	-	-	-
21	Other - State Corporate Registration	-	-	-
22	Other - Payroll underaccrual	-	-	-
23	Other - Storage Property Tax Reclassification	(653,942)	-	-
24	Other - State Excise Tax	100,000	-	-
25	Miscellaneous	-	-	-
26				
27				
28				
29				
30				
31				
32				
33				
34	Total Oregon Tax	21,489,833	394,903	652,377
35				
36				
37				
38				
39				
40	<b>TOTAL</b>			

<b>Name of Respondent</b>	<b>This Report Is:</b> X An Original A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			Dec. 31, 2012

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

<p>that the total tax for each State and subdivision can readily be ascertained.</p> <p>5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in col (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll</p>	<p>deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p> <p>10. Items under \$250,000 may be grouped.</p>
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**DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)**

Line No.	Gas 9-143 (m)	Account (n)	Amount (o)	Description (p)
1				
2	-		-	
3	-	409-23145	(123,539)	NNG Financial Corporation (current only)
4	-		-	GRS, NWGS, Palomar and NW Energy (current only)
5				
6	-	9-184	11,839	Payroll Clearing
7	-	9-184	20,196	Payroll Clearing
8	-		-	
9				
10	-		-	
11	-		-	
12				
13	-		-	
14	-		-	
15	-		-	
16				
17	-		-	
18	-		-	
19	-		-	
20	-		-	
21	-		-	
22	-		-	
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33	-		(91,504)	
34				
35				
36				
37				
38				
39				
40				

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR**

- |  |   |
|--|---|
| <p>1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid</p> | <p>or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner</p> |
|--|---|

**DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)**

Line No.	Kind of Tax (See Instruction 5) (i)	Gas Account 408.1 409.1 (j)	Gas 9-107 (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1	<b>Washington State:</b>			
2	Business & Comp. Taxes	-	73,009	-
3	Payroll - Unemployment	2,509	1,088	-
4	Real & Personal Property	1,812,304	-	-
5	Regulatory Commission	165,723	-	-
6	Utility Tax (franchise tax)	2,504,838	-	-
7				
8	Other	29,952	-	-
9	Miscellaneous	-		
10				
11				
12	Total State of Washington Tax Expense	4,515,326	74,097	-
13				
14				
15	<b>California State:</b>			
16	Corporate Income	44,395		
17				
18				
19				
20				
21				
22				
23				
24	Total State of California Tax Expense	44,395	-	-
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40	TOTAL			



<b>Name of Respondent</b>	<b>This Report Is:</b> X An Original A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			Dec. 31, 2012

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

- |   |  |
|---|--|
| <p>that the total tax for each State and subdivision can readily be ascertained.</p> <p>5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll</p> | <p>deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p> <p>10. Items under \$250,000 may be grouped.</p> |
|---|--|

**DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)**

Line No.	Gas 9-143 (m)	Account (n)	Amount (o)	Description (p)
1				
2	-		-	
3	-	9-184	88	Payroll Clearing
4	-		-	
5	-		-	
6	-		-	
7				
8	-		-	
9				
10	-		-	
11				
12	-		88	
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24	-		-	
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report (Mo, Da, Yr)</b>	<b>Year of Report</b> Dec. 31, 2012
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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR**

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner

**DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)**

Line No.	Kind of Tax (See Instruction 5) (i)	Gas Account 408.1 409.1 (j)	Gas 9-107 (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18	<b>Local Oregon:</b>			
19	City & County business licenses & income tax	-	-	-
20	Franchise	15,924,908	-	-
21	Property taxes	-	-	-
22	Other	-	-	-
23				
24	Total Local State of Oregon Tax Expense	15,924,908	-	-
25				
26	<b>Local Washington:</b>			
27	City & County business licenses & income tax	-	-	-
28	Franchise	-	-	-
29	Property taxes	-	-	-
30	Other	-	-	-
31				
32	Total Local State of Washington Tax Expense	-	-	-
33				
34	<b>Local California:</b>			
35	Franchise	-	-	-
36	Property taxes	-	-	-
37	Other	-	-	-
38				
39	Total Local State of California Tax Expense	-	-	-
40				
41	<b>TOTAL</b>	47,989,741	2,339,538	645,243

Pg 114, Line 14	46,081,132	Pg 116, Line 52	653,942
Pg 114, Line 15	1,700,020	Pg 116, Line 53	(7,134)
Pg 114, Line 16	208,589	Pg 116, Line 54	(1,565)
	<u>47,989,741</u>		<u>645,243</u>

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b> Dec. 31, 2012
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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

- |   |  |
|---|--|
| <p>that the total tax for each State and subdivision can readily be ascertained.</p> <p>5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll</p> | <p>deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p> <p>10. Items under \$250,000 may be grouped.</p> |
|---|--|

**DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)**

Line No.	Gas 9-143 (m)	Account (n)	Amount (o)	Description (p)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19	-		-	
20	-		-	
21	-		-	
22	-		-	
23	-		-	
24	-		-	
25				
26				
27	-		-	
28	-		-	
29				
30				
31				
32	-		-	
33				
34	-		-	
35	-		-	
36		408-43185	2,103,536	Property Tax
37		408-44180	168,762	Miscellaneous
38				
39	-		2,272,298	
40				
41	-		2,330,587	



<b>Name of Respondent</b>	<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) X An Original (2) A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**Other Deferred Credits (Account 253)**

1. Report below the details called for concerning other deferred credits
2. For any deferred credit being amortized, show the period of ammortization.
3. Minor items (less than \$250,000) may be grouped by classes

Line No.	Section of Other Deffered Credits (a)	Balance at beginning of year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of year (f)
1	NONE					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
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28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48	<b>Total</b>	0		0	0	0

<b>Name of Report</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**Accumulated Deferred Income Taxes--Other Property (Account 282)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to  
2. At Other, include deferrals relating to other income and deductions.

Line No.	Account Subdivisions	Balance at Beginning of Year	Changes During Year Amounts Debited to Account 410.1	Changes During Year Amounts Debited to Account 411.1
	(a)	(b)	(c)	(d)
1	Account 282			
2	Electric			
3	Gas			
4				
5	Total (Total of lines 2 thru 4)			
6				
7	TOTAL Account 282 (Total of lines 5 thru 6)			
8	Classification of TOTAL			
9	Federal Income Tax			
10	State Income Tax			
11	Local Income Tax			

See FERC Annual Report pages 276-277

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report (Mo, Da, Yr)</b> Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**Accumulated Deferred Income Taxes--Other Property (Account 282) (continued)**

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Changes During Year Amounts Debited to Account 410.2 (e)	Changes During Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Account No. (j)	Balance at End of Year (k)	Line No.
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
See FERC Annual Report pages 276-277							

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)**

1. Report the information called for below concerning respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.  
 2. For Other (Specify), included deferrals related to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Gas			
3.01	Deferred Income Taxes - FAS 109 & AMT	65,830,960	-	360,729
3.02	Revenue & Cost Gas Adjustments	(4,813,056)	16,917,742	4,466,642
3.03	Deferred Depreciation - Federal	236,879,982	30,818,491	6,464,823
3.04	Deferred Income Taxes - Other (Includes SB 408)	42,051,598	19,166,435	23,368,264
3.05	Deferred Depreciation - State	46,413,342	6,533,399	1,465,632
4.01	Other	-		(2,569,122)
4.02	Other - reclass		(961,883)	(961,883)
5	Total (Total of Lines 2 Thru 4)	386,362,826	72,474,185	32,595,085
6	Other (Specify) Non - Utility	11,081,948	-	-
6.01	Other Comprehensive Income - Federal	(4,199,794)	-	-
6.02	Other Comprehensive Income - State	(919,184)	-	-
7	TOTAL (Acct 283) (Total of lines 5 thru 6) (Page 113)	<b>392,325,796</b>	72,474,185	32,595,085
8	Classification of TOTAL			
9	Federal Income Tax	338,238,252	63,207,707	33,216,539
10	State Income Tax	54,087,544	9,266,478	(621,453)
11	Local Income Tax	0	-	(0)
		392,325,796 Page 113, Line 65	72,474,185 Page 114, Line 17	32,595,085 Page 114, Line 18



<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> X An Original A Resubmission	<b>Date of Report</b> (Mo, Da, Yr) Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)**

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year Page 114 (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
							2
							3
-	-			186016	5,501,587	59,968,644	3.01
-	-			186016		7,638,044	3.02
-	-			186016		261,233,650	3.03
-	-			186016	9,085,844	28,763,925	3.04
-	-			186016		51,481,110	3.05
-	-			186016	2,569,123	(1)	4.01
-	-		-		-		4.02
-	-				17,156,554	409,085,372	5
5,110,271	407,729				144,824	15,639,665	6
-	-			218000	806,391	(5,006,186)	6.01
-	-			218000	99,062	(1,018,245)	6.02
5,110,271	407,729		-		18,206,831	<b>418,700,606</b>	7
							8
4,059,280	339,400				13,394,740	358,554,560	9
1,050,991	68,329				4,812,091	60,146,046	10
							11

-	-	-	0	(0)
5,110,271	407,729			418,700,606
Page 116, Line 55	Page 116, Line 56			Page 113, Line 65

<b>Name of Respondent</b>	<b>This Report is:</b> X An Original A Resubmission	<b>Date of Report</b> <b>(Mo, Da, Yr)</b>	<b>Year of Report</b>
Northwest Natural Gas Company			Dec. 31, 2012

**GAS OPERATING REVENUES (Account 400)**

- |   |  |
|---|--|
| <p>1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.</p> <p>2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.</p> | <p>3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480 - 495.</p> |
|---|--|

Line No.	Title of Account (a)	REVENUES for Transition Costs and Take-or-Pay		REVENUES for GEI and ACA	
			Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	480 - 484				
2	485 Intracompany Transfers				
3	487 Forfeited Discounts				
4	488 Miscellaneous Service Revenues				
5	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
6	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities				
7	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
8	489.4 Revenues from Storing Gas of Others				
9	490 Sales of Prod. Ext. from Natural Gas				
10	491 Revenues from Natural Gas Proc. by Others				
11	492 Incidental Gasoline and Oil Sales				
12	493 Rent from Gas Property				
13	494 Interdepartmental Rents				
14	495 Other Gas Revenues				
15	Subtotal:				
16	496 (Less) Provision for Rate Refunds				
17	TOTAL				

<b>Name of Respondent</b>		<b>This Report Is:</b>		<b>Date of Report</b>		<b>Year of Report</b>
Northwest Natural Gas Company		X An Original A Resubmission		(Mo, Da, Yr)		Dec. 31, 2012
GAS OPERATING REVENUES (Continued)						
4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.				6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.		
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.						
OTHER REVENUES		TOTAL OPERATING REVENUES		DEKATHERM OF NATURAL GAS		Line No.
Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)	
706,138,822	805,585,443	706,138,822	805,585,443	73,226,373	77,770,704	1
						2
2,473,001	2,761,916	2,473,001	2,761,916			3
1,341,639	1,485,096	1,341,639	1,485,096			4
	-	-				5
	-	-				6
15,674,791	16,021,227	15,674,791	16,021,227	37,939,247	37,405,194	7
						8
						9
						10
						11
279,744	279,905	279,744	279,905			12
						13
(7,615,577)	3,246,273	(7,615,577)	3,246,273			14
718,292,420	829,379,860	718,292,420	829,379,860			15
	7,161,619	-	7,161,619			16
718,292,420	822,218,241	718,292,420	822,218,241			17

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report</b>	<b>Year of Report</b> Dec. 31, 2012
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**Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.1)**

- Report revenues and Dth gas delivered through gathering facilities by zone of receipt (i.e. state in which gas enters respondent's system).
- Revenues for penalties including for unauthorized overruns must be reported on page 308.

Line No.	Rate Schedule and Zone of Receipt (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year
1					
2					
3					
4	NOT APPLICABLE				
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	<b>Total</b>				

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> X An Original A Resubmission	<b>Date of Report</b>	<b>Year of Report</b> Dec. 31, 2012
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**Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.1)**

3. Other Revenues in column (f) and (g) include charges received by the pipeline plus usage charges, less revenues reflected in column (b) through (e).  
4. Delivered Dth of gas must not be adjusted for discounting.

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherms of Natural Gas	Dekatherms of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year	Amount for Previous Year (k)
1						
2						
3						
4	NOT APPLICABLE					
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	<b>Total</b>					

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report</b>	<b>Year of Report</b> Dec. 31, 2012
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**Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.2)**

1. Report revenues and Dth gas delivered by Zone of Delivery by Rate Schedule. Total by Zone and for all zones. If respondent does not have separate zones, provide totals by rate schedule.
2. Revenues for penalties including for unauthorized overruns must be reported on page 308.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus charges for transportation and hub services, less revenues reflected in columns (b) through (e).

Line No.	Zone of Delivery Rate Schedule  (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year  (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year  (c)	Revenues for GRI and ACA  Amount for Current Year  (d)	Revenues for GRI and ACA  Amount for Previous Year
1					
2					
3					
4	NOT APPLICABLE				
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	<b>Total</b>				

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report</b>	<b>Year of Report</b> Dec. 31, 2012
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**Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.2)**

4. Delivered Dth of gas must not be adjusted for discounting.  
5. Each incremental rate schedule and each individually certified rate schedule must be separately reported.  
6. Where transportation services are bundled with storage services, report total revenues but only transportation Dth.

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherms of Natural Gas	Dekatherms of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year	Amount for Previous Year (k)
1						
2						
3						
4	NOT APPLICABLE					
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	<b>Total</b>					

<b>Name of Respondent</b>	<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2012

**Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.4)**

1. Report revenues and Dth gas withdrawn from storage by Rate Schedule and in total.
2. Revenues for penalties including for unauthorized overruns must be reported on page 308.
3. Other Revenues in columns (f) and (g) include reservation charges, deliverability charges, injection and withdrawal charges, less revenues reflected in columns (b) through (e).

Line No.	Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year
1					
2					
3					
4	NOT APPLICABLE				
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	<b>Total</b>				



<b>Name of Respondent</b>	<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2012

**Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.4)**

4. Delivered Dth of gas must not be adjusted for discounting.  
5. Where transportation services are bundled with storage services, report only Dth withdrawn from storage.

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherms of Natural Gas	Dekatherms of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year	Amount for Previous Year (k)
1						
2						
3						
4	NOT APPLICABLE					
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	<b>Total</b>					

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**OTHER GAS REVENUES (ACCOUNT 495)**

Report below transactions of \$250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below \$250,000 in one amount and provide the number of items.

Line No.	Description of Transaction (a)	Revenues (in dollars) (b)
1	Unbilled Revenue	(4,903,085)
2	Interstate Storage Credit	8,891,063
3	Decoupling	10,701,651
4	Decoupling Amortization	(18,346,245)
5	Washington Amortizations	(546,821)
6	Oregon Amortizations	(5,060,674)
7	Automated Meter Readings	652,363
8	WA Great Program	(429,733)
9	Earnings Test Adjustment	830,000
10	Warm Deferrals	370,506
11	Other (Misc Gas Revenues, Priority Sched Fee, etc)	225,398
12		
13		
14		
15		
16		
17		
18	TOTAL	(7,615,577)

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Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. PRODUCTION EXPENSES			
2	A. Manufactured Gas Production			
3	Manufactured Gas Production (Submit Supplemental Statement)			
4	B. Natural Gas Production			
5	B1. Natural Gas Production and Gathering			
6	Operation			
7	750 Operation Supervision and Engineering			
8	751 Production Maps and Records			
9	752 Gas Wells Expenses			
10	753 Field Lines Expenses			
11	754 Field Compressor Station Expenses			
12	755 Field Compressor Station Fuel and Power			
13	756 Field Measuring and Regulating Station Expenses			
14	757 Purification Expenses			
15	758 Gas Well Royalties			
16	759 Other Expenses			
17	760 Rents			
18	TOTAL Operation (Total of lines 7 thru 17)	-		-
19	Maintenance			
20	761 Maintenance Supervision and Engineering			
21	762 Maintenance of Structures and Improvements			
22	763 Maintenance of Producing Gas Wells			
23	764 Maintenance of Field Lines			
24	765 Maintenance of Field Compressor Station Equipment			
25	766 Maintenance of Field Meas. and Regulating Station Equipment			
26	767 Maintenance of Purification Equipment			
27	768 Maintenance of Drilling and Cleaning Equipment			
28	769 Maintenance of Other Equipment			
29	TOTAL Maintenance (Total of lines 20 thru 28)	-		-
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	-		-

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**GAS OPERATION AND MAINTENANCE EXPENSES (Continued)**

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	A2. Manufacturing Gas Production (con't.)		
2	Gas Raw Materials		
3	725 Coal Carbonized in Coke Ovens		
4	726 Oil for Water Gas		
5	727 Oil for Oil Gas		
6	728 Liquefied Petroleum	-	-
7	729 Raw Materials for other Gas Processes		
8	730 Residuals Expenses		
9	731 Residuals Produced - Credit		
10	732 Purification Expenses		
11	733 Gas Mixing Expenses		
12	734 Duplicate Charges - Credit		
13	735 Miscellaneous Production Expenses		
14	736 Rents		
15	TOTAL Operations	-	-
16	Maintenance		
17	740 Maintenance Supervision and Engineering		
18	741 Maintenance Structures and Improvements		
19	742 Maintenance of Production Equipment		
20	TOTAL Maintenance	-	-
21	TOTAL Manufacturing Gas Production	-	-

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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
31	B2. Products Extraction			
32	Operation			
33	770 Operation Supervision and Engineering	-	-	
34	771 Operation Labor			
35	772 Gas Shrinkage			
36	773 Fuel			
37	774 Power			
38	775 Materials			
39	776 Operation Supplies and expenses			
40	777 Gas Processed by Others			
41	778 Royalties on Products Extracted			
42	779 Marketing expenses			
43	780 Products Purchased for Resale			
44	781 Variation in Products Inventory			
45	(Less) 782 Extracted Products Used by the Utility-Credit			
46	783 Rents			
47	Total Operation (Total of Lines 33 thru 46)	-	-	
48	Maintenance			
49	784 Maintenance Supervision and Engineering			
50	785 Maintenance of Structures and Improvements			
51	786 Maintenance of Extraction and Refining Equipment			
52	787 Maintenance of Pipe Lines			
53	788 Maintenance of Extracted Products Storage Equipment			
54	789 Maintenance of Compressor Equipment			
55	790 Maintenance of Gas Measuring and Regulating Equipment			
56	791 Maintenance of Other Equipment			
57	TOTAL Maintenance (Total of lines 49 thru 56)	-	-	
58	TOTAL Products Extraction (Total of lines 47 and 57)	-	-	

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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account		Amount for Current Year	Amount for Previous Year
	(a)		(b)	(c)
59	C. Exploration and Development			
60	Operation			
61	795 Delay Rentals			
62	796 Nonproductive Well Drilling			
63	797 Abandoned Leases			
64	798 Other Exploration			
65	TOTAL Exploration and Development (Total of lines 61 thru 64)		-	-
66	D. Other Gas Supply Expenses			
67	Operation			
68	800 Natural Gas Well Head Purchases			
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers			
70	801 Natural Gas Field Line Purchases		3,658,267	6,717,953
71	802 Natural Gas Gasoline Plant Outlet Purchases			
72	803 Natural Gas Transmission Line Purchases			
73	804 Natural Gas City Gate Purchases		360,382,022	448,930,365
74	804.1 Liquefied Natural Gas Purchases			
75	805 Other Gas Purchases			
76	(Less) 805.1 Purchases Gas Cost Adjustments		(19,887,355)	5,546,998
77	TOTAL Purchased Gas (Total of Lines 68 thru 76)		344,152,934	461,195,316
78	806 Exchange Gas			
79	Purchased Gas Expense			
80	807.1 Well Expense-Purchased Gas			
81	807.2 Operation of Purchased Gas Measuring Stations			
82	807.3 Maintenance of Purchased Gas Measuring Stations			
83	807.4 Purchased Gas Calculations Expense			
84	807.5 Other Purchased Gas Expenses		-	-
85	TOTAL Purchased Gas Expense (Total of lines 80 thru 84)		-	-

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Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account	Amount for Current Year	Amount for Previous Year	
	(a)	(b)	(c)	
86	808.1 Gas Withdrawn from Storage-Debit	31,882,876	36,145,991	
87	(Less) 808.2 Gas Delivered to Storage-Credit	(20,368,425)	(38,419,955)	
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit			
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit			
90	Gas used in Utility Operation-Credit			
91	810 Gas Used for Compressor Station Fuel-Credit			
92	811 Gas Used for Products Extraction-Credit			
93	812 Gas Used for Other Utility Operations-Credit	(332,105)	(413,360)	
94	TOTAL Gas Used in Utility Operations-Credit (lines 91 thru 93)	(332,105)	(413,360)	
95	813 Other Gas Supply Expenses			
96	TOTAL Other Gas Supply Exp. (Total of lines 77, 78, 85, 86-89, 94, 95)	355,335,280	458,507,992	
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, 96)	355,335,280	458,507,992	
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering			
102	815 Maps and Records			
103	816 Well Expenses	264,205	583,057	
104	817 Lines Expenses			
105	818 Compressor Station Fuel and Power	438,761	558,163	
106	819 Compressor Station Fuel and Power	-	-	
107	820 Measuring and Regulating Station Expenses	1,344,804	1,188,993	
108	821 Purification Expenses	49,469	29,309	
109	822 Exploration and Development			
110	823 Gas Losses			
111	824 Other Expenses			
112	825 Storage Well Royalties			
113	826 Rents			
114	TOTAL Operation (Total of lines of 101 thru 113)	2,097,239	2,359,522	

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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account		Amount for Current Year	Amount for Previous Year
	(a)		(b)	(c)
115	Maintenance			
116	830 Maintenance Supervision and Engineering			
117	831 Maintenance of Structures and Improvements			
118	832 Maintenance of Reservoirs and Wells		176,617	168,083
119	833 Maintenance of Lines			
120	834 Maintenance of Compressor Station Equipment			
121	835 Maintenance of Measuring and Regulating Station Equip.			
122	836 Maintenance of Purification Equipment			
123	837 Maintenance of Other Equipment			
124	TOTAL Maintenance (Total of lines 116 thru 123)		176,617	168,083
125	TOTAL Underground Storage Expenses (lines 114 and 124)		2,273,856	2,527,605
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation supervision and Engineering		62,385	65,911
129	841 Operation Labor and Expenses			
130	842 Rents			
131	842.1 Fuel			
132	842.2 Power			
133	842.3 Gas Losses			
134	TOTAL Operation (Total of lines 128 thru 133)		62,385	65,911
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering			
137	843.2 Maintenance of Structures and Improvements			
138	843.3 Maintenance of Gas Holders			
139	843.4 Maintenance of Purification Equipment			
140	843.5 Maintenance of Liquefaction Equipment			
141	843.6 Maintenance of Vaporizing Equipment			
142	843.7 Maintenance of Compressor Equipment			
143	843.8 Maintenance of Measuring and Regulating Equipment			
144	843.9 Maintenance of Other Equipment			
145	TOTAL Maintenance (Total of lines 136 thru 144)		-	-
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)		62,385	65,911



Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account		Amount for Current Year	Amount for Previous Year
	(a)		(b)	(c)
147	C. Liquefied Natural Gas Terminating and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering		1,625,071	1,549,148
150	844.2 LNG Processing Terminal Labor and Expenses			
151	844.3 Liquefaction Processing Labor and Expenses			
152	844.4 Liquefaction Transportation Labor and Expenses			
153	844.5 Measuring and Regulating Labor and Expenses			
154	844.6 Compressor Station Labor and Expenses			
155	844.7 Communication system Expenses			
156	844.8 System Control and Load Dispatching			
157	845.1 Fuel		(68,566)	(45,464)
158	845.2 Power			
159	845.3 Rents			
160	845.4 Demurrage Charges			
161	(Less) 845.5 Wharfage Receipts-Credit			
162	845.6 Processing Liquefied of Vaporized Gas by Others			
163	846.1 Gas Losses			
164	846.2 Other Expenses			
165	TOTAL Operation (Total of lines 149 thru 164)		1,556,505	1,503,684
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering			
168	847.2 Maintenance of Structures and Improvements		301,503	289,319
169	847.3 Maintenance of LNG Processing Terminal Equipment			
170	847.4 Maintenance of LNG Transportation Equipment			
171	847.5 Maintenance of Measuring and Regulating Equipment			
172	847.6 Maintenance of Compressor Station Equipment			
173	847.7 Maintenance of Communication Equipment			
174	847.8 Maintenance of Other Equipment			
175	TOTAL Maintenance (Total of lines 167 thru 174)		301,503	289,319
176	TOTAL Liquefied Nat Gas Terminating and Proc Exp (Total of lines 165 & 175)		1,858,008	1,793,003
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)		4,194,249	4,386,519

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
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**GAS OPERATION AND MAINTENANCE EXPENSES (Continued)**

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering		
181	851 System Control and Load Dispatching		
182	852 Communication system Expenses		
183	853 Compressor Station Labor and Expenses		
184	854 Gas for Compressor Station Fuel		
185	855 Other Fuel and Power for Compressor Stations		
186	856 Mains Expenses	205,118	237,135
187	857 Measuring and Regulating Station Expenses		
188	858 Transmission and Compression of Gas by Others		
189	859 Other Expenses		
190	860 Rents		
191	TOTAL Operations (Total of lines 180 thru 190)	205,118	237,135
192	Maintenance		
193	861 Maintenance Supervision and Engineering		
194	862 Maintenance of Structures and Improvements		
195	863 Maintenance of Mains	(43,943)	130,648
196	864 Maintenance of Compressor Station Equipment		
197	865 Maintenance of Measuring and Regulating Station Equipment		
198	866 Maintenance of Communication Equipment		
199	867 Maintenance of Other Equipment		
200	TOTAL Maintenance (Total of lines 193 thru 199)	(43,943)	130,648
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	161,175	367,783
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	1,769,895	1,729,133
205	871 Distribution Load Dispatching		
206	872 Compressor Station Labor and Expenses		
207	873 Compressor Station Fuel and Power		

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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account		Amount for Current Year	Amount for Previous Year
	(a)		(b)	(c)
208	874	Mains and Services Expenses	6,571,560	6,765,201
209	875	Measuring and Regulating Station Expenses-General	69,475	118,406
210	876	Measuring and Regulating Station Expenses-Industrial		
211	877	Measuring and Regulating Station Expenses-City Gas	432,560	421,959
		Check Station		
212	878	Meter and House Regulator Expenses	4,395,961	3,889,730
213	879	Customer Installations Expenses	3,982,514	4,917,574
214	880	Other Expenses	976,228	492,437
215	881	Rents	178,040	160,624
216	TOTAL Operations (Total of lines 204 thru 215)		18,376,233	18,495,064
217	Maintenance			
218	885	Maintenance Supervision and Engineering	518,462	1,744,600
219	886	Maintenance of Structures and Improvements		
220	887	Maintenance of Mains	2,289,460	2,147,415
221	888	Maintenance of Compressor Station Equipment		
222	889	Maintenance of Measuring & Regulating Station Equipment	818,291	776,771
		-General		
223	890	Maintenance of Meas. and Reg. Station Equipment-Industrial		
224	891	Maintenance of Meas & Reg Station Equip-City Gate	75,041	54,722
		Check Station		
225	892	Maintenance of Services	1,323,392	1,202,461
226	893	Maintenance of Meters and House Regulators	1,991,434	1,540,401
227	894	Maintenance of Other Equipment	23,326	22,618
228	TOTAL Maintenance (Total of lines 218 thru 227)		7,039,406	7,488,988
229	TOTAL Distribution Expenses (Total of lines 216 and 228)		25,415,639	25,984,052
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901	Supervision	1,068,662	975,881
233	902	Meter Reading Expenses	490,541	523,151
234	903	Customer Records and Collection Expenses	14,042,543	13,449,325

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Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account	Amount for Current Year	Amount for Previous Year	
	(a)	(b)	(c)	
235	904 Uncollectible Accounts	1,130,774	1,919,117	
236	905 Miscellaneous Customer Accounts Expenses			
237	TOTAL Customer Accounts Expenses (Total of lines 232-236)	16,732,520	16,867,474	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSE			
239	Operation			
240	907 Supervision	220,435	196,729	
	908 Customer Assistance Expense	2,369,063	2,079,032	
242	909 Informational and Instructional Expenses	1,441,371	1,115,716	
243	910 Miscellaneous Customer Service and Informational Expenses	127,981	154,398	
244	TOTAL Customer Service & Information Expenses (Total of lines 240 thru 243)	4,158,850	3,545,875	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision	236,187	223,885	
248	912 Demonstration and Selling Expenses	1,847,865	1,860,262	
249	913 Advertising Expenses	238,527	576,199	
250	916 Miscellaneous Sales Expenses	80	177	
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	2,322,659	2,660,523	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	16,728,391	16,484,011	
255	921 Office Supplies and Expenses	11,289,730	10,581,037	
256	(Less) 922 Administrative Expenses Transferred - Credit	(14,683,290)	(13,991,615)	
257	923 Outside Services Employed	7,016,072	5,488,758	
258	924 Property Insurance	2,428,848	2,400,761	
259	925 Injuries and Damages	1,004,092	759,639	
260	926 Employee Pensions and Benefits	34,120,542	30,437,994	
261	927 Franchise Requirements			
262	928 Regulatory Commission Expenses			
263	(Less) 929 Duplicate Charges - Credit			
264	930.1 General Advertising Expenses			
265	930.2 Miscellaneous General Expenses	2,431,741	2,529,822	
266	931 Rents	4,531,602	4,221,030	
267	TOTAL Operation (Total of lines 254 thru 266)	64,867,728	58,911,437	
268	Maintenance			
269	935 Maintenance of General Plant	3,623,520	3,507,778	
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	68,491,248	62,419,215	
271	TOTAL Gas O & M Expenses (Total of lines 97,177,201,229,237,244,251,and 270)	476,811,620	574,739,433	

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report</b>	<b>Year of Report</b> Dec. 31, 2012
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**Exchange and Imbalance Transactions**

1. Report below the details by zone and rate schedule concerning the gas quantities and related dollar amount of imbalances associated with system balancing and no-notice service. Also, report certified natural gas exchange transactions during the year.

Line No.	Zone/Rate Schedule (a)	Gas Received from Others	Gas Received from Others	Gas delivered to Others	Gas delivered to Others
		Amount (b)	Dth (c)	Amount (d)	Dth (e)
1					
2					
3					
4	NOT APPLICABLE				
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	<b>Total</b>				

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> X An Original A Resubmission	<b>Date of Report</b> (Mo, Da, Yr) Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**Gas Used in Utility Operations**

1. Report below details of credits during the year to Accounts 810, 811, and 812.  
2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).

Line No.	Purpose for Which Gas Was Used  (a)	Account Charged  (b)	Natural Gas		Manufactured Gas	
			Gas Used (Dth)  (c)	Amount of Credit (in dollars) (d)	Gas Used (Dth)  (d)	Amount of Credit (in dollars) (d)
1	Credit					
2	811 Gasu Used for Products Extraction - Credit					
3	Respondent's Own Processing					
4	Processed by Others					
5	Credit (Report separately for each principal use.					
6	System - All Districts	Variable	125,231	332,105		
7	Storage Plants	Inventory	139,762		Included in the Cost of Inventory	
8	<b>Total</b>		<b>264,993</b>	<b>332,105</b>		
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41						
42						
43						
44						
45	<b>Total</b>		<b>264,993</b>	<b>332,105</b>		

<b>Name of Respondent</b>	<b>This Report Is:</b> X An Original A Resubmission	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company			Dec. 31, 2012

**Transmission and Compression of Gas by Others (Account 858)**

1. Report below details concerning gas transported or compressed for respondent by others equaling more than 1,000,000 Dth and amounts of payments for such services during the year. Minor items (less than 1,000,000) Dth may be grouped. Also, include in column (c) amounts paid as transition costs to an upstream pipeline.
2. In column (a) give name of companies, points of delivery and receipt of gas. Designate points of delivery and receipt so that they can be identified readily on a map of respondent's pipeline system.
3. Designate associated companies with an asterisk in column (b).

Line No.	Name of Company and Description of Service Performed (a)	*	Amounts of Payment (in dollars) (c)	Dth of Gas Delivered (d)
1	<b>NOT APPLICABLE</b>			
2				
3				
4				
5				
6				
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12				
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19				
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22				
23				
24				
25	<b>Total</b>			-

<b>Name of Respondent</b>	<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2012

**Other Gas Supply Expenses (Account 813)**

1. Report other gas supply expenses by descriptive titles that clearly indicate the nature of such expenses. Show maintenance expenses, revaluation of monthly encroachments recorded in Account 117.4, and losses on settlements of imbalances and gas losses not associated with storage separately. Indicate the functional classification and purpose of property to which any expenses relate. List separately items of \$250,000 or more.

Line No.	Name of Company and Description of Service Performed (a)	Amount (in dollars) (b)
1	NOT APPLICABLE	
2		
3		
4		
5		
6		
7		
8		
9		
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11		
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18		
19		
20		
21		
22		
23		
24		
25	<b>Total</b>	



Name of Respondent		This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012
<b>MISCELLANEOUS GENERAL EXPENSE (Account 930.2)</b>				
1. Provide the information requested below on miscellaneous general expenses		2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items so grouped is shown.		
Line No.	Description (a)	Amount (in dollars) (b)		
1	Industry association dues (2105)	848,056		
2				
3	Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent (2065-5000)	75,496		
4				
5	Other expenses (2966)	17,195		
6				
7	Director's Fees and Expenses (4320)	1,302,418		
8				
9	Corporate Information - Annual Report (4295)	64,860		
10				
11	Annual Meeting (4290)	123,716		
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39				
40	TOTAL	2,431,741		

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW NATURAL**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
<b>UTILITY</b>								
<b>Intangible Plant</b>								
301 ORGANIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-
302 FRANCHISES & CONSENTS	0	0	0	0	0	0	0	0
303.1 COMPUTER SOFTWARE	27,963,556	2,254,993	0	0	0	0	0	30,218,549
303.2 CUSTOMER INFORMATION SYSTEM	28,550,296	2,215,554	0	0	0	0	0	30,765,849
303.3 INDUSTRIAL & COMMERCIAL BIL	4,146,951	0	0	0	0	0	0	4,146,951
303.4 CRMS	1,401,734	39,874	0	0	0	0	0	1,441,608
303.5 POWERPLANT SOFTWARE	0	0	0	0	0	0	0	0
<b>Intangible Plant Subtotal</b>	<b>62,062,537</b>	<b>4,510,421</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>66,572,958</b>
<b>Production Plant - Oil Gas</b>								
304.1 LAND	0	0	0	0	0	0	0	0
305.2 P P O G STRU & IMPR-SEWER S	0	0	0	0	0	0	0	0
305.5 P P O G STRU & IMPR-OTHER Y	13,814	0	0	0	0	0	0	13,814
312.3 P P O G FUEL HANDLING AND S	0	0	0	0	0	0	0	0
318.3 P P O G LIGHT OIL REFINING	152,141	0	0	0	0	0	0	152,141
318.5 P P O G TAR PROCESSING	255,729	0	0	0	0	0	0	255,729
325 NATURAL GAS PROD AND GATHER	0	0	0	0	0	0	0	0
327 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
328 NATURAL GAS PROD AND GATHER	0	0	0	0	0	0	0	0
331 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
332 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
333 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
334 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
<b>Production Plant - Oil Gas Subtotal</b>	<b>421,683</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>421,683</b>
<b>Production Plant - Other</b>								
305.11 GAS PRODUCTION - COTTAGE G	8,736	0	0	0	0	0	0	8,736
305.17 STRUCTURES MIXING STATION	51,246	0	0	0	0	0	0	51,246
311 P P OTHER-LIQUEFIED PETROLE	(0)	(0)	0	0	0	0	0	(0)
311.4 P P OTHER-L P G GRANGER	0	0	0	0	0	0	0	0
311.7 LIQUIFIED GAS EQUIPMENT COO	8,066	0	0	0	0	0	0	8,066
311.8 LIQUIFIED GAS EQUIPMENT LIN	6,585	0	0	0	0	0	0	6,585
319 GAS MIXING EQUIPMENT GASCO	194,720	0	0	0	0	0	0	194,720
<b>Production Plant - Other Subtotal</b>	<b>269,353</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>269,353</b>
<b>Natural Gas Underground Storage</b>								
350.1 LAND	0	0	0	0	0	0	0	0
350.2 RIGHTS-OF-WAY	18,040	1,776	0	0	0	0	0	19,815
351 STRUCTURES AND IMPROVEMENTS	2,072,376	113,349	0	0	0	0	0	2,185,725
352 WELLS	9,315,665	414,974	0	0	0	0	0	9,730,639
<b>Oregon and Washington Provision for Depreciation</b>								

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW NATURAL**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
<b>UTILITY</b>								
352.1 STORAGE LEASEHOLD & RIGHTS	1,230,738	69,001	0	0	0	0	0	1,299,739
352.2 RESERVOIRS	1,245,146	112,692	0	0	0	128,909	0	1,486,747
352.3 NON-RECOVERABLE NATURAL GAS	2,714,352	121,089	0	0	0	0	0	2,835,441
353 LINES	2,366,202	135,012	0	0	0	0	0	2,501,213
354 COMPRESSOR STATION EQUIPMENT	12,943,818	757,866	0	0	0	256,980	0	13,958,663
355 MEASURING / REGULATING EQUIPM	3,442,995	143,769	0	0	0	75,075	0	3,661,839
356 PURIFICATION EQUIPMENT	188,197	7,375	0	0	0	0	0	195,572
357 OTHER EQUIPMENT	675,543	30,368	0	0	0	0	0	705,911
Natural Gas Underground Storage Subtotal	36,213,072	1,907,269	0	0	0	460,965	0	38,581,306
<b>Local Storage Plant</b>								
360.11 LAND - LNG LINNTON	0	0	0	0	0	0	0	0
360.12 LAND - LNG NEWPORT	0	0	0	0	0	0	0	0
360.2 LAND - OTHER	0	0	0	0	0	0	0	0
361.11 STRUCTURES & IMPROVEMENTS	946,022	243,909	0	0	0	0	0	1,189,931
361.12 STRUCTURES & IMPROVEMENTS	1,824,626	142,953	0	0	0	0	0	1,967,578
361.2 STRUCTURES & IMPROVEMENTS -	8,631	466	0	0	0	0	0	9,097
362.11 GAS HOLDERS - LNG LINNTON	2,009,439	63,229	0	0	0	0	0	2,072,668
362.12 GAS HOLDERS - LNG NEWPORT	4,808,411	157,541	0	0	0	0	0	4,965,952
362.2 GAS HOLDERS - LNG OTHER	1,088	21	0	0	0	0	0	1,109
363.11 LIQUEFACTION EQUIP. - LINN	2,215,009	82,422	0	0	0	0	0	2,297,431
363.12 LIQUEFACTION EQUIP - NEWPO	6,893,189	57,019	0	0	0	0	0	6,950,209
363.21 VAPORIZING EQUIP - LINNTON	2,477,403	36,821	0	0	0	0	0	2,514,225
363.22 VAPORIZING EQUIP - NEWPORT	2,605,814	1,002	0	0	0	0	0	2,606,816
363.31 COMPRESSOR EQUIP - LINNTON	171,402	12,845	0	0	0	0	0	184,247
363.32 COMPRESSOR EQUIPMENT - NE	177,107	14,176	0	0	0	0	0	191,282
363.41 MEASURING & REGULATING EQU	596,915	295	0	0	0	0	0	597,210
363.42 MEASURING & REGULATING EQU	114,984	828	0	0	0	0	0	115,812
363.5 CNG REFUELING FACILITIES	1,828,161	107	(103,353)	0	0	0	0	1,724,915
363.6 LNG REFUELING FACILITIES	739,473	0	0	0	0	0	0	739,473
Local Storage Plant Subtotal	27,417,674	813,632	(103,353)	0	0	0	0	28,127,954
<b>Transmission Plant</b>								
365.1 LAND	0	0	0	0	0	0	0	0
365.2 LAND RIGHTS	1,276,318	122,003	0	0	0	0	0	1,398,320
366.3 STRUCTURES & IMPROVEMENTS -	195,692	20,319	0	0	0	0	0	216,010
367 MAINS	10,580,010	1,656,706	0	0	0	0	0	12,236,716
367.21 NORTH MIST TRANSMISSION LI	829,551	50,084	0	0	0	0	0	879,636
367.22 SOUTH MIST TRANSMISSION LI	8,462,518	367,916	0	0	0	0	0	8,830,433
367.23 SOUTH MIST TRANSMISSION LI	8,118,755	913,510	0	0	0	0	0	9,032,265
367.24 11.7M S MIST TRANS LINE	3,010,007	452,566	0	0	0	0	0	3,462,572
367.25 12M NORTH S MIST TRANS	2,878,823	485,382	0	0	0	0	0	3,364,205
367.26 38M NORTH S MIST TRANS	10,776,925	1,774,797	0	0	0	0	0	12,551,723
Oregon and Washington Provision for Depreciation								

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS  
NW NATURAL

Period Beginning: Jan 2012  
Period Ending: Dec 2012

Functional Class	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
<b>UTILITY</b>								
368 TRANSMISSION COMPRESSOR	(9)	0	0	0	0	0	0	(9)
369 MEASURING & REGULATE STATION	921,515	99,544	0	0	0	0	0	1,021,059
370 COMMUNICATION EQUIPMENT	0	0	0	0	0	0	0	0
Transmission Plant Subtotal	47,050,104	5,942,826	0	0	0	0	0	52,992,931
<b>Distribution Plant</b>								
374.1 LAND	0	0	0	0	0	0	0	0
374.2 LAND RIGHTS	718,117	138,772	0	0	0	0	0	856,889
375 STRUCTURES & IMPROVEMENTS	79,335	433	0	0	0	0	0	79,768
376.11 MAINS < 4"	252,694,573	12,624,109	(260,936)	(885,994)	16,811	0	0	264,188,563
376.12 MAINS 4" & >	167,618,804	11,053,694	(3,746,279)	(1,082,936)	16,964	0	0	173,860,246
377 COMPRESSOR STATION EQUIPMENT	535,056	19,068	0	0	0	0	0	554,124
378 MEASURING & REG EQUIP - GENER	8,442,259	519,695	0	0	0	0	0	8,961,953
379 MEASURING & REG EQUIP - GATE	1,192,606	79,009	0	0	0	0	0	1,271,615
380 SERVICES	321,010,693	16,935,277	(689,693)	(2,784,271)	0	0	0	334,472,007
381 METERS	17,184,020	1,711,954	(442,790)	0	0	0	0	18,453,185
381.1 METERS (ELECTRONIC)	507,007	132,801	0	0	0	0	0	639,808
381.2 ERT (ENCODER RECEIVER TRANS	8,627,073	2,375,818	(479,487)	0	0	0	0	10,523,405
382 METER INSTALLATIONS	13,710,812	1,445,362	(1,809,044)	0	0	0	0	13,347,130
382.1 METER INSTALLATIONS (ELECTR	518,377	7,406	0	0	0	0	0	525,783
382.2 ERT INSTALLATION (ENCODER	2,228,090	654,797	(94,349)	0	0	0	0	2,788,538
383 HOUSE REGULATORS	46,724	19,216	0	0	0	0	0	65,939
386 OTHER PROPERTY ON CUSTOMERS P	0	0	0	0	0	0	0	0
387.1 CATHODIC PROTECTION TESTING	138,969	85	0	0	0	0	0	139,055
387.2 CALORIMETERS @ GATE STATIONS	96,424	0	0	0	0	0	0	96,424
387.3 METER TESTING EQUIPMENT	72,671	0	0	0	0	0	0	72,671
Distribution Plant Subtotal	795,421,611	47,717,496	(7,522,578)	(4,753,200)	33,774	0	0	830,897,103
<b>General Plant</b>								
389 LAND	0	0	0	0	437,351	0	0	437,351
390 STRUCTURES & IMPROVEMENTS	8,699,239	555,461	(1,866,180)	0	844,509	0	0	8,233,029
391.1 OFFICE FURNITURE & EQUIPMEN	6,091,652	866,673	0	0	0	0	0	6,958,326
391.2 COMPUTERS	11,937,639	2,837,782	0	0	0	0	0	14,775,421
391.3 ON SITE BILLING	938,788	0	0	0	0	0	0	938,788
391.4 CUSTOMER INFORMATION SYSTEM	695,871	261,678	0	0	0	0	0	957,549
392 TRANSPORTATION EQUIPMENT	9,271,771	1,257,081	(1,908,460)	0	240,524	0	0	8,860,916
393 STORES EQUIPMENT	119,406	0	0	0	0	0	0	119,406
394 TOOLS - SHOP & GARAGE EQUIPUI	6,222,185	1,003,520	0	0	8,409	0	0	7,234,114
395 LABORATORY EQUIPMENT	66,281	2,012	0	0	0	0	0	68,293
396 POWER OPERATED EQUIPMENT	3,811,967	145,759	(365,158)	0	92,512	0	0	3,685,080
397 GEN PLANT-COMMUNICATION EQU	10,908	5,373	0	0	0	0	0	16,281
397.1 MOBILE	1,195,683	8,812	(0)	0	0	0	0	1,204,495
397.2 OTHER THAN MOBILE & TELEMET	1,591,942	75,324	0	0	0	0	0	1,667,266
397.3 TELEMETERING - OTHER	3,093,760	2,878	0	0	0	0	0	3,096,638
397.4 TELEMETERING - MICROWAVE	1,882,654	21,388	0	0	0	0	0	1,904,042

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
NW NATURAL

Period Beginning: Jan 2012  
Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
<b>UTILITY</b>								
397.5 TELEPHONE EQUIPMENT	2,066,580	11,144	0	0	0	0	0	2,077,725
398 GEN PLANT-MISCELLANEOUS EQU	0	0	0	0	0	0	0	0
398.1 PRINT SHOP	83,249	0	0	0	0	0	0	83,249
398.2 KITCHEN EQUIPMENT	985	525	0	0	0	0	0	1,510
398.3 JANITORIAL EQUIPMENT	14,873	401	0	0	0	0	0	15,274
398.4 INSTALLED IN LEASED BUILDINGS	10,120	0	0	0	0	0	0	10,120
398.5 OTHER MISCELLANEOUS EQUIPMENT	66,739	0	0	0	0	0	0	66,739
General Plant Subtotal	57,872,293	7,055,814	(4,139,799)	0	1,623,305	0	0	62,411,612
<b>Utility Property Grand Total</b>	<b>\$1,026,728,327</b>	<b>\$67,947,459</b>	<b>(\$11,765,730)</b>	<b>(\$4,753,200)</b>	<b>\$1,657,079</b>	<b>\$460,965</b>	<b>\$0</b>	<b>\$1,080,274,900</b>

**NON UTILITY**

<b>Intangible Plant</b>								
303.1 COMPUTER SOFTWARE	\$10,089	\$7,041	\$0	\$0	\$0	\$0	\$0	17,130
303.2 CUSTOMER INFORMATION SYSTEM	20,850	4,275	0	0	0	0	0	25,126
Non Utility Intangible Plant Subtotal	30,940	11,316	0	0	0	0	0	42,256
<b>Natural Gas Underground Storage</b>								
352 WELLS	1,846,599	349,937	0	0	0	0	0	2,196,536
352.1 STORAGE LEASEHOLD & RIGHTS	102	20	0	0	0	0	0	122
352.2 RESERVOIRS	871,686	101,780	0	0	0	(128,909)	0	844,556
353 LINES	185,289	33,994	0	0	0	0	0	219,282
354 COMPRESSOR STATION EQUIPMENT	3,832,043	394,859	0	0	0	(256,980)	0	3,969,922
355 MEASURING / REGULATING EQUIPM	1,199,168	189,350	0	0	0	(75,075)	0	1,313,443
357 OTHER EQUIPMENT	2,945	1,442	0	0	0	0	0	4,387
Non Utility Natural Gas Underground Storage Subtotal	7,937,831	1,071,382	0	0	0	(460,965)	0	8,548,248
<b>Transmission Plant</b>								
368 TRANSMISSION COMPRESSOR	893,901	238,655	0	0	0	0	0	1,132,556
Non Utility Transmission Plant Subtotal	893,901	238,655	0	0	0	0	0	1,132,556
<b>Distribution Plant</b>								
376.12 MAINS 4" & >	108,160	21,272	0	0	0	0	0	129,432
Non Utility Distribution Plant Subtotal	108,160	21,272	0	0	0	0	0	129,432

Oregon and Washington Provision for Depreciation

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
NW NATURAL

Period Beginning: Jan 2012  
Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
<b>NON UTILITY</b>								
<b>General Plant</b>								
389 LAND	0	0	0	0	0	0	0	0
390 STRUCTURES & IMPROVEMENTS	15,604	2,033	0	0	0	0	0	17,637
Non Utility General Plant Subtotal	15,604	2,033	0	0	0	0	0	17,637
<b>Non Utility Other</b>								
121.1 NON-UTIL PROP-DOCK	1,837,760	41,468	0	0	0	0	0	1,879,228
121.2 NON-UTIL PROP-LAND	0	0	0	0	0	0	0	0
121.3 NON-UTIL PROP-OIL ST	2,201,485	3,289	0	0	0	0	0	2,204,774
121.7 NON-UTIL PROP-APPL CENTER	13,165	4,219	0	0	0	0	0	17,385
121.8 NON-UTIL PROP-STORAGE	(1)	0	0	0	0	0	0	(1)
Non Utility Other	4,052,409	48,976	0	0	0	0	0	4,101,384
<b>Non Utility Property Grand Total</b>	<b>\$13,038,843</b>	<b>\$1,393,635</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$460,965)</b>	<b>\$0</b>	<b>\$13,971,513</b>

**TOTAL SUMMARY ALL UTILITY DEPRECIATION RESERVES 12/31/2012**

<b>UTILITY</b>	
108010	(\$21,737,276)
108011	811,485,881
108012	10,855,762
108013	(2,037,787)
108014	(136,482)
108015	3,749,011
108100	280,304,479
108002	(2,324,180)
108003	36,770
108004	78,721
108666	-
<b>SUBTOTAL</b>	<b>\$1,080,274,900</b>
<b>ADD:</b>	
108001 REMOVAL WORK IN PROCESS	(10,768,930)
<b>TOTAL UTILITY DEPRECIATION RESERVES</b>	<b>1,069,505,970</b>

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS  
NW NATURAL**

Period Beginning: Jan 2012  
Period Ending: Dec 2012

Functional Class	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
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**TOTAL SUMMARY ALL NON-UTILITY DEPRECIATION RESERVES**

**NON UTILITY**

122027	4,161,279
122028	8,942,024
122100	908,807
122002	(40,596)

<b>TOTAL NON UTILITY DEPRECIATION RESERVES</b>	<b>13,971,513</b>
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<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report (Mo, Da, Yr)</b> Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Continued)**

4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.10, 3.10, 3.02, etc.

**Section B. Factors Used in Estimating Depreciation Charges**

Line No.	Functional Classification  (a)	Plant Bases (thousands)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore	N/A	N/A
3	Onshore	N/A	N/A
4	Underground Gas Storage Plant	86,432	2.3
5	Transmission Plant	N/A	N/A
6	Offshore	N/A	N/A
7	Onshore	N/A	N/A
8	General Plant	N/A	N/A
9			
10			
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12			
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14			
15			



<b>Name of Respondent</b>	<b>This Report Is:</b> X An Original A Resubmission	<b>Date of Report</b> <b>(Mo, Da, Yr)</b>	<b>Year of Report</b>
Northwest Natural Gas Company			Dec. 31, 2012

**PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS**

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

(a) **Miscellaneous Amortization** (Account 425) - Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) **Miscellaneous Income Deductions** - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts.

Amounts of less than \$250,000 may be grouped by classes within the above accounts.

(c) **Interest on Debt to Associated Companies** (Account 430) - For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) **Other Interest Expense** (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Account 425 Miscellaneous Amortization	-
2	Account 426.1 Donations	1,209,282
3	Account 426.2 Insurance Benefits	(2,284,376)
4	Account 426.3 Penalties - Internal Revenue	3,751
5	Account 426.4 Civic, Political and Related Activities (426.31-426.33 & 426.41-426.45)	977,462
6	Account 426.5 Other Deductions (426.05, 426.50-426.52)	185,575
7	Account 426.6 Diversification (426.60)	-
8		
9	Total Account 426	91,694
10		
11	Account 430 Interest on Debt to Associated Companies	-
12	Account 431 Other Interest Expense	
13	Notes Payable (431.1)	346,882
14	Miscellaneous (431.2-431.5)	918,164
15		
16	Total Account 431	1,265,046
17		
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Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report	
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012	
REGULATORY COMMISSION EXPENSES (Account 928)					
1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.			2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.		
Line No.	Description (Furnish name of regulatory commission or body, the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 186 at Beginning of Year (e)
1					
2					
3	<b>PUBLIC UTILITY COMMISSIONER OF OREGON:</b>				
4					
5	REGULATORY ISSUES	NONE	0	0	NONE
6					
7	LEAST COST PLANNING (UM180)	NONE	0	0	NONE
8					
9					
10	<b>WASHINGTON UTILITIES &amp; TRANSPORTATION COMMISSION:</b>				
11					
12	REGULATORY ISSUES	NONE	0	0	NONE
13					
14	LEAST COST PLANNING (UG10149)	NONE	0	0	NONE
15					
16					
17	<b>FEDERAL ENERGY REGULATORY COMMISSION:</b>				
18					
19	REGULATORY ISSUES	NONE	0	0	NONE
20					
21					
22	<b>PROFESSIONAL SERVICES</b>				
23	CLASSIFIED TO FERC ACCOUNT 923	NONE	0	0	NONE
24					
25					
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42					
43	TOTAL		0	0	

Northwest Natural does not track expenses by formal regulatory cases.

Name of Respondent		This Report Is:		Date of Report (Mo, Da, Yr)		Year of Report	
Northwest Natural Gas Company		X An Original A Resubmission				Dec. 31, 2012	
REGULATORY COMMISSION EXPENSES (Continued)							
3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization.				5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts.			
4. Identify separately all annual charge adjustments (ACA)				6. Minor items (less than \$250,000) may be grouped.			
EXPENSES INCURRED DURING YEAR CHARGED CURRENTLY TO				AMORTIZED DURING YEAR		Deferred in Account 186, End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)	Deferred to Account 186 (i)	Contra Account (j)	Amount (j)		
GAS	928	0	NONE	NONE		NONE	1
GAS	928	0	NONE	NONE		NONE	2
							3
							4
GAS	928	0	NONE	NONE		NONE	5
GAS	928	0	NONE	NONE		NONE	6
							7
							8
							9
							10
GAS	928	0	NONE	NONE		NONE	11
GAS	928	0	NONE	NONE		NONE	12
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GAS	928	0	NONE	NONE		NONE	19
							20
							21
GAS	928	0	NONE	NONE		NONE	22
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Name of Respondent		This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
<b>Employee Pensions and Benefits (Account 926)</b>				
1. Report below the items contained in Account 926, Employee Pensions & Benefits				
Line No.	Expense	Amount		
	(a)	(b)		
1	Pensions - defined benefit plans	5,448,279		
2	Pensions - other	2,942,264		
3	Post-retirement benefits other than pensions (PBOP)	2,019,571		
4	Post-employment benefit plans	-		
5	Other Benefits	23,710,428		
6				
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36				
37	<b>Total</b>	<b>34,120,542</b>		

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<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**DISTRIBUTION OF SALARIES AND WAGES**

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. Salaries and wages billed to the Respondent by an affiliated company must be assigned to the particular operating

function(s) relating to the expenses. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 74.01, 74.02, etc.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production			
4	Transmission			
5	Distribution			
6	Customer Accounts			
7	Customer Service and Informational			
8	Sales			
9	Administrative and General			
10	TOTAL Operation (Total of lines 3 thru 9)			
11	Maintenance			
12	Production			
13	Transmission			
14	Distribution			
15	Administrative and General			
16	TOTAL Maint. (Total of lines 12 thru 15)			
17	Total Operation and Maintenance			
18	Production (Total of lines 3 and 12)			
19	Transmission (Total of lines 4 and 13)			
20	Distribution (Total of lines 5 and 14)			
21	Customer Accounts (Line 6)			
22	Customer Service and Informational (Line 7)			
23	Sales (Line 8)			
24	Administrative and General (Total of lines 9 and 15)			
25	TOTAL Oper. and Maint. (Total of lines 18 thru 24)			
26	Gas			
27	Operation			
28	Production - Manufactured Gas			
29	Production - Nat. Gas (Including Expl. and Dev.)			
30	Other Gas Supply			
31	Storage, LNG Terminaling and Processing	1,627,420	117,030	1,744,450
32	Transmission	422,290	36,381	458,671
33	Distribution	13,524,717	1,206,151	14,730,868
34	Customer Accounts	8,693,414	639,149	9,332,563
35	Customer Service and Informational	2,791,567	195,849	2,987,416
36	Sales	975,213	69,536	1,044,749
37	Administrative and General	16,586,906	1,165,089	17,751,995
38	TOTAL Operation (Total of lines 28 thru 37)	44,621,526	3,429,185	48,050,711
39	Maintenance			
40	Production - Manufactured Gas			
41	Production - Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminaling and Processing	227,538	16,522	244,060
44	Transmission	1,204,839	85,630	1,290,469
45	Distribution	6,491,717	556,768	7,048,485
46	Administrative and General	1,207,593	98,864	1,306,457
47	TOTAL Maint. (Total of lines 40 thru 46)	9,131,687	757,784	9,889,471

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
<b>DISTRIBUTION OF SALARIES AND WAGES (Continued)</b>				
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
48	Gas (Continued)			
49	Total Operation and Maintenance			
50	Production - Manufactured Gas (Lines 28 and 40)			
51	Production - Nat. Gas (Including Expl. and Dev.) (Lines 29 and 41)			
52	Other Gas Supply (Lines 30 and 42)			
53	Storage, LNG Terminating and Processing (Lines 31 and 43)	1,854,958	133,552	1,988,510
54	Transmission (Total of lines 32 and 44)	1,627,128	122,011	1,749,139
55	Distribution (Total of lines 33 and 45)	20,016,434	1,762,919	21,779,353
56	Customer Accounts (Total of line 34)	8,693,414	639,149	9,332,563
57	Customer Service and Informational (Total of line 35)	2,791,567	195,849	2,987,416
58	Sales (Total of line 36)	975,213	69,536	1,044,749
59	Administrative and General (Total of lines 37 and 46)	17,794,499	1,263,953	19,058,452
60	Other Utility Departments			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 50 thru 61)	53,753,213	4,186,969	57,940,182
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant			
66	Gas Plant	21,986,603	1,942,861	23,929,464
67	Other			
68	TOTAL Construction (Total of lines 65 thru 67)	21,986,603	1,942,861	23,929,464
69	Plant Removal (By Utility Departments)			
70	Electric Plant			
71	Gas Plant			
72	Other			
73	TOTAL Plant Removal (Total of lines 70 thru 72)	-	-	-
74	Other Accounts (Specify):			
74.01	Merchandising	783,353	-	783,353
74.02	Governmental	242,937	188,780	431,717
74.03	Acct Rec-NNG Financial Corporation	-	-	-
74.04	Acct Rec-Palomar	-	-	-
74.05	Acct Rec-Gill Ranch	59,052	-	59,052
74.06	Acct Rec-PGE Joint Meter Reading	141,692	-	141,692
74.07	Storage Business	447,820	-	447,820
74.08	Other Accounts Receivable	-	359,630	359,630
74.09				
74.10				
74.11				
74.12				
74.13				
74.14				
74.15				
74.16				
74.17				
74.18				
74.19				
75	TOTAL Other Accounts	1,674,853	548,410	2,223,263
76	TOTAL SALARIES AND WAGES	77,414,669	6,678,240	84,092,909

<b>Name of Respondent</b>	<b>This Report Is:</b> X An Original A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			Dec. 31, 2012

**CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES**

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250,000, including payments for legislative services, except those which should be reported in Account 426.4, Expenditures for Certain Civic, Political and Related Activities.
- (a) Name of person or organization rendering services.  
(c) Total charges for the year.
2. Sum under a description "Other" all of the aforementioned services amounting to \$250,000 or less.
3. Total under a description "Total", the total of all of the aforementioned services.
4. Charges for outside professional and other consultative services provided by associated (affiliated) companies should be excluded from this schedule and be reported on Page 358, according to the instructions for that schedule.

Line No.	Description (a)	Amount (in dollars) (b)
1	LOY CLARK PIPELINE CO	9,836,869
2	PILCHUCK CONTRACTORS INC	7,355,334
3	COLORADO STRUCTURES INC	6,461,217
4	ANCHOR QEA LLC	5,973,128
5	K & L GATES LLP	4,370,566
6	HENKELS & MCCOY INC	4,019,017
7	BROTHERTON CORP	2,201,855
8	MARSH USA INC	1,991,398
9	LOCATING INC	1,884,793
10	K & D SERVICES OF OREGON	1,875,956
11	MULVANNYG2 ARCHITECTURE CORP	1,813,002
12	ADVANTELL INC	1,761,831
13	SEVENSON ENVIRONMENTAL	1,745,099
14	ITRON INC	1,378,057
15	ACTIVE TELESOURCE INC	1,239,455
16	OREGON WASHINGTON LABORATORIES	1,138,333
17	MCDOWELL RACKNER & GIBSON PC	1,033,491
18	ADVANCE ENGINEERING CORP	993,369
19	PRICEWATERHOUSECOOPERS LLP	985,565
20	CREATIVE MEDIA DEVELOPMENT INC	935,482
21	D.P. NICOLI INC	929,300
22	COURTNEY & SON INC	912,026
23	SURVEYS & ANALYSIS INC	854,659
24	URS CORPORATION AMERICAS	714,627
25	MSN COMMUNICATIONS INC	688,912
26	PEARL LEGAL GROUP PC	688,339
27	GEOENGINEERS INC	674,516
28	STOEL RIVES LLP	661,095
29	MICROSOFT LICENSING GP	613,567
30	WHPACIFIC INC	585,347
31	HAHN AND ASSOCIATES INC	530,567
32	DELL MARKETING LP	529,224
33	WOODRUFF-SAWYER & COMPANY	517,217
34	LOWER WILLAMETTE GROUP	498,389
35	THOMAS N SNAIR	493,926
36	G A W INC	424,101
37	ONLINE ENTERPRISES INC	421,000
38	AMERICAN GAS ASSOCIATION	410,485
39	SAP INDUSTRIES INC	408,640
40	THE HDD CO INC	405,348
41	APEX DIRECTIONAL DRILLING LLC	381,850
42	NORTHWEST STAFFING RESOURCES I	362,710
43	C-2 UTILITY CONTRACTORS LLC	352,212
44	ARMADILLO UNDERGROUND INC	335,056
45	ALASKA CONTINENTAL PIPELINE	315,527
46	ARONSON SECURITY GROUP INC	300,952
47	ENERSYS CORPORATION	297,574
48	NEW CENTURY SOFTWARE INC	286,337
49	CENVEO GRAPHIC ARTS CENTER	285,599
50	STANDARD UTILITY CONTRACTORS	282,163
51	OPERATIONS TECHNOLOGY	280,000
52	HEWITT ASSOCIATES LLC	277,655
53	POINT B INC	269,031
54	MEARS/CPG LLC	251,523
	<b>TOTAL</b>	<b>75,233,291</b>



<b>Name of Respondent</b>	<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2012

**Transactions with Associated (Affiliated) Companies**

1. Report below the information called for concerning all goods or services received from or provided to associated (affiliated) companies amounting to more than \$250,000.
2. Sum under a description "Other", all of the aforementioned goods and services amounting to \$250,000 or less.
3. Total under a description "Total", the total of all of the aforementioned goods and services.
4. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.

Line No.	Description of the Goods or Service (a)	Name of Associated/Affiliated company (b)	Account(s) Charged or Credited (c)	Amount (d)
1	Goods or Services Provided by Affiliated Company			
2				
3	None			
4				
5				
6				
7				
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10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	Goods or Services Provided for Affiliated Company			
21				
22	Shared services agreement - payroll	NW Energy LLC	421-61505	188,942
23	Shared services agreement - overhead	NW Energy LLC	921-01505	62,081
24				
25				
26				
27	Shared services agreement - payroll	NW Natural Gas Storage LLC	421-61505	76,644
28	Shared services agreement - overhead	NW Natural Gas Storage LLC	921-01505	30,340
29				
30				
31				
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37				
38				
39				
40	TOTAL			358,007

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2012
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**COMPRESSOR STATIONS**

1. Report below details concerning compressor stations. Use the following subheading; field compressor stations, products extraction compressor stations, underground compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.  
 2. For column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership if jointly owned

Line No.	Name of station and location  (a)	Number of Units at Station  (b)	Certified Horsepower for Each Station  (c)	Plant cost  (d)
1	Underground Storage Compressors:	4	15,400	28,746,969
2	Miller Station, Mist, Oregon			
3	(Fuel used is natural gas)			
4				
5	Field Compressors: NON-UTILITY			
6	Molalla, Oregon	2	2,219	7,723,454
7	Deer Island, Oregon	1	1,680	1,989,802
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<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report (Mo, Da, Yr)</b>	<b>Year of Report</b> Dec. 31, 2012
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**COMPRESSOR STATIONS (Continued)**

Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote each unit's size and date the unit was placed in operation.  
3. For Column (e), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or Power.

Expenses (Except depreciation and taxes)		Gas for Compressor Fuel in Dth	Operation Data			Line No.
Fuel or Power (e)	Other (f)		Total Compressor Hours of Operation During the Year (h)	Number of Compressors Operated at Time of Station Peak (i)	Date of Station Peak (j)	
468,729		94,502	2,140	2	12/19/12	1
						2
						3
						4
						5
628		132	75	2	12/19/2012	6
3,060		671	12	n/a	n/a	7
						8
						9
						10
						11
						12
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		Note: Fuel used by the compressors is added to the value of the inventory and expensed as a cost of gas when the inventory is withdrawn from storage.				29
						30
						31
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						35

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
GAS STORAGE PROJECTS				
1. Report injections and withdrawals of gas for all storage projects used by respondent.				
Line No.	Item  (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
<b>STORAGE OPERATIONS (in Dth)</b>				
1	Gas Delivered to Storage			
2	January	227,959		227,959
3	February	34,859		34,859
4	March	346,081		346,081
5	April	450,036		450,036
6	May	384,219		384,219
7	June	631,001		631,001
8	July	705,683		705,683
9	August	311,204		311,204
10	September	1,009,840		1,009,840
11	October	2,576,680		2,576,680
12	November	248,996		248,996
13	December	210,649		210,649
14	TOTAL (Total of Lines 2 Thru 13)	7,137,207		7,137,207
<b>Gas Withdrawn from Storage</b>				
15	Gas Withdrawn from Storage			
16	January	1,187,267		1,187,267
17	February	863,930		863,930
18	March	1,259,102		1,259,102
19	April	2,300,797		2,300,797
20	May	277,630		277,630
21	June	218,738		218,738
22	July	91,347		91,347
23	August	28,951		28,951
24	September	20,794		20,794
25	October	537,460		537,460
26	November	456,390		456,390
27	December	846,529		846,529
28	TOTAL (Total of lines 16 thru 27)	8,088,935		8,088,935

Note: Storage withdrawals shown above reflect Jackson Prairie activity, net of fuel (gas measure at the city gate.)

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Dec. 31, 2012
GAS STORAGE PROJECTS				
1. On line 4, enter the total storage capacity certificated by FERC.		2. Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.		
Line No.	Item (a)	Total Amount (Dth) (b)		
	Storage Operations			
1	Total of Working Gas End of Year	17,045,870		
2	Cushion Gas (Including Native Gas)	11,014,292		
3	Total Gas in Reservoir (Total of Line 1 and 2)	28,060,162		
4	Certificated Storage Capacity	NA		
5	Number of Injection - Withdrawal Wells (Mist only)	22		
6	Number of Observation Wells (Mist only)	23		
7	Maximum Day's Withdrawal from Storage (All Underground Storage)	270,312		
8	Date of Maximum Days' Withdrawal	12/19/12		
9	LNG Terminal Companies (in Dth) (Two wholly owned, one shared)	3		
10	Number of Tanks	3		
11	Capacity of Tanks	2,222,100		
12	LNG Volumes			
13	Received at "Ship Rail"	0		
14	Transferred to Tanks	299,205		
15	Withdrawn from Tanks	315,033		
16	"Boil Off" Vaporization Loss	0		

<b>Name of Respondent</b>	<b>This Report is:</b> X An Original A Resubmission	<b>Date of Report</b> <b>(Mo, Da, Yr)</b>	<b>Year of Report</b>
Northwest Natural Gas Company			Dec. 31, 2012

**Transmission Lines**

1. Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.
2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk, in column (b) and in a footnote state the name of the owner, or co-owner, nature of respondent's title, and percent of ownership if jointly owned.
3. Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book costs are contemplated.
4. Report the number of miles of pipe to one decimal point.

Line No.	Designation (Identification) of Line or Group of Lines (a)	* (b)	Total Miles of Pipe (c')
1	State of Oregon		630.3
2	State of Washington		3.4
3			
4			
5	State of Oregon - Kelso - Beaver	*	1.0
6	State of Washington - Kelso - Beaver	*	17.0
7			
8	Note:		
9	* Kelso-Beaver is owned 10% by NW Natural dba KB Pipeline Company		
10	11% by US Gypsum Corp., and 79% by Portland General Electric (PGE)		
11	PGE is the operator.		
12	(1 mile of Kelso-Beaver Pipeline is located in the State of Oregon and 17 miles are		
13	located in the State of Washington).		
14			
15			
16	State of Oregon - Coos County Pipeline*	**	76.8
17			
18	Note:		
19	** Coos County Pipeline is operated by NW Natural on behalf of Coos County.		
20			
21			
22			
23			
24			
25			

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report (Mo, Da, Yr)</b> Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**Transmission System Peak Deliveries**

1. Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the 12 months embracing the heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report, April 30, which permits inclusion of the peak information required on this page. Add rows as necessary to report all data. Number additional rows 6.01, 6.02, etc.

Line No.	Description (a)	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
1	Section A: Single Day Peak Deliveries			
2				
3	Volumes of Gas Transported			
4	No-Notice Transportation	NOT APPLICABLE		
5	Other Firm Transportation			
6	Interruptible Transportation			
7				
8	Total			
9	Volumes of gas Withdrawn from Storage under Storage Contract			
10	No-Notice Transportation			
11	Other Firm Transportation			
12	Interruptible Transportation			
13				
14	Total			
15	Other Operational Activities			
16	Gas Withdrawn from Storage from System Operations			
17	Reduction in Line Pack			
18				
19	Total			
20	Section B: Consecutive Three-Day Peak Deliveries			
21				
22	Volumes of Gas Transported			
23	No-Notice Transportation			
24	Other Firm Transportation			
25	Interruptible Transportation			
26				
27	Total			
28	Volumes of gas Withdrawn from Storage under Storage Contract			
29	No-Notice Transportation			
30	Other Firm Transportation			
31	Interruptible Transportation			
32				
33	Total			
34	Other Operational Activities			
35	Gas Withdrawn from Storage from System Operations			
36	Reduction in Line Pack			
37	Total			

<b>Name of Respondent</b>	<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
NORTHWEST NATURAL GAS COMPANY	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**AUXILIARY PEAKING FACILITIES**

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.
2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.
3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility  (a)	Type of Facility  (b)	Maximum Daily Delivery Capacity of Facility Dth  (c)	Cost of Facility (in dollars)  (d)	Was Facility Operated On Day of Highest Transmission Peak Delivery	
					Yes (e)	No (f)
1	Portland, OR	LNG	120,000	13,775,167		No
2	Newport, OR	LNG	100,000	21,891,666		No
3	Mist, OR	underground	520,000	86,431,682	Yes	
4						
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<b>Name of Respondent</b>	<b>This Report Is:</b> X An Original A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			Dec. 31, 2012

**GAS ACCOUNT - NATURAL GAS**

- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.</li> <li>Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.</li> <li>Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.</li> <li>Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.</li> <li>If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose. Use copies of pages 520.</li> <li>Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through</li> </ol> | <ol style="list-style-type: none"> <li>any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market of that were not transported through any interstate portion of the reporting pipeline.</li> <li>Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on Line 3 relate.</li> <li>Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.</li> <li>Indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.</li> </ol> |
|--|---|

Line No.	Item (a)	Ref. Page No. (b)	Amount of Dth (c)
1	NAME OF SYSTEM:		
2	<b>GAS RECEIVED</b>		
3	Gas Purchases (Accounts 800-805)		73,231,192
4	Gas of Others Received for Gathering (Account 489.1)	303	N/A
5	Gas of Others Received for Transmission (Account 489.2)	305	N/A
6	Gas of Others Received for Distribution (Account 489.3) Transportation	301	37,939,247
7	Gas of Others Received for Contract Storage (Account 489.4)	307	N/A
8	Exchanged Gas Received from Others (Account 806)	328	N/A
9	Gas Received as Imbalances (Account 806)	328	N/A
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332	N/A
11	Other Gas Withdrawn from Storage (Explain) Underground and LNG Storage	512	8,088,935
12	Gas Received from Shippers as Compressor Station Fuel		
13	Gas Received from Shippers as Lost and Unaccounted for		
14	Other Receipts (Specify) LPG		
15	Total Receipts (Total of lines 3 thru 14)		119,259,374
16	<b>GAS DELIVERED</b>		
17	Gas Sales (Accounts 480-495)		73,226,373
18	Deliveries of Gas Gathered for Others (Account 489.1)	303	0
19	Deliveries of Gas Transported for Others (Account 489.2)	305	N/A
20	Deliveries of Gas Distributed for Others (Account 489.3) Transportation	301	37,939,247
21	Deliveries of Contract Storage Gas (Account 489.4)	307	N/A
22	Exchange Gas Delivered to Others (Account 806)	328	N/A
23	Gas Delivered as Imbalances (Account 806)	328	N/A
24	Deliveries of Gas to Others for Transportation (Account 858)	332	N/A
25	Other Gas Delivered to Storage (Explain) Underground and LNG Storage	512	7,137,207
26	Gas Used for Compressor Station Fuel	331	94,502
27	Other Deliveries (Specify) Co Use	331	170,491
28	Total Deliveries (Total of lines 17 thru 27)		118,567,820
29	<b>GAS UNACCOUNTED FOR</b>		
30	Production System Losses		
31	Gathering System Losses		
32	Transmission System Losses		
33	Distribution System Losses		691,554
34	Storage System Losses - Leakage (0) and Mist Gas Loss (0)		
35	Other Losses (Specify)		
36	Total Unaccounted for (Total of lines 30 thru 35)		691,554
37	Total Deliveries & Unaccounted for (Total of lines 28 and 36)		119,259,374

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**NORTHWEST NATURAL GAS COMPANY**

**Washington Supplement to FERC Form 2**

**December 31, 2012**

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Name of Respondent		This Report is:		Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company - Washington		X An Original A Resubmission			Dec. 31, 2012
DATA REQUEST FOR STATISTICS REPORT					
Line No.		Total Company Operations		Washington Operations	
		Current Year	Prior Year	Current Year	Prior Year
1	GAS SERVICE REVENUES				
2					
3	RESIDENTIAL SALES	437,056,221	494,595,506	46,985,552	54,714,212
4	COMMERCIAL SALES	213,777,756	245,440,651	19,330,408	22,473,844
5	INDUSTRIAL SALES	55,304,845	65,549,286	3,721,585	5,286,920
6	OTHER SALES				
7	SALES FOR RESALE				
8	TRANSPORTATION OF GAS OF OTHERS	15,674,791	16,021,227	1,663,531	1,425,623
9	OTHER OPERATING REVENUES	(3,521,192)	611,571	(1,746,627)	(1,014,189)
10					
11	TOTAL GAS SERVICE REVENUES	718,292,421	822,218,241	69,954,449	82,886,410
12					
13	THERMS OF GAS SOLD-TRANSPORTED				
14					
15	RESIDENTIAL SALES	395,247,444	424,637,507	44,145,350	47,741,413
16	COMMERCIAL SALES	242,826,001	256,263,170	19,789,530	21,083,772
17	INDUSTRIAL SALES	94,456,570	96,806,361	5,324,195	6,769,326
18	OTHER SALES (UNBILLED)	(266,286)	620,100	102,631	(67,682)
19	SALES FOR RESALE				
20	TRANSPORTATION OF GAS OF OTHERS	379,392,465	374,051,943	17,659,260	16,238,856
21					
22	TOTAL THERMS OF GAS SOLD-TRANSPORTED	1,111,656,194	1,152,379,081	87,020,966	91,765,685
23					
24	AVERAGE NUMBER OF GAS CUSTOMERS PER MONTH				
25					
26	RESIDENTIAL SALES	618,535	613,134	65,038	64,268
27	COMMERCIAL SALES	63,284	62,719	5,646	5,452
28	INDUSTRIAL SALES	722	734	46	49
29	OTHER SALES				
30	SALES FOR RESALE				
31	TRANSPORTATION OF GAS OF OTHERS	203	184	18	16
32					
33					
	TRANS. & DISTRN. MAINS - FEET (END OF YEAR)	74,072,518	73,830,473	9,013,750	9,001,920
35	NO. OF METERS IN SERV. & HELD IN RESERVE (AVE.)	776,473	768,472	74,244	72,980
36	AVERAGE B.T.U. CONTENT PER CU. FT.	1,026.8	1,030.4	1,026.9	1,030.5

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
WASHINGTON STATE - STATEMENT OF INCOME FOR THE YEAR				
1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i, j) in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.		2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.		
		3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.		
Line No.	Account  (a)	(Ref.) Page No.  (b)	TOTAL	
			Total Current Year (in dollars) (c)	Total Previous Year (in dollars) (d)
1	<b>UTILITY OPERATING INCOME</b>			
2	Operating Revenues (400)	300-301		
3	Operating Expenses			
4	Operation Expenses (401)	320-325		
5	Maintenance Expenses (402)	320-325		
6	Depreciation Expense (403)	336-338		
7	Amort. & Depl. of Utility Plant (404-405)	336-338		
8	Amort. of Utility Plant Acq. Adj. (406)	336-338		
9	Amort of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)			
10	Amort. of Conversion Expenses (407.2)			
11	Regulatory Debits (407.3)			
12	(Less) Regulatory Credits (407.4)			
13	Taxes Other Than Income Taxes (408.1)	262-263		
14	Income Taxes - Federal (409.1)	262-263		
15	- Other (409.1)	262-263		
16	Provision for Deferred Income Taxes (410.1)	276-277		
17	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	276-277		
18	Investment Tax Credit Adj. - Net (411.4)			
19	(Less) Gains from Disp. of Utility Plant (411.6)			
20	Losses from Disp. of Utility Plant (411.7)			
21	(Less) Gains from Disposition of Allowances (411.8)			
22	Losses from Disposition of Allowances (411.9)			
23	TOTAL Utility Operating Expenses (Total of lines 4 thru 22)		0	0
24	Net Utility Operating income (Enter Total of line 2 less 23) (Carry forward to page 116, line 25)		0	0

**INFORMATION NOT AVAILABLE  
SEE FERC ANNUAL REPORT**

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report (Mo, Da, Yr)</b> Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**WASHINGTON STATE - STATEMENT OF INCOME FOR THE YEAR (Continued)**

4. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

5. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year (in dollars) (e)	Previous Year (in dollars) (f)	Current Year (in dollars) (g)	Previous Year (in dollars) (h)	Current Year (in dollars) (i)	Previous Year (in dollars) (j)	
						1
		0	0			2
						3
		0	0			4
		0	0			5
		0	0			6
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						9
						10
						11
						12
		0	0			13
		0	0			14
		0	0			15
		0	0			16
		0	0			17
		0	0			18
						19
						20
						21
						22
		0	0			23
		0	0			24

**INFORMATION NOT AVAILABLE  
SEE FERC ANNUAL REPORT**

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
WASHINGTON STATE - STATEMENT OF INCOME FOR THE YEAR (Continued)				
Line No.	Title of Account  (a)	Ref. Page No.  (b)	Total Current Year (in dollars) (c)	Total Previous Year (in dollars) (d)
25	Net Utility Operating Income (Carried forward from page 114)	-		
26	Other Income and Deductions			
27	Other Income	-		
28	Nonutility Operating Income	-		
29	Revenues From Merch, Jobbing and Contract Work (415)	-		
30	(Less) Costs and Exp. of Merch, Job & Contract Work (416)	-		
31	Revenues From Nonutility Operations (417)	-		
32	(Less) Expenses of Nonutility Operations (417.1)	-		
33	Nonoperating Rental Income (418 & 412)	-		
34	Equity in Earnings of Subsidiary Companies (418.1)	119		
35	Interest and Dividend Income (419)	-		
36	Allow. for Other Funds Used During Constr (419.1)	-		
37	Miscellaneous Nonoperating Income (421)	-		
38	Gain on disposition of Property (421.1)	-		
39	TOTAL Other Income (Total of lines 29 thru 38)			
40	Other Income Deductions			
41	Loss on Disposition of Property (421.4 Amortization)	-		
42	Miscellaneous Amortization (425)	340		
43	Miscellaneous Income Deductions (426.1-426.60)	340		
44	TOTAL Other Income Deductions (Total of Lines 41 thru 43)			
45	Taxes Applic. to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	262-263		
47	Income Taxes - Federal (409.21,24,33)	262-264		
48	Income Taxes - Other (409.22,25,26)	262-265		
49	Provision for Deferred Inc. Taxes (410.21,22)	272-277		
50	(Less) Provision for Deferred Inc. Taxes - Cr. (411.21,22,410.33)	272-278		
51	Investment Tax Credit Adj. - Net (411.33)	-		
52	(Less) Investment Tax Credits (420)	-		
53	TOTAL Taxes on Other Inc. and Ded. (Total of 46 - 52)			
54	Net Other Income and Deductions (Total of Lines 39, 44, 53)			
55	Interest Charges			
56	Interest on Long-Term Debt (427.1,2,6)	256-257		
57	Amortization of Debt Disc. and Expense (428)	258-259		
58	Amortization of Loss on Reacquired Debt (428.1)	260		
59	(Less) Amort. of Premium on Debt - Credit (429)	256-257		
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	258-259		
61	Interest on Debt to Assoc. Companies (430)	340		
62	Other Interest Expense (431)	340		
63	(Less) Allow. for Borrowed Funds Used During Const.-Cr. (432.1)	-		
64	Net Interest Charges (Total of lines 56 thru 63)			
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)			
66	Extraordinary Items			
67	Extraordinary Income (434)	-		
68	(Less) Extraordinary Deductions (435)	-		
69	Net Extraordinary Items (Total of line 67 less 68)			
70	Income Taxes - Federal and Other (409.3)	262-263		
71	Extraordinary Items After Taxes (Total of line 69 less line 70)			
72	Net Income (Total of lines 65 and 71)			

**INFORMATION NOT AVAILABLE  
SEE FERC ANNUAL REPORT**



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Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
<b>WASHINGTON STATE - SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION</b>				
Line No.	Item (a)	Total (b)		
1	<b>UTILITY PLANT</b>			
2	In Service			
3	Plant in Service (Classified)	178,166,233		
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified	25,664,297		
7	Experimental Plant Unclassified			
8	TOTAL Utility Plant (Total of lines 3 thru 7)	203,830,530		
9	Leased to Others			
10	Held for Future Use	0		
11	Construction Work in Progress	1,938,926		
12	Acquisition Adjustments			
13	TOTAL Utility Plant (Total of lines 8 thru 12)	205,769,456		
14	Accum. Prov. for Depr., Amort., & Depl.	83,690,220		
15	Net Utility Plant (Total of line 13 less 14)	122,079,236		
16	<b>DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION</b>			
17	In Service:			
18	Depreciation	82,555,355		
19	Amort. and Depl. of Producing Natural Gas Land and Land Rights			
20	Amort. of Underground Storage Land and Land Rights	0		
21	Amort. of Other Utility Plant	1,716,648		
22	Salvage Work In Progress	0		
23	Less Removal Work in Progress	581,783		
24	TOTAL in Service (Total of lines 18 thru 23)	83,690,220		
25	Leased to Others			
26	Depreciation			
27	Amortization and Depletion			
28	TOTAL Leased to Others (Total of lines 26 and 27)			
29	Held for Future Use			
30	Depreciation			
31	Amortization			
32	TOTAL Held for Future Use (Total of lines 30 and 31)			
33	Abandonment of Leases (Natural Gas)			
34	Amort. of Plant Acquisition Adjustment			
35	TOTAL Accumulated Provisions (Should agree with line 14 above) (Total of lines 24, 28, 32, 33, and 34)	83,690,220		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report	
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2012	
<b>WASHINGTON STATE - SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)</b>				
Electric (c)	Gas (d)	Other (Specify) (e)	Common (f)	Line No.
				1
				2
	178,166,233			3
	0			4
	0			5
	25,664,297			6
				7
	203,830,530			8
				9
	0			10
	1,938,926			11
				12
	205,769,456			13
	83,690,220			14
	122,079,236			15
				16
				17
	82,555,355			18
				19
	0			20
	1,716,648			21
	0			22
	581,783			23
	83,690,220			24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
	83,690,220			35

**ACCOUNT SUMMARY BY FUNTIONAL CLASS**  
**NW Natural**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
<b>Intangible Plant</b>						
301 ORGANIZATION	\$322	\$0	\$0	\$0	\$0	\$322
302 FRANCHISES & CONSENTS	125	0	0	0	0	125
303.1 COMPUTER SOFTWARE	0	72,938	0	0	0	72,938
303.2 CUSTOMER INFORMATION SYSTEM	1,859,863	38,165	0	0	0	1,898,028
303.3 INDUSTRIAL & COMMERCIAL BIL	0	0	0	0	0	0
303.4 CRMS	0	0	0	0	0	0
303.5 POWERPLANT SOFTWARE	0	0	0	0	0	0
Intangible Plant Subtotal	1,860,310	111,103	0	0	0	1,971,413
<b>Transmission Plant</b>						
367 MAINS	796,731	(24,131)	0	0	0	772,600
Transmission Plant Subtotal	796,731	(24,131)	0	0	0	772,600
<b>Distribution Plant</b>						
374.1 LAND	10,389	0	0	0	0	10,389
374.2 LAND RIGHTS	27,679	0	0	0	0	27,679
375 STRUCTURES & IMPROVEMENTS	30,845	0	0	0	0	30,845
376.11 MAINS < 4"	62,659,867	567,638	(17,965)	0	0	63,209,541
376.12 MAINS 4" & >	54,622,681	3,608,549	(49,044)	0	0	58,182,185
378 MEASURING & REG EQUIP - GENER	952,649	142,962	0	0	0	1,095,611
379 MEASURING & REG EQUIP - GATE	600,840	0	0	0	0	600,840
380 SERVICES	52,950,625	1,549,342	(29,830)	0	0	54,470,138
381 METERS	8,643,475	422,792	(22,816)	0	0	9,043,450
381.2 ERT (ENCODER RECEIVER TRANS	6,109,093	68,249	(35,464)	0	0	6,141,878
382 METER INSTALLATIONS	5,814,556	294,168	(81,743)	0	0	6,026,980
382.2 ERT INSTALLATION (ENCODER	973,212	0	(4,787)	0	0	968,424
383 HOUSE REGULATORS	35,223	(397)	0	0	0	34,826
386 OTHER PROPERTY ON CUSTOMERS P	0	0	0	0	0	0
387.2 CALORIMETERS @ GATE STATIONS	26,630	0	0	0	0	26,630
Distribution Plant Subtotal	193,457,764	6,653,303	(241,651)	0	0	199,869,416

**ACCOUNT SUMMARY BY FUNTIONAL CLASS**  
**NW Natural**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
<b>General Plant</b>						
389 LAND	0	0	0	0	0	0
390 STRUCTURES & IMPROVEMENTS	(142,862)	(68,605)	211,467	0	0	0
391.1 OFFICE FURNITURE & EQUIPMEN	37,151	0	0	0	0	37,151
391.4 CUSTOMER INFORMATION SYSTEM	79,339	0	0	0	0	79,339
392 TRANSPORTATION EQUIPMENT	751,864	1,233	(72,473)	0	0	680,623
394 TOOLS - SHOP AND GARAGE EQUIPMENT	28,584	55,727	0	0	0	84,311
396 POWER OPERATED EQUIPMENT	220,704	0	0	0	0	220,704
397.3 TELEMETERING - OTHER	101,081	0	0	0	0	101,081
397.5 TELEPHONE EQUIPMENT	9,164	0	0	0	0	9,164
398.4 INSTALLED IN LEASED BUILDINGS	4,727	0	0	0	0	4,727
General Plant Subtotal	1,089,752	(11,645)	138,994	0	0	1,217,101
<b>Washington Utility Property Grand Total</b>	<b>\$197,204,557</b>	<b>\$6,728,630</b>	<b>(\$102,656)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$203,830,530</b>

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b> Dec. 31, 2012
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**Washington State - Gas Plant Held for Future Use (Account 105)**

- Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other property held for future use.
- For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original costs were transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in this account (b)	Date Expected to be Used In Utility Service (c)	Balance at End of Year (d)
1	N/A	N/A	N/A	N/A
2				
3				
4				
5	<b>NONE</b>			
6				
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42				0
43				

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<b>Name of Respondent</b>	<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**Washington State - Construction Work in Progress-Gas (Account 107)**

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than \$1,000,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Misc Mains and Service Jobs	1,938,926	1,600,000
2			
3			
4			
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42			
43			
44			
45	<b>Total</b>	1,938,926	1,600,000

[Next Page is 218]

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> X An Original A Resubmission	<b>Date of Report (Mo, Da, Yr)</b>	<b>Year of Report</b> Dec. 31, 2012
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**WASHINGTON STATE - GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE**

1. For each construction overhead explain: (a) the nature and extend of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates area applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned

2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3(17) of the uniform system of Accounts.

3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax affect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax credits.

**COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES**

For Line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use he average rate earned during the preceding 3 years.

1. Components of Formula (Derived from actual book balances and actual cost rates):

Line No.	Title (a)	Amount (b)	Capitalization Ration (percent) (c)	Cost Rte Percentage (d)
(1)	Average Short-Term Debt	S 126,913,000		
(2)	Short-Term Interest			s 0.26
(3)	Long-Term Debt	D 651,700,000		d 6.152
(4)	Preferred Stock	P -		p 0
(5)	Common Equity	C 733,034,183		c 9.5
(6)	Total Capitalization		100.00	
(7)	Average Construction Work in Progress	W 46,485,256		
2.	Gross Rates for Borrowed Funds $s(S/W)+d[(D/(D+P+C))(1-(S/W))]$		4.30	
3.	Rate for Other Funds $[1-(S/W)][p(P/(D+P+C))+c(C/(D+P+C))]$		8.70	
4.	Weighted Average Rate Actually Used for the Year			
	a. Rate for Borrowed Funds -		0.31	
	b. Rate for Other Funds -			

**GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE**

1. a) Engineering Department overhead covers transmission and distribution system planning, design work, drafting and platting of construction work.  
Distribution Department overhead covers transmission and distribution system work scheduling, field supervision and processing of work completed.  
Administrative work: overhead includes Purchasing, Accounting and general office expense  
General Services Department: overhead covers planning and supervision of general plant improvements and facilities.
- b) Charges during the year are segregated into overhead accounts based on the proportion of activity devoted to construction work
- c) Construction Overheads are being charged to individual work orders based upon overhead rates for different types of projects. Rates are determined by type of project using the annual capital budget and annual construction overhead budget.
- d) Different rates are applied to different types of construction based on the annual capital budget for each type of plant.
- e) Actual construction overhead rates applied to types of work in 2012
- |  |      |
|--|------|
| a. Production , Storage, Transmission and Distribution plant | 35 % |
| b. Meters  | 61 % |
| c. General Plant   | 13 % |
| d. Non – Utility Property                                    | 15 % |
- f) Direct assignment of construction overhead capitalized during 2012: \$31,670,994

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC)

AFUDC is applied to previous month's ending balance plus half of current month's expenditures of Construction Work in Progress (CWIP).



**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW Natural**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
<b>Intangible Plant</b>								
301 ORGANIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302 FRANCHISES & CONSENTS	0	0	0	0	0	0	0	0
303.1 COMPUTER SOFTWARE	0	2,227	0	0	0	0	0	2,227
303.2 CUSTOMER INFORMATION SYSTEM	1,490,911	131,992	0	0	0	0	0	1,622,903
303.3 INDUSTRIAL & COMMERCIAL BIL	0	0	0	0	0	0	0	0
303.4 CRMS	0	0	0	0	0	0	0	0
303.5 POWERPLANT SOFTWARE	0	0	0	0	0	0	0	0
<b>Intangible Plant Subtotal</b>	<b>1,490,911</b>	<b>134,219</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,625,130</b>
<b>Transmission Plant</b>								
367 MAINS	29,297	15,853	0	0	0	0	0	45,150
<b>Transmission Plant Subtotal</b>	<b>29,297</b>	<b>15,853</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>45,150</b>
<b>Distribution Plant</b>								
374.1 LAND	0	0	0	0	0	0	0	0
374.2 LAND RIGHTS	10,104	2,076	0	0	0	0	0	12,180
375 STRUCTURES & IMPROVEMENTS	32,282	(1,437)	0	0	0	0	0	30,845
376.11 MAINS < 4"	27,359,614	1,641,656	(17,965)	(30,894)	0	0	0	28,952,411
376.12 MAINS 4" & >	18,561,386	1,406,592	(49,044)	(158,612)	0	0	0	19,760,321
378 MEASURING & REG EQUIP - GENER	385,975	23,103	0	0	0	0	0	409,079
379 MEASURING & REG EQUIP - GATE	523,947	26,617	0	0	0	0	0	550,564
380 SERVICES	24,317,562	1,452,602	(29,830)	(92,655)	0	0	0	25,647,680
381 METERS	1,684,596	204,132	(22,816)	0	0	0	0	1,865,913
381.2 ERT (ENCODER RECEIVER TRANS	2,060,262	408,321	(35,464)	0	0	0	0	2,433,118
382 METER INSTALLATIONS	1,633,357	140,890	(81,743)	0	0	0	0	1,692,504
382.2 ERT INSTALLATION (ENCODER	324,944	64,638	(4,787)	0	0	0	0	384,795
383 HOUSE REGULATORS	2,771	1,018	0	0	0	0	0	3,789
386 OTHER PROPERTY ON CUSTOMERS P	0	0	0	0	0	0	0	0
387.2 CALORIMETERS @ GATE STATIONS	26,630	0	0	0	0	0	0	26,630
<b>Distribution Plant Subtotal</b>	<b>76,923,431</b>	<b>5,370,209</b>	<b>(241,651)</b>	<b>(282,162)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>81,769,828</b>

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW Natural**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
<b>General Plant</b>								
389 LAND	0	0	0	0	0	0	0	0
390 STRUCTURES & IMPROVEMENTS	(250,221)	38,753	211,467	0	0	0	0	0
391.1 OFFICE FURNITURE & EQUIPMEN	31,006	2,961	0	0	0	0	0	33,967
391.4 CUSTOMER INFORMATION SYSTEM	79,339	0	0	0	0	0	0	79,339
392 TRANSPORTATION EQUIPMENT	549,367	40,793	(72,473)	0	0	0	0	517,687
394 TOOLS AND EQUIPMENT	83	3,789	0	0	0	0	0	3,872
396 POWER OPERATED EQUIPMENT	161,232	5,915	0	0	0	0	0	167,147
397.3 TELEMETERING - OTHER	15,923	71	0	0	0	0	0	15,994
397.5 TELEPHONE EQUIPMENT	9,164	0	0	0	0	0	0	9,164
398.4 INSTALLED IN LEASED BUILDINGS	4,727	0	0	0	0	0	0	4,727
General Plant Subtotal	600,621	92,281	138,994	0	0	0	0	831,897
<hr/>								
Washington Utility Property Grand Total	\$79,044,260	\$5,612,562	(\$102,656)	(\$282,162)	\$0	\$0	\$0	\$84,272,003

**TOTAL SUMMARY WASHINGTON UTILITY DEPRECIATION RESERVES 12/31/2012**

**WASHINGTON**

108010	(\$688,928)						
108011	57,894,456						
108012	506,149						
108013	(11,538)						
108015	167,147						
108100	26,404,716						
		<b>\$84,272,003</b>					

**ADD:**

108001 REMOVAL WORK IN PROCESS	(581,783)						
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<b>TOTAL WASHINGTON UTILITY DEPRECIATION</b>		<b>\$83,690,220</b>					
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<b>Name of Respondent</b>				<b>This Report Is:</b>		<b>Date of Report</b>		<b>Year of Report</b>			
Northwest Natural Gas Company				X An Original A Resubmission		(Mo, Da, Yr)		Dec. 31, 2012			
<b>WASHINGTON STATE - GAS STORED (ACCOUNTS 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, AND 164.3)</b>											
1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.				2. Report in column (e) all encroachments during the year upon the volumes designated as gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.						3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).	
Line No.	Description	(Account 117.1)	(Account 117.2)	Noncurrent (Account 117.3)	(Account 117.4)	Current (Account 164.1)	LNG (Account 164.2)	LNG (Account 164.3)	Total		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		
1	Balance at Beginning of Year										
2	Gas Delivered to Storage	<b>See FERC Annual Report page 220</b>									
3	Gas Withdrawn from Storage										
4	Other Debits and Credits										
5	Balance at End of Year										
6	Dekatherms										
7	Amount Per Dekatherm										

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WASHINGTON STATE - DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT							
Factors Used in Estimating Depreciation Charges							
Line Number	Account Number (a)	Depreciable Plant Base (Thousands) (b)	Estimated Average Service Life (c)	Net Salvage (percent) (d)	Applied Depreciation Rates (percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
1	303.1*	29,159	10.00	0.00	4.31	SQ	7.4
2	303.2*	29,830	15.00	0.00	6.96	SQ	6.7
3	303.3*	4,147	10.00	0.00	17.11	SQ	3.1
4	303.4*	1,323	5.00	0.00	22.64	SQ	2.9
5	303.5*	1,131	10.00	0.00	10.63	SQ	8.5
6	305.5*	13	5.00	0.00	0.00	-	0.0
7	311.7*	4	5.00	0.00	0.00	-	0.0
8	311.8*	4	5.00	0.00	0.00	-	0.0
9	305.11*	8	5.00	0.00	0.00	-	0.0
10	305.17*	47	5.00	0.00	0.00	-	0.0
11	318.3*	145	5.00	0.00	0.00	-	0.0
12	318.5*	244	5.00	0.00	0.00	-	0.0
13	319*	185	5.00	0.00	0.00	-	0.0
14	350.2*	51	65.00	0.00	1.62	R4	50.0
15	351*	6,223	55.00	0.00	1.71	R3	45.2
16	352*	26,944	45.00	0.00	2.07	S3	36.3
17	352.1*	3,539	50.00	0.00	1.95	S2	39.0
18	352.2*	10,833	50.00	0.00	2.01	S2.5	45.4
19	352.3*	6,441	50.00	0.00	1.88	S2.5	36.4
20	353*	7,513	55.00	(15.00)	2.06	S2.5	45.5
21	354*	41,812	40.00	(10.00)	2.66	R3	32.8
22	355*	9,362	45.00	(10.00)	2.17	R2.5	37.7
23	356*	297	35.00	0.00	2.48	S3	21.8
24	357*	703	25.00	0.00	2.28	R4	17.6
25	361.11*	745	50.00	(5.00)	5.82	R3	13.1
26	361.12*	3,109	50.00	(5.00)	3.32	R3	19.5
27	361.2*	27	55.00	(5.00)	1.87	S2	43.1
28	362.11*	1,839	50.00	(20.00)	2.35	R4	11.6
29	362.12*	5,791	50.00	(20.00)	2.72	R4	18.4
30	362.2*	2	50.00	(20.00)	1.31	R4	47.1
31	363.11*	2,528	50.00	(5.00)	2.88	R1.5	13.0
32	363.12*	6,837	50.00	(5.00)	0.82	R1.5	19.8
33	363.21*	2,308	40.00	(5.00)	1.40	R3	12.7
34	363.22*	2,481	40.00	(5.00)	0.09	R3	21.0
35	363.31*	128	20.00	(5.00)	7.10	R2	5.1
36	363.32*	216	20.00	(5.00)	4.71	R2	16.3
37	363.41*	541	45.00	(5.00)	0.04	R2.5	13.2
38	363.42*	113	45.00	(5.00)	0.73	R2.5	19.6
39	363.5*	1,828	25.00	0.00	1.04	R3	16.4
40	363.6*	739	40.00	0.00	0.00	R2	0.0
41	365.2*	4,827	65.00	0.00	1.89	R4	46.5
42	366.3*	1,042	50.00	0.00	1.95	S3	46.5
43	367*	12,030	55.00	(40.00)	3.08	R3	24.8
44	367.21*	1,514	55.00	(40.00)	2.51	R3	39.3
45	367.22*	14,949	55.00	(40.00)	2.46	R3	39.2
46	367.23*	33,960	55.00	(40.00)	2.67	R3	48.7
47	367.24*	17,466	55.00	(40.00)	2.59	R3	52.5
48	367.25*	18,410	55.00	(40.00)	2.61	R3	52.9
49	367.26*	68,300	55.00	(40.00)	2.60	R3	53.0
50	369*	3,524	40.00	(10.00)	2.68	R2.5	37.9

WASHINGTON STATE - DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Cont.)							
Factors Used in Estimating Depreciation Charges							
Line Number	Account Number (a)	Depreciable Plant Base (Thousands) (b)	Estimated Average Service Life (c)	Net Salvage (percent) (d)	Applied Depreciation Rates (percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
51	374.2*	1,593	65.00	0.00	7.50	R3	11.6
52	375*	80	30.00	0.00	0.44	R1	19.5
53	376.11*	425,097	60.00	(60.00)	2.51	R2.5	46.9
54	376.12*	333,875	60.00	(50.00)	2.42	R2.5	48.7
55	376.21*	466	40.00	(60.00)	0.73	R0.5	32.9
56	376.22*	2,929	40.00	(65.00)	0.77	R0.5	32.2
57	377*	818	35.00	0.00	2.33	S2	32.5
58	378*	15,304	50.00	(20.00)	2.12	R2	39.6
59	379*	1,498	35.00	(20.00)	4.34	R2	15.3
60	380*	501,366	49.00	(60.00)	2.71	R0.5	42.5
61	381*	45,705	40.00	1.00	2.31	R2.5	29.6
62	381.1*	507	15.00	0.00	0.00	R3	0.0
63	381.2**	0	0.00	0.00	0.00	-	0.0
64	382*	68,668	38.00	(2.00)	2.47	R2.5	27.8
65	382.1*	398	15.00	(2.00)	0.05	R3	13.6
66	382.2**	0	0.00	0.00	0.00	-	0.0
67	383*	166	35.00	0.00	2.92	S2	34.2
68	387.1*	139	25.00	0.00	0.55	S2	18.7
69	387.2*	96	20.00	0.00	0.00	S1	0.0
70	387.3*	73	20.00	0.00	0.00	S4	0.0
71	390*	20,204	50.00	(5.00)	1.97	R2.5	37.4
72	391.1*	8,107	20.00	0.00	7.97	SQ	8.1
73	391.2*	7,431	5.00	0.00	16.62	SQ	2.6
74	391.3*	939	5.00	0.00	-	SQ	0.0
75	391.4*	1,388	7.00	0.00	20.00	SQ	1.0
76	392*	23,107	12.00	15.00	5.04	L1.5	8.2
77	393*	119	25.00	0.00	1.10	SQ	2.8
78	394*	11,882	25.00	0.00	6.99	SQ	11.3
79	395*	68	20.00	0.00	3.65	SQ	6.7
80	396*	6,059	15.00	15.00	2.00	S0.5	13.9
81	397*	31	15.00	0.00	7.41	SQ	13.5
82	397.1*	1,053	10.00	0.00	0.68	SQ	8.0
83	397.2*	1,760	15.00	0.00	4.28	SQ	10.5
84	397.3*	2,961	15.00	0.00	0.07	SQ	14.5
85	397.4*	1,786	15.00	0.00	1.04	SQ	13.6
86	397.5*	1,810	10.00	0.00	16.25	SQ	1.7
87	398.1*	79	15.00	0.00	0.00	SQ	0.0
88	398.2*	53	15.00	0.00	0.00	SQ	0.0
89	398.3*	15	20.00	0.00	0.00	SQ	0.0
90	398.4*	10	20.00	0.00	5.94	SQ	1.0
91	398.5*	67	20.00	0.00	0.81	SQ	7.0

\* Depreciable balance through 2005.  
\*\* Depreciable balance through 2008.

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Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
NORTHWEST NATURAL GAS COMPANY WASHINGTON		X An Original A Resubmission		Dec. 31, 2012
<b>Washington State - Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes</b>				
<p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group that files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such as consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax amount to the group members.</p>				
Line No.	Details			Amount
	(a)			(b)
1	Net Income for the Year (Page 116)			
2	Reconciling items for the year			
3				
4	Taxable Income Not Reported on Books			
5	Contributions in Aid of Construction			
6	Revenue & Cost Adjustments			
7				
8	TOTAL			
9	Deductions Recorded on Books Not Deducted for Return			
10	Federal Tax Provision			
11	State Tax Provision			
12	Other			
13	TOTAL			
14	Income Recorded on Books not Included in Return			
15	Company Owned Life Insurance			
16				
17				
18	TOTAL			
19	Deductions Recorded on Books Not Charged Against Book Income			
20	State Tax Current			
21	Tax Depreciation in Excess of Book Depreciation			
22	Removal Costs			
23	Property Taxes			
24	Pension Costs			
25	Other			
26	TOTAL			
27	Federal Tax Net Income			
28	Show Computation of Tax:			
29	Federal Income Tax at Statutory Rate			
30	Less: Federal Tax Credits			
31	Federal Tax Provision - 2006 Earnings			
32	Less: Deferred taxes			
33	Less: Deferred Investment Tax Credits			
34	Plus: Prior Year Accrual Adjustment			
35	Total Federal Tax Provision			
<b>SEE FERC ANNUAL REPORT PAGE 261</b>				

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Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2012

**WASHINGTON STATE - ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 282)**

- Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
- For Other, include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric			
3	Gas			
4	Other	-	-	-
4.01		-	-	-
4.02		-	-	-
40.3				
4.04				
4.05				
5	Total (Enter Total of Lines 2 Thru 4.05)	-	-	-
6	Other (Specify)	-	-	-
6.01		-	-	-
6.02		-	-	-
6.03				
6.04				
6.05				
7	TOTAL (Acct 282) (Total of lines 5 thru 6.05)	-	-	-
8	Classification of TOTAL			
9	Federal Income Tax	-	-	-
10	State Income Tax	-	-	-
11	Local Income Tax			

NONE



<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b> Dec. 31, 2012
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**WASHINGTON STATE - ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 282)**

3. Add rows as necessary to report all data. When rows are added, the additional row numbers should follow in sequence, 4.01, 4.02 and 6.01, 6.02, etc. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
							2
							3
-	-		-		-	-	4
-	-		-		-	-	4.01
-	-		-		-	-	4.02
-	-		-		-	-	40.3
-	-		-		-	-	4.04
-	-		-		-	-	4.05
-	-		-		-	-	5
-	-		-		-	-	6
-	-		-		-	-	6.01
-	-		-		-	-	6.02
-	-		-		-	-	6.03
							6.04
							6.05
-	-		-		-	-	7
-	-		-		-	-	8
-	-		-		-	-	9
							10
							11

NONE

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**WASHINGTON STATE - ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)**

1. Report the information called for below concerning respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.  
 2. For Other (Specify), included deferrals related to other

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Gas			
3.01	Deferred Income Taxes - FAS 109	-	-	-
3.02	Revenues & Cost of Gas Adjustments	-	-	-
3.03	Deferred Depreciation - Federal	-	-	-
3.04	Deferred Income Taxes - Other	-	-	-
3.05	Deferred Depreciation - State	-	-	-
4	Other - Reclassification between Utility & Non-utility	-	-	-
5	Total (Total of Lines 2 Thru 4)	-	-	-
6	Other (Specify) Non - Utility	-	-	-
6.01	Other Comprehensive Income - Federal	-	-	-
6.02	Other Comprehensive Income - State	-	-	-
7	TOTAL (Acct 283) (Total of lines 5 thru 6.)	-	-	-
8	Classification of TOTAL			
9	Federal Income Tax	-	-	-
10	State Income Tax	-	-	-
11	Local Income Tax	-	-	-

**SEE FERC ANNUAL REPORT**

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b> Dec. 31, 2012
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**WASHINGTON STATE - ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)**

income and deductions. and 277. Include amounts relating to insignificant items listed under Other.  
 3. Provide in the space below explanations for page 276  
 4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
							2
							3
-	-		-		-	-	- 3.01
-	-		-		-	-	- 3.02
-	-		-		-	-	- 3.03
-	-		-		-	-	- 3.04
-	-		-		-	-	- 3.05
-	-		-		-	-	- 4
-	-		-		-	-	- 5
-	-		-		-	-	- 6
-	-		-		-	-	- 6.01
-	-		-		-	-	- 6.02
-	-		-		-	-	- 7
							8
-	-		-		-	-	- 9
-	-		-		-	-	- 10
-	-		-		-	-	- 11

SEE FERC ANNUAL REPORT

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> X An Original A Resubmission	<b>Date of Report</b> (Mo, Da, Yr) Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**WASHINGTON STATE - GAS OPERATING REVENUES (Account 400)**

- |   |  |
|---|--|
| <p>1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.</p> <p>2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.</p> | <p>3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480 - 495.</p> |
|---|--|

Line No.	Title of Account (a)	REVENUES for Transition Costs and Take-or-Pay		REVENUES for GEI and ACA	
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	480 - 484				
2	485 Intracompany Transfers				
3	487 Forfeited Discounts				
4	488 Miscellaneous Service Revenues				
5	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
6	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities				
7	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
8	489.4 Revenues from Storing Gas of Others				
9	490 Sales of Prod. Ext. from Natural Gas				
10	491 Revenues from Natural Gas Proc. by Others				
11	492 Incidental Gasoline and Oil Sales				
12	493 Rent from Gas Property				
13	494 Interdepartmental Rents				
14	495 Other Gas Revenues				
15	Subtotal:				
16	496 (Less) Provision for Rate Refunds				
17	TOTAL:				

<b>Name of Respondent</b> Northwest Natural Gas Company		<b>This Report Is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		<b>Date of Report (Mo, Da, Yr)</b> Dec. 31, 2012		<b>Year of Report</b> Dec. 31, 2012	
<b>WASHINGTON STATE - GAS OPERATING REVENUES (Continued)</b>							
4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.				6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.			
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.							
OTHER REVENUES		TOTAL OPERATING REVENUES		DEKATHERM OF NATURAL GAS			
Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)	Line No.	
70,037,545	82,474,975	70,037,545	82,474,975	6,936,171	7,559,451	1	
						2	
122,398	140,162	122,398	140,162			3	
147,316	161,683	147,316	161,683			4	
0	0					5	
0	0					6	
1,663,531	1,425,623	1,663,531	1,425,623	1,765,926	1,623,886	7	
						8	
						9	
						10	
						11	
19,013	19,798	19,013	19,798			12	
(2,035,354)	(1,335,832)	(2,035,354)	(1,335,832)	13			
69,954,449	82,886,409	69,954,449	82,886,409	14			
				15			
69,954,449	82,886,409	69,954,449	82,886,409	16			
				17			

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
NORTHWEST NATURAL GAS COMPANY	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**WASHINGTON STATE - OTHER GAS REVENUES (ACCOUNT 495)**

1. For transactions with annual revenues of \$250,000 or more, describe, for each transaction, commissions on sales of distributions of gas of others, compensation for minor or incidental services provided for others, penalties, profit or loss on sales of material and supplies, sales of steam, water, or electricity, miscellaneous royalties, revenues from dehydration, other processing of gas of others, and gains on settlements of imbalance receivables. Separately report revenues from cash-out penalties.

Line No.	Description of Transaction (a)	Revenues (in dollars) (b)
1		
2	UNBILLED REVENUE AND OTHER	(2,035,354)
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25	TOTAL	(2,035,354)

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Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
WASHINGTON STATE - GAS OPERATION AND MAINTENANCE EXPENSES				
1. Report operation and maintenance expenses. If the amount for previous year is not derived from previously reported figures, explain in footnotes.		2. Provide in footnotes the source of the index used to determine the price for gas supplied by shippers as reflected on line 74.		
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. PRODUCTION EXPENSES			
2	A. Manufactured Gas Production			
3	Manufactured Gas Production (Submit Supplemental Statement)	0	0	
4	B. Natural Gas Production			
5	B1. Natural Gas Production and Gathering			
6	Operation			
7	750 Operation Supervision and Engineering			
8	751 Production Maps and Records			
9	752 Gas Wells Expenses			
10	753 Field Lines Expenses			
11	754 Field Compressor Station Expenses			
12	755 Field Compressor Station Fuel and Power			
13	756 Field Measuring and Regulating Station Expenses			
14	757 Purification Expenses			
15	758 Gas Well Royalties			
16	759 Other Expenses			
17	760 Rents			
18	TOTAL Operation (Total of lines 7 thru 17)	0	0	
19	Maintenance			
20	761 Maintenance Supervision and Engineering			
21	762 Maintenance of Structures and Improvements			
22	763 Maintenance of Producing Gas Wells			
23	764 Maintenance of Field Lines			
24	765 Maintenance of Field Compressor Station Equipment			
25	766 Maintenance of Field Meas. and Reg. Station Equipment			
26	767 Maintenance of Purification Equipment			
27	768 Maintenance of Drilling and Cleaning Equipment			
28	769 Maintenance of Other Equipment			
29	TOTAL Maintenance (Total of lines 20 thru 28)	0	0	
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0	

INFORMATION NOT AVAILABLE

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
WASHINGTON STATE - GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
31	B2. Products Extraction			
32	Operation			
33	770 Operation Supervision and Engineering	0	0	
34	771 Operation Labor			
35	772 Gas Shrinkage			
36	773 Fuel			
37	774 Power			
38	775 Materials			
39	776 Operation Supplies and expenses			
40	777 Gas Processed by Others			
41	778 Royalties on Products Extracted			
42	779 Marketing expenses			
43	780 Products Purchased for Resale			
44	781 Variation in Products Inventory			
45	782 Extracted Products Used by the Utility-Credit			
46	783 Rents			
47	Total Operation (Total of Lines 33 thru 46)	0	0	
48	Maintenance			
49	784 Maintenance Supervision and Engineering			
50	785 Maintenance of Structures and Improvements			
51	786 Maintenance of Extraction and Refining Equipment			
52	787 Maintenance of Pipe Lines			
53	788 Maintenance of Extracted Products Storage Equipment			
54	789 Maintenance of Compressor Equipment			
55	790 Maintenance of Gas Measuring and Regulating Equipment			
56	791 Maintenance of Other Equipment			
57	TOTAL Maintenance (Total of lines 49 thru 56)	0	0	
58	TOTAL Products Extraction (Total of lines 47 and 57)	0	0	

INFORMATION NOT AVAILABLE



Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
WASHINGTON STATE - GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
59	C. Exploration and Development			
60	Operation			
61	795 Delay Rentals			
62	796 Nonproductive Well Drilling			
63	797 Abandoned Leases			
64	798 Other Exploration			
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	0	0	
66	D. Other Gas Supply Expenses			
67	Operation			
68	800 Natural Gas Well Head Purchases			
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers			
70	801 Natural Gas Field Line Purchases			
71	802 Natural Gas Gasoline Plant Outlet Purchases			
72	803 Natural Gas Transmission Line Purchases			
73	804 Natural Gas City Gate Purchases			
74	804.1 Liquefied Natural Gas Purchases			
75	805 Other Gas Purchases			
76	805.1 Purchases Gas Cost Adjustments			
77	TOTAL Purchased Gas (Total of Lines 68 thru 76)	0	0	
78	806 Exchange Gas			
79	Purchased Gas Expense			
80	807.1 Well Expense-Purchased Gas			
81	807.2 Operation of Purchased Gas Measuring Stations			
82	807.3 Maintenance of Purchased Gas Measuring Stations			
83	807.4 Purchased Gas Calculations Expense			
84	807.5 Other Purchased Gas Expenses	0	0	
85	TOTAL Purchased Gas Expense (Total of lines 80 thru 84)	0	0	

INFORMATION NOT AVAILABLE

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
WASHINGTON STATE - GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
86	808.1 Gas Withdrawn from Storage-Debit			
87	808.2 Gas Delivered to Storage-Credit			
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit			
89	809.2 Deliveries of Natural Gas for Processing-Credit			
90	Gas used in Utility Operation-Credit			
91	810 Gas Used for Compressor Station Fuel-Credit			
92	811 Gas Used for Products Extraction-Credit			
93	812 Gas Used for Other Utility Operations-Credit			
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	0	0	
95	813 Other Gas Supply Expenses			
96	TOTAL Other Gas Supply Exp. (Total of lines 77, 78, 85, 86 thru 89, 94, 95)			
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	0	0	
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering			
102	815 Maps and Records			
103	816 Well Expenses			
104	817 Lines Expenses			
105	818 Compressor Station Fuel and Power			
106	819 Compressor Station Fuel and Power			
107	820 Measuring and Regulating Station Expenses			
108	821 Purification Expenses			
109	822 Exploration and Development			
110	823 Gas Losses			
111	824 Other Expenses			
112	825 Storage Well Royalties			
113	826 Rents			
114	TOTAL Operation (Total of lines of 101 thru 113)	0	0	

INFORMATION NOT AVAILABLE

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
WASHINGTON STATE - GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
115	Maintenance			
116	830 Maintenance Supervision and Engineering			
117	831 Maintenance of Structures and Improvements			
118	832 Maintenance of Reservoirs and Wells			
119	833 Maintenance of Lines			
120	834 Maintenance of Compressor Station Equipment			
121	835 Maintenance of Measuring and Regulating Station Equipment			
122	836 Maintenance of Purification Equipment			
123	837 Maintenance of Other Equipment			
124	TOTAL Maintenance (Total of lines 116 thru 123)	0		0
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	0		0
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation supervision and Engineering			
129	841 Operation Labor and Expenses			
130	842 Rents			
131	842.1 Fuel			
132	842.2 Power			
133	842.3 Gas Losses			
134	TOTAL Operation (Total of lines 128 thru 133)			
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering			
137	843.2 Maintenance of Structures and Improvements			
138	843.3 Maintenance of Gas Holders			
139	843.4 Maintenance of Purification Equipment			
140	843.5 Maintenance of Liquefaction Equipment			
141	843.6 Maintenance of Vaporizing Equipment			
142	843.7 Maintenance of Compressor Equipment			
143	843.8 Maintenance of Measuring and Regulating Equipment			
144	843.9 Maintenance of Other Equipment			
145	TOTAL Maintenance (Total of lines 136 thru 144)	0		0
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	0		0

INFORMATION NOT AVAILABLE

<b>Name of Respondent</b>		<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012
<b>WASHINGTON STATE - GAS OPERATION AND MAINTENANCE EXPENSES (Continued)</b>				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
147	C. Liquefied Natural Gas Terminaling and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering			
150	844.2 LNG Processing Terminal Labor and Expenses			
151	844.3 Liquefaction Processing Labor and Expenses			
152	844.4 Liquefaction Transportation Labor and Expenses			
153	844.5 Measuring and Regulating Labor and Expenses			
154	844.6 Compressor Station Labor and Expenses			
155	844.7 Communication system Expenses			
156	844.8 System Control and Load Dispatching			
157	845.1 Fuel			
158	845.2 Power			
159	845.3 Rents			
160	845.4 Demurrage Charges			
161	845.5 Wharfage Receipts-Credit			
162	845.6 Processing Liquefied of Vaporized Gas by Others			
163	846.1 Gas Losses			
164	846.2 Other Expenses			
165	TOTAL Operation (Total of lines 149 thru 164)	0	0	
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering			
168	847.2 Maintenance of Structures and Improvements			
169	847.3 Maintenance of LNG Processing Terminal Equipment			
170	847.4 Maintenance of LNG Transportation Equipment			
171	847.5 Maintenance of Measuring and Regulating Equipment			
172	847.6 Maintenance of Compressor Station Equipment			
173	847.7 Maintenance of Communication Equipment			
174	847.8 Maintenance of Other Equipment			
175	TOTAL Maintenance (Total of lines 167 thru 174)	0	0	
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 & 175)	0	0	
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	0	0	

INFORMATION NOT AVAILABLE

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
WASHINGTON STATE - GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering			
181	851 System Control and Load Dispatching			
182	852 Communication system Expenses			
183	853 Compressor Station Labor and Expenses			
184	854 Gas for Compressor Station Fuel			
185	855 Other Fuel and Power for Compressor Stations			
186	856 Mains Expenses			
187	857 Measuring and Regulating Station Expenses			
188	858 Transmission and Compression of Gas by Others			
189	859 Other Expenses			
190	860 Rents			
191	TOTAL Operations (Total of lines 180 thru 190)	0		0
192	Maintenance			
193	861 Maintenance Supervision and Engineering			
194	862 Maintenance of Structures and Improvements			
195	863 Maintenance of Mains			
196	864 Maintenance of Compressor Station Equipment			
197	865 Maintenance of Measuring and Regulating Station Equipment			
198	866 Maintenance of Communication Equipment			
199	867 Maintenance of Other Equipment			
200	TOTAL Maintenance (Total of lines 193 thru 199)	0		0
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	0		0
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering			
205	871 Distribution Load Dispatching			
206	872 Compressor Station Labor and Expenses			
207	873 Compressor Station Fuel and Power			

INFORMATION NOT AVAILABLE

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
WASHINGTON STATE - GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
208	874	Mains and Services Expenses		
209	875	Measuring and Regulating Station Expenses-General		
210	876	Measuring and Regulating Station Expenses-Industrial		
211	877	Measuring and Regulating Station Expenses-City Gas Check Station		
212	878	Meter and House Regulator Expenses		
213	879	Customer Installations Expenses		
214	880	Other Expenses		
215	881	Rents		
216	TOTAL Operations (Total of lines 204 thru 215)		0	0
217	Maintenance			
218	885	Maintenance Supervision and Engineering		
219	886	Maintenance of Structures and Improvements		
220	887	Maintenance of Mains		
221	888	Maintenance of Compressor Station Equipment		
222	889	Maintenance of Measuring & Regulating Station Equipment-General		
223	890	Maintenance of Meas. and Reg. Station Equipment-Industrial		
224	891	Maintenance of Meas & Reg Station Equip-City Gate Check Station		
225	892	Maintenance of Services		
226	893	Maintenance of Meters and House Regulators		
227	894	Maintenance of Other Equipment		
228	TOTAL Maintenance (Total of lines 218 thru 227)		0	0
229	TOTAL Distribution Expenses (Total of lines 216 and 228)		0	0
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901	Supervision		
233	902	Meter Reading Expenses		
234	903	Customer Records and Collection Expenses		

INFORMATION NOT AVAILABLE

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
<b>WASHINGTON STATE - GAS OPERATION AND MAINTENANCE EXPENSES (Continued)</b>				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
235	904 Uncollectible Accounts			
236	905 Miscellaneous Customer Accounts Expenses			
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	0	0	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSE			
239	Operation			
240	907 Supervision			
241	908 Customer Assistance Expense			
242	909 Informational and Instructional Expenses			
243	910 Miscellaneous Customer Service and Informational Expenses			
244	TOTAL Customer Service & Information Expenses (Total of lines 240 thru 243)	0	0	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision			
248	912 Demonstration and Selling Expenses			
249	913 Advertising Expenses			
250	916 Miscellaneous Sales Expenses			
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	0	0	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries			
255	921 Office Supplies and Expenses			
256	922 Administrative Expenses Transferred - Credit			
257	923 Outside Services Employed			
258	924 Property Insurance			
259	925 Injuries and Damages			
260	926 Employee Pensions and Benefits			
261	927 Franchise Requirements			
262	928 Regulatory Commission Expenses			
263	929 Duplicate Charges - Credit			
264	930.1 General Advertising Expenses			
265	930.2 Miscellaneous General Expenses			
266	931 Rents			
267	TOTAL Operation (Total of lines 254 thru 266)	0	0	
268	Maintenance			
269	935 Maintenance of General Plant			
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	0	0	
271	TOTAL Gas O & M Expenses (Total of lines 97,177,201,229,237,244,251,and 270)	0	0	

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INFORMATION NOT AVAILABLE

<b>Name of Respondent</b>	<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**Washington State - Gas Used in Utility Operations**

1. Report below details of credits during the year to Accounts 810, 811, and 812.  
2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).

Line No.	Purpose for Which Gas Was Used  (a)	Account Charged  (b)	Natural Gas		Manufactured Gas	
			Gas Used (Dth)  (c)	Amount of Credit (in dollars) (d)	Gas Used (Dth)  (d)	Amount of Credit (in dollars) (d)
1	810 Gas Used for Compressor Station Fuel - Credit					
2	811 Gas Used for Products Extraction - Credit					
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others					
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)					
6						
7						
8						
9						
10						
11						
12						
13						
14						
15	<b>NONE</b>					
16						
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42						
43						
44						
45	<b>Total</b>					

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<b>Name of Respondent</b>		<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012
<b>WASHINGTON STATE - MISCELLANEOUS GENERAL EXPENSE (Account 930.2)</b>				
1. Provide the information requested below on miscellaneous general expenses		2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items so grouped is shown.		
Line No.	Description (a)	Amount (in dollars) (b)		
1	Industry association dues			
2	Experimental and general research expenses a. Gas Research Institute (GRI) b. Other			
3	Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent			
4	Other expenses			
5				
6	Director's Fees and Expenses			
7				
8	Corporate Information - Annual Report			
9				
10	Annual Meeting			
11				
12	Market Expansion			
13				
14				
15				
16				
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23				
24	<b>SEE FERC ANNUAL REPORT</b>			
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36				
37				
38				
39				
40	TOTAL	0		

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS  
NW Natural

Period Beginning: Jan 2012  
Period Ending: Dec 2012

Functional Class	Beginning			Cost of	Salvage and	Transfers and		Ending
FERC Plant Account	Reserve	Provision	Retirements	Removal	Other Credits	Adjustments	Loss/(Gain)	Reserve
<b>Intangible Plant</b>								
301 ORGANIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302 FRANCHISES & CONSENTS	0	0	0	0	0	0	0	0
303.1 COMPUTER SOFTWARE	0	2,227	0	0	0	0	0	2,227
303.2 CUSTOMER INFORMATION SYSTEM	1,490,911	131,992	0	0	0	0	0	1,622,903
303.3 INDUSTRIAL & COMMERCIAL BIL	0	0	0	0	0	0	0	0
303.4 CRMS	0	0	0	0	0	0	0	0
303.5 POWERPLANT SOFTWARE	0	0	0	0	0	0	0	0
Intangible Plant Subtotal	1,490,911	134,219	0	0	0	0	0	1,625,130
<b>Transmission Plant</b>								
367 MAINS	29,297	15,853	0	0	0	0	0	45,150
Transmission Plant Subtotal	29,297	15,853	0	0	0	0	0	45,150
<b>Distribution Plant</b>								
374.1 LAND	0	0	0	0	0	0	0	0
374.2 LAND RIGHTS	10,104	2,076	0	0	0	0	0	12,180
375 STRUCTURES & IMPROVEMENTS	32,282	(1,437)	0	0	0	0	0	30,845
376.11 MAINS < 4"	27,359,614	1,641,656	(17,965)	(30,894)	0	0	0	28,952,411
376.12 MAINS 4" & >	18,561,386	1,406,592	(49,044)	(158,612)	0	0	0	19,760,321
378 MEASURING & REG EQUIP - GENER	385,975	23,103	0	0	0	0	0	409,079
379 MEASURING & REG EQUIP - GATE	523,947	26,617	0	0	0	0	0	550,564
380 SERVICES	24,317,562	1,452,602	(29,830)	(92,655)	0	0	0	25,647,680
381 METERS	1,684,596	204,132	(22,816)	0	0	0	0	1,865,913
381.2 ERT (ENCODER RECEIVER TRANS	2,060,262	408,321	(35,464)	0	0	0	0	2,433,118
382 METER INSTALLATIONS	1,633,357	140,890	(81,743)	0	0	0	0	1,692,504
382.2 ERT INSTALLATION (ENCODER	324,944	64,638	(4,787)	0	0	0	0	384,795
383 HOUSE REGULATORS	2,771	1,018	0	0	0	0	0	3,789
386 OTHER PROPERTY ON CUSTOMERS P	0	0	0	0	0	0	0	0
387.2 CALORIMETERS @ GATE STATIONS	26,630	0	0	0	0	0	0	26,630
Distribution Plant Subtotal	76,923,431	5,370,209	(241,651)	(282,162)	0	0	0	81,769,828
<b>General Plant</b>								
389 LAND	0	0	0	0	0	0	0	0
390 STRUCTURES & IMPROVEMENTS	(250,221)	38,753	211,467	0	0	0	0	0
391.1 OFFICE FURNITURE & EQUIPMEN	31,006	2,961	0	0	0	0	0	33,967
391.4 CUSTOMER INFORMATION SYSTEM	79,339	0	0	0	0	0	0	79,339
392 TRANSPORTATION EQUIPMENT	549,367	40,793	(72,473)	0	0	0	0	517,687
394 TOOLS AND EQUIPMENT	83	3,789	0	0	0	0	0	3,872
396 POWER OPERATED EQUIPMENT	161,232	5,915	0	0	0	0	0	167,147
397.3 TELEMETERING - OTHER	15,923	71	0	0	0	0	0	15,994
397.5 TELEPHONE EQUIPMENT	9,164	0	0	0	0	0	0	9,164
398.4 INSTALLED IN LEASED BUILDINGS	4,727	0	0	0	0	0	0	4,727
General Plant Subtotal	600,621	92,281	138,994	0	0	0	0	831,897

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW Natural**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class	Beginning			Cost of	Salvage and	Transfers and		Ending
FERC Plant Account	Reserve	Provision	Retirements	Removal	Other Credits	Adjustments	Loss/(Gain)	Reserve
Washington Utility Property Grand Total	\$79,044,260	\$5,612,562	(\$102,656)	(\$282,162)	\$0	\$0	\$0	\$84,272,003

**TOTAL SUMMARY WASHINGTON UTILITY DEPRECIATION RESERVES 12/31/2012**

**WASHINGTON**

108010	(\$688,928)						
108011	57,894,456						
108012	506,149						
108013	(11,538)						
108015	167,147						
108100	26,404,716						
SUBTOTAL				<u>\$84,272,003</u>			
<b>ADD:</b>							
108001 REMOVAL WORK IN PROCESS				(581,783)			
<b>TOTAL WASHINGTON UTILITY DEPRECIATION</b>				<u><u>\$83,690,220</u></u>			

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report</b>	<b>Year of Report</b> Dec. 31, 2012
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**WASHINGTON STATE - DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accts 403, 404.1, 404.2, 404.3, 405)**  
(Except Amortization of Acquisition Adjustments) (continued)

4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.10, 3.10, 3.02, etc.

**Section B. Factors Used in Estimating Depreciation Charges**

Line No.	Functional Classification  (a)	Plant Bases (In thousands)  (b)	Applied Depreciation or Amortization Rates (percent) (c)
1			
2			
2.01			
2.02			
2.03			
3			
3.01			
3.02			
3.03			
3.04			
4			
4.01			
4.02			
4.03			
5			
6			
6.01			
6.02			
6.03			
7			
7.01			
7.02			
7.03			
7.04			
8			
8.01			
8.02			
8.03			
8.04			
8.05			
8.06			
8.07			
8.08			
8.09			
9			
10			
11			
12			
13			
14			
15			
	<b>NONE</b>		

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<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> X An Original A Resubmission	<b>Date of Report (Mo, Da, Yr)</b> Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**WASHINGTON STATE - PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS**

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

(a) **Miscellaneous Amortization** (Account 425) - Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) **Miscellaneous Income Deductions** - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts.

Amounts of less than \$250,000 may be grouped by classes within the above accounts.

(c) **Interest on Debt to Associated Companies** (Account 430) - For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) **Other Interest Expense** (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Account 425 Miscellaneous Amortization	
2	Account 426.1 Donations	
3	Account 426.2 Insurance Benefits	
4	Account 426.3 Penalties - Internal Revenue	
5	Account 426.4 Civic, Political and Related Activities (426.31-426.33 & 426.41-426.45)	
6	Account 426.5 Other Deductions (426.05, 426.50-426.52)	
7	Account 426.6 Diversification (426.60)	
8		
9	Total Account 426	
10		
11	Account 430 Interest on Debt to Associated Companies	
12	Account 431 Other Interest Expense	
13	Notes Payable (431.1)	
14	Miscellaneous (431.2-431.5)	
15		
16	Total Account 431	
17		
18		
19		
20		
21		
22		
23		
24		
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28	<b>SEE FERC ANNUAL REPORT</b>	
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<b>Name of Respondent</b>		<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>	
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012	
<b>WASHINGTON STATE - REGULATORY COMMISSION EXPENSES (Account 928)</b>					
1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.			2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.		
Line No.	Description (Furnish name of regulatory commission or body, the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission  (b)	Expenses of Utility  (c)	Total Expenses to Date  (d)	Deferred in Account 186 at Beginning of Year (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
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<b>Name of Respondent</b>		<b>This Report Is:</b>		<b>Date of Report</b>		<b>Year of Report</b>	
Northwest Natural Gas Company		X An Original A Resubmission		(Mo, Da, Yr)		Dec. 31, 2012	
<b>WASHINGTON STATE - REGULATORY COMMISSION EXPENSES (Continued)</b>							
3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization.				5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts.			
4. Identify separately all annual charge adjustments (ACA)				6. Minor items (less than \$250,000) may be grouped.			
<b>EXPENSES INCURRED DURING YEAR</b>				<b>AMORTIZED DURING YEAR</b>			
<b>CHARGED CURRENTLY TO</b>			Deferred to Account 186 (i)	Contra Account (j)	Amount (k)	Deferred in Account 186, End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
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<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report (Mo, Da, Yr)</b> Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**DISTRIBUTION OF SALARIES AND WAGES**

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 74.01, 74.02, etc.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production			
4	Transmission			
5	Distribution			
6	Customer Accounts			
7	Customer Service and Informational			
8	Sales			
9	Administrative and General			
10	TOTAL Operation (Total of lines 3 thru 9)			
11	Maintenance			
12	Production			
13	Transmission			
14	Distribution			
15	Administrative and General			
16	TOTAL Maint. (Total of lines 12 thru 15)			
17	Total Operation and Maintenance			
18	Production (Total of lines 3 and 12)			
19	Transmission (Total of lines 4 and 13)			
20	Distribution (Total of lines 5 and 14)			
21	Customer Accounts (Line 6)			
22	Customer Service and Informational (Line 7)			
23	Sales (Line 8)			
24	Administrative and General (Total of lines 9 and 15)			
25	TOTAL Oper. and Maint. (Total of lines 18 thru 24)			
26	Gas			
27	Operation			
28	Production - Manufactured Gas			
29	Production - Nat. Gas (Including Expl. and Dev.)			
30	Other Gas Supply			
31	Storage, LNG Terminaling and Processing			
32	Transmission			
33	Distribution			
34	Customer Accounts			
35	Customer Service and Informational			
36	Sales			
37	Administrative and General			
38	TOTAL Operation (Total of lines 28 thru 37)			
39	Maintenance			
40	Production - Manufactured Gas			
41	Production - Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminaling and Processing			
44	Transmission			
45	Distribution			
46	Administrative and General			

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Name of Respondent		This Report is:		Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission			Dec. 31, 2012
WASHINGTON STATE - DISTRIBUTION OF SALARIES AND WAGES (Continued)					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)	
47					
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Lines 28 and 40)				
51	Production - Nat. Gas (Including Expl. and Dev.) (Lines 29 and 41)				
52	Other Gas Supply (Lines 30 and 42)				
53	Storage, LNG Terminaling and Processing (Lines 31 and 43)				
54	Transmission (Total of lines 32 and 44)				
55	Distribution (Total of lines 33 and 45)				
56	Customer Accounts (Total of line 34)				
57	Customer Service and Informational (Total of line 35)				
58	Sales (Total of line 36)				
59	Administrative and General (Total of lines 37 and 46)				
60	Other Utility Departments				
61	Operation and Maintenance				
62	TOTAL All Utility Dept. (Total of lines 50 thru 61)				
63	Utility Plant				
64	Construction (By Utility Departments)				
65	Electric Plant				
66	Gas Plant				
67	Other				
68	TOTAL Construction (Total of lines 65 thru 67)				
69	Plant Removal (By Utility Departments)				
70	Electric Plant				
71	Gas Plant				
72	Other				
73	TOTAL Plant Removal (Total of lines 70 thru 72)				
74	Other Accounts (Specify):				
74.01	Merchandising				
74.02	Governmental				
74.03	NNG Financial Corporation				
74.04	Non Utility Construction Work in Progress 121107				
74.05	Construction Claims				
74.06	Storage Business				
74.07	Accounts Receivable				
74.08					
74.09					
74.10					
74.11					
74.12					
74.13					
74.14					
74.15					
75					
76	TOTAL Other Accounts				
77	TOTAL SALARIES AND WAGES				

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<b>Name of Respondent</b>	<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012
<b>WASHINGTON STATE - CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES</b>			
<p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities.</p> <p>(a) Name of person or organization rendering services. (c) Total charges for the year.</p> <p>2. Designate associated companies with an asterisk in column (b).</p>			
Line No.	Description (a)	* (b)	Amount (in dollars) (c)
1			
2			
3			
4			
5			
6			
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<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> X An Original A Resubmission	<b>Date of Report (Mo, Da, Yr)</b>	<b>Year of Report</b> Dec. 31, 2012
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**COMPRESSOR STATION**

Designate any station that was not operated during the past year. Station in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission, compressor stations installed and put into operation during the year, and show in a footnote each unit's size and date the unit was placed in operation. For Column (e), include the type of fuel or power, in other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.

Line No.	Expenses (Except depreciation and taxes)		Operation Data			
	Fuel or Power (e)	Other (f)	Gas for Compressor Fuel in Dth (g)	Total Compressor Hours of Operation During the Year (h)	Number of Compressors Operated at Time of Station Peak (i)	Date of Station Peak (j)
1						
2						
3	<b>NONE</b>					
4						
5						
6						
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**TRANSMISSION MAINS  
SHOW PARTICULARS CALLED FOR CONCERNING TRANSMISSION MAINS \*  
WASHINGTON SUPPLEMENT**

**SYSTEM**

LINE NUMBER	KIND OF MATERIAL (A)	DIAMETER OF PIPE, INCHES (B)	TOTAL LENGTH IN USE BEGINNING OF YEAR, FEET (C)	LAI DURING YEAR, FEET (D)	TAKEN UP OR ABANDONED DURING YEAR, FEET (E)	TOTAL IN USE END OF YEAR, FEET (F)
1	High Pressure	4"	7,920	5,087		13,007
2	High Pressure	6"	371,613		356	371,257
3	High Pressure	8"	322,879		2,571	320,308
4	High Pressure	10"	461,181	1,292		462,473
5	High Pressure	12"	996,097	88,246		1,084,343
6	High Pressure	16"	559,626		1,280	558,346
7	High Pressure	20"	71,619	102		71,721
8	High Pressure	24"	465,212		442	464,770
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TOTALS			3,256,147	94,727	4,649	3,346,225

\* Show separately and identify lines held under a title other than full ownership.

**TRANSMISSION MAINS  
SHOW PARTICULARS CALLED FOR CONCERNING TRANSMISSION MAINS \*  
WASHINGTON SUPPLEMENT**

**WASHINGTON**

LINE NUMBER	KIND OF MATERIAL (A)	DIAMETER OF PIPE, INCHES (B)	TOTAL LENGTH IN USE BEGINNING OF YEAR, FEET (C)	LAI DURING YEAR, FEET (D)	TAKEN UP OR ABANDONED DURING YEAR, FEET (E)	TOTAL IN USE END OF YEAR, FEET (F)
1	High Pressure	8"	17,837	0	0	17,837
2						
3						
4						
5						
6						
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TOTALS			17,837	0	0	17,837

\* Show separately and identify lines held under a title other than full ownership.

**DISTRIBUTION MAINS**  
**SHOW PARTICULARS CALLED FOR CONCERNING DISTRIBUTION MAINS**  
**WASHINGTON SUPPLEMENT**

**SYSTEM**

LINE NUMBER	KIND OF MATERIAL (A)	DIAMETER OF PIPE, INCHES (B)	TOTAL LENGTH IN USE BEGINNING OF YEAR, FEET (C)	LAI DURING YEAR, FEET (D)	TAKEN UP OR ABANDONED DURING YEAR, FEET (E)	TOTAL IN USE END OF YEAR, FEET (F)
1	Low Pressure	2"	0			0
2	Low Pressure	3"	0			0
3	Low Pressure	4"	0			0
4	Low Pressure	6"	0			0
5	Low Pressure	Over 6"	0			0
6	High Pressure	Under 2"	18,517,819	101,116	106,694	18,512,241
7	High Pressure	2"	37,722,179	148,557	42,794	37,827,942
8	High Pressure	3"	160,897	0	542	160,355
9	High Pressure	4"	9,759,699	89,392	22,398	9,826,693
10	High Pressure	6"	2,922,468	6,484	14,741	2,914,211
11	High Pressure	Over 6"	1,491,264	0	6,413	1,484,851
12						
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34						
TOTALS			70,574,326	345,549	193,582	70,726,293



**DISTRIBUTION MAINS**  
**SHOW PARTICULARS CALLED FOR CONCERNING DISTRIBUTION MAINS**  
**WASHINGTON SUPPLEMENT**

**WASHINGTON**

LINE NUMBER	KIND OF MATERIAL (A)	DIAMETER OF PIPE, INCHES (B)	TOTAL LENGTH IN USE BEGINNING OF YEAR, FEET (C)	LAI DURING YEAR, FEET (D)	TAKEN UP OR ABANDONED DURING YEAR, FEET (E)	TOTAL IN USE END OF YEAR, FEET (F)
1	High Pressure	Under 2"	1,010,403	6,620	15,208	1,001,815
2	High Pressure	2"	5,974,453	18,199	3,243	5,989,409
3	High Pressure	3"	44,153	147	0	44,300
4	High Pressure	4"	1,413,653	6,769	2,876	1,417,546
5	High Pressure	6"	399,148	6,229	4,817	400,560
6	High Pressure	Over 6"	142,273	10	0	142,283
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TOTALS			8,984,083	37,974	26,144	8,995,913

**SERVICE PIPES - GAS**  
**SHOW PARTICULARS CALLED FOR CONCERNING THE LINE SERVICE PIPE**  
**WASHINGTON SUPPLEMENT**

**SYSTEM**

LINE NUMBER	KIND OF MATERIAL	DIAMETER OF PIPE, INCHES	NUMBER AT BEGINNING OF YEAR	NUMBER ADDED DURING YEAR	NUMBER REMOVED OR ABANDONED DURING YEAR	NUMBER AT CLOSE OF YEAR	AVERAGE LENGTH IN FEET
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	HP, LP	Under 1"	628,021	4,416	1821	630,616	-
2	HP, LP	1"	52,596	597	237	52,956	-
3	HP, LP	1 1/4"	5,272	0	11	5,261	-
4	HP, LP	2"	4,286	26	38	4,274	-
5	HP, LP	3"	50	0	1	49	-
6	HP, LP	4"	482	9	6	485	-
7	HP, LP	6"	17	3	2	18	-
8	HP, LP	Over 6"	14	0	0	14	-
9							
10							
11							
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34							
TOTALS			690,738	5,051	2,116	693,673	

**SERVICE PIPES - GAS**  
**SHOW PARTICULARS CALLED FOR CONCERNING THE LINE SERVICE PIPE**  
**WASHINGTON SUPPLEMENT**

**WASHINGTON**

LINE NUMBER	KIND OF MATERIAL	DIAMETER OF PIPE, INCHES	NUMBER AT BEGINNING OF YEAR	NUMBER ADDED DURING YEAR	NUMBER REMOVED OR ABANDONED DURING YEAR	NUMBER AT CLOSE OF YEAR	AVERAGE LENGTH IN FEET
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	HP	Under 1"	60,336	556	79	60,813	-
2	HP	1"	4,950	57	22	4,985	-
3	HP	1 1/4"	10	0	0	10	-
4	HP	2"	252	1	2	251	-
5	HP	4"	32	0	0	32	-
6	HP, LP	6"	7	1	0	8	-
7	HP, LP	Over 6"	0	0	0	0	-
8							
9							
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TOTALS			65,587	615	103	66,099	

NORTHWEST NATURAL GAS COMPANY  
CUSTOMER METERS  
SYSTEM 2012

Perf. #	Size	Type	Make	Capacity Cubic Ft.	In Service Begin. of Year	Add.	Retire-ments	In Service End of Year
0	Various	Orifice	Daniel	Various	372			372
2	RWR3	Rotary	Rockwell	3,000	1			1
7	RM5M	Rotary	Romet	5,000	1			1
9	RM11	Rotary	Romet	11,000	2			2
10	A5BT	Diaphragm	American	175	8			8
13	RS8C	Rotary	Roots	800	30			30
20	10BT	Diaphragm	American	250	1			1
22	1.5M	Rotary	Roots	1,500	19		2	17
23	1.5M TC	Rotary	Roots	1,500	25		3	22
24	1.5M ID	Rotary	Roots	1,500	69		11	58
26	R2M9	Rotary	Roots	2,000	1			1
32	3M125	Rotary	Roots	3,000	11	1		12
33	RS3M TC	Rotary	Roots	3,000	6	2		8
34	RS3M ID	Rotary	Roots	3,000	27		4	23
35	RS3M TC ID	Rotary	Roots	3,000	60			60
36	R3.7	Rotary	Roots	3,600	2			2
42	5M125	Rotary	Roots	5,000	8	1		9
43	RS5M TC	Rotary	Roots	5,000	19			19
44	RS5M ID	Rotary	Roots	5,000	75		4	71
52	7M125	Rotary	Roots	7,000	5			5
53	RS7M TC	Rotary	Roots	7,000	25	2		27
54	RS7M ID	Rotary	Roots	7,000	37		1	36
64	RS11 ID	Rotary	Roots	11,000	72		5	67
65	RS11 TC ID	Rotary	Roots	11,000	1			1
73	RS16 ID	Rotary	Roots	16,000	8			8
83	RS23 ID	Rotary	Roots	23,000	35		1	34
93	RS38 ID	Rotary	Roots	38,000	16			16
95	RS56 ID	Rotary	Roots	56,000	5			5
120	R175	Diaphragm	Rockwell	175	54,547		678	53,869
125	R200	Diaphragm	Rockwell	200	22,053		362	21,691
130	A175	Diaphragm	American	175	87,456		937	86,519
140	S175	Diaphragm	Sprague	175	24,740		437	24,303
260	Misc.	Various	Various	Various	3			3
270	1000A	Diaphragm	Schlemberger	1,000	208		12	196
272	1000A	Diaphragm	Actaris	1,000	78		1	77
300	1600 ID	Diaphragm	Rockwell	800	4		1	3
305	1600 TC ID	Diaphragm	Rockwell	800	7			7
310	RW3M ID	Diaphragm	Rockwell	1,450	60		2	58
315	RW3M TC ID	Diaphragm	Rockwell	1,450	49		11	38
320	RW5M ID	Diaphragm	Rockwell	2,500	42		3	39
325	RW5M TC ID	Diaphragm	Rockwell	2,500	48		1	47
390	1400 ID	Diaphragm	American	1,400	219		14	205
395	1400 TC ID	Diaphragm	American	1,400	11		1	10
400	2300 ID	Diaphragm	American	2,300	168		20	148
410	AL5M	Diaphragm	American	5,000	84		5	79
411	DU5M	Diaphragm	American	5,000	1			1
415	AL5M	Diaphragm	American	5,000	9			9
450	400A	Diaphragm	Schlemberger	400	1,605		39	1,566
452	400A	Diaphragm	Actaris	400	706		10	696
470	A425	Diaphragm	American	425	2,656	1	180	2,477
471	AL425	Diaphragm	American	425	2,885	11	32	2,864
472	A425	Diaphragm	American	425	3,020		87	2,933
475	AL-630	Diaphragm	American	630	5,890	1,537	10	7,417
480	A800 ID	Diaphragm	American	800	1,121		96	1,025

NORTHWEST NATURAL GAS COMPANY  
CUSTOMER METERS  
SYSTEM 2012

Perf. #	Size	Type	Make	Capacity Cubic Ft.	In Service Begin. of Year	Add.	Retire-ments	In Service End of Year
485	A800 TC ID	Diaphragm	American	800	1,265		196	1,069
486	A800	Diaphragm	American	800	8		1	7
490	S305	Diaphragm	Sprague	305	4			4
500	AL1M ID	Diaphragm	American	1,000	526		36	490
502	AL 1000	Diaphragm	American	1,000	387		17	370
505	AL1M TC ID	Diaphragm	American	1,000	602	1	45	558
507	AL 1000	Diaphragm	American	1,000	3,252	461	11	3,702
510	R310	Diaphragm	Rockwell	310	4,086	2	193	3,895
515	R315	Diaphragm	Rockwell	315	187		5	182
520	R415	Diaphragm	Rockwell	415	5,360		491	4,869
530	RW1M ID	Diaphragm	Rockwell	1,000	28		7	21
535	RW1M TC ID	Diaphragm	Rockwell	1,000	10			10
540	R750 ID	Diaphragm	Rockwell	750	679		77	602
545	R750 TC ID	Diaphragm	Rockwell	750	83		22	61
555	A310	Diaphragm	American	310	1,456	1	73	1,384
560	A250	Diaphragm	American	250	149,450	3	704	148,749
561	AC250	Diaphragm	American	250	111,639	12,019	174	123,484
565	RX250	Diaphragm	American	250	1,130			1,130
570	R275	Diaphragm	Rockwell	275	103,713	3	325	103,391
572	275	Diaphragm	Invensys	275	49,735	3	152	49,586
575	G2	Diaphragm	Westinghouse	200	18			18
580	SPRM	D+Reg	Sprague	175	486			486
585	S250	Diaphragm	Sprague	250	27,403		210	27,193
590	S250	Diaphragm	Lancaster	250	23,194		189	23,005
595	METRIS 250	Diaphragm	Schlemberger	250	14,574	1	513	14,062
613	8C	Rotary	Roots	800	44			44
616	8C175TQM	Rotary	Roots	800	30			30
617	8C175TQM	Rotary	Dresser/Roots	800	50	6		56
620	1M1480B3-HPC	Rotary	Dresser/Roots	1,000	4			4
621	1M300TQM-CD	Rotary	Dresser/Roots	1,000	1			1
622	1.5M	Rotary	Roots	1,500	300	1	22	279
623	1.5M	Rotary	Roots	1,500	26	1	2	25
625	15C175TQM	Rotary	Dresser/Roots	1,500	204	27		231
626	15CTQM	Rotary	Roots	1,500	576	13		589
632	3M	Rotary	Roots	3,000	334	17	2	349
633	RS3M	Rotary	Roots	3,000	108	7	1	114
636	5M175TQM	Rotary	Roots	3,000	1,025	23	3	1,045
637	3M175TQM	Rotary	Dresser/Roots	3,000	647	32	1	678
638	3M1480B3-HPC	Rotary	Dresser/Roots	3,000	4			4
642	5M	Rotary	Roots	5,000	228	5		233
643	RS5M TC	Rotary	Roots	5,000	132	2	2	132
644	5M175	Rotary	Roots	5,000	15			15
645	5M125	Rotary	Roots	5,000	3			3
646	5M175TQM	Rotary	Roots	5,000	695	9		704
647	5M175TQM	Rotary	Dresser/Roots	5,000	344	32		376
652	7M	Rotary	Roots	7,000	131	2	1	132
653	RS7M	Rotary	Roots	7,000	57	2	1	58
654	7M175	Rotary	Roots	7,000	34			34
655	7M175TQM	Rotary	Dresser/Roots	7,000	145	15		160
656	7M175TQM	Rotary	Roots	7,000	251	2		253
657	7M175TQM	Rotary	Roots	7,000	89	2	1	90
662	11M	Rotary	Roots	11,000	7			7
663	RS11	Rotary	Roots	11,000	45	2	3	44
664	RS11 ID	Rotary	Roots	11,000	47	1	1	47

NORTHWEST NATURAL GAS COMPANY  
CUSTOMER METERS  
SYSTEM 2012

Perf. #	Size	Type	Make	Capacity Cubic Ft.	In Service Begin. of Year	Add.	Retire-ments	In Service End of Year
665	RS11	Rotary	Roots	11,000	16			16
666	11M175TQM	Rotary	Roots	11,000	352	5		357
667	11M175TQM	Rotary	Roots	11,000	4			4
668	11M175TQM	Rotary	Dresser/Roots	11,000	0	1		1
672	16M	Rotary	Roots	16,000	3			3
673	16M175	Rotary	Roots	16,000	60			60
674	RS16 TC ID	Rotary	Roots	16,000	21			21
675	RS16 TC	Rotary	Roots	16,000	48			48
676	16M175TQM	Rotary	Roots	16,000	202		2	200
686	23M125TQM	Rotary	Roots	23,000	14			14
690	23M232TQM	Rotary	Dresser/Roots	23,000	31	9		40
696	38M125TQM	Rotary	Roots	23,000	20	2		22
698	56M175TQM	Rotary	Dresser/Roots	56,000	1			1
702	RT18	Turbine	Rockwell	38,000	1			1
703	RT18	Turbine	Rockwell	18,000	35			35
708	RT60	Turbine	Rockwell	30,000	22			22
709	RT60	Turbine	Rockwell	60,000	12		1	11
711	T140	Turbine	Rockwell	60,000	1			1
713	T140	Turbine	Rockwell	60,000	2			2
714	T140	Turbine	Rockwell	140,000	1			1
731	A4GT	Turbine	American	18,000	1			1
732	A6GT	Turbine	American	30,000	1			1
734	A8GT	Turbine	American	60,000	1			1
736	12GT	Turbine	American	150,000	2			2
751	AAT-18	Turbine	Invensys	18,000	2			2
756	AAT-27	Turbine	Invensys	27,000	1			1
760	AAT-35/45	Turbine	Sensus	35,000	2			2
766	AAT-57	Turbine	Invensys	57,000	2			2
770	AAT-60/45	Turbine	Sensus	60,000	1			1
771	AAT-60	Turbine	Invensys	60,000	1			1
776	AAT-90	Turbine	Invensys	90,000	2			2
791	AAT-140/45	Turbine	Sensus	140,000	2			2
792	AAT-140/45	Turbine	Sensus	140,000	2			2
803	3M125e	Rotary	Dresser/Roots	3,000	0	1		1
804	5M125e	Rotary	Dresser/Roots	5,000	0	1		1
805	7M125e	Rotary	Dresser/Roots	7,000	1	1		2
806	11M125e	Rotary	Dresser/Roots	11,000	1			1
813	3M175e	Rotary	Dresser/Roots	3,000	2	4		6
814	5M175e	Rotary	Dresser/Roots	5,000	0	3		3
815	7M175e	Rotary	Dresser/Roots	7,000	4			4
816	11M175e	Rotary	Dresser/Roots	11,000	1	3		4
817	16M175e	Rotary	Dresser/Roots	16,000	3		2	1
822	15c175TQMe	Rotary	Dresser/Roots	1,500	4	20		24
823	3M175TQMe	Rotary	Dresser/Roots	3,000	7	68		75
824	5M175TQMe	Rotary	Dresser/Roots	5,000	14	16		30
825	7M175TQMe	Rotary	Dresser/Roots	7,000	13	22		35
826	11M175TQMe	Rotary	Dresser/Roots	11,000	17	36		53
827	16M175TQMe	Rotary	Dresser/Roots	16,000	7	15		22
830	38M175TQMe	Rotary	Dresser/Roots	38,000	1			1
901	TURB	Turbine	Unkown	0	1			1
904	SDIA	Diaphragm	Unkown	500	54,068			54,068
TOTALS					768,472	14,457	6,456	776,473

NORTHWEST NATURAL GAS COMPANY  
CUSTOMER METERS  
WASHINGTON 2012

Perf. #	Size	Type	Make	Capacity Cubic Ft.	In Service Begin. of Year	Add.	Retire-ments	In Service End of Year
0	Various	Orifice	Daniel	Various	1			1
7	RM5M	Rotary	Romet	5,000	1			1
13	RS8C 125	Rotary	Roots	800	7			7
24	1.5M ID	Rotary	Roots	1,500	7		1	6
33	RS3M TC	Rotary	Roots	3,000	3			3
34	RS3M ID	Rotary	Roots	3,000	5			5
36	R3.7	Rotary	Roots	3,600	1			1
42	5M125	Rotary	Roots	5,000	1			1
43	RS5M TC	Rotary	Roots	5,000	1			1
44	RS5M ID	Rotary	Roots	5,000	6			6
52	7M125	Rotary	Roots	3,000	4			4
54	RS7M ID	Rotary	Roots	7,000	2			2
64	RS11 ID	Rotary	Roots	11,000	4			4
83	RS23 ID	Rotary	Roots	23,000	5			5
93	RS38 ID	Rotary	Roots	38,000	1			1
120	R175	Diaphragm	Rockwell	175	3,037		26	3,011
125	R200	Diaphragm	Rockwell	200	788		10	778
130	A175	Diaphragm	American	175	3,751		36	3,715
140	S175	Diaphragm	Sprague	175	1,156		14	1,142
260	Misc.	Various	Various	Various	1			1
270	1000A	Diaphragm	Schlumberger	1,000	10		1	9
272	1000A	Diaphragm	Actaris	1,000	5			5
300	1600 ID	Diaphragm	Rockwell	800	1			1
310	RW3M ID	Diaphragm	Rockwell	1,450	1			1
320	RW5M ID	Diaphragm	Rockwell	2,500	9			9
325	RW5M TC ID	Diaphragm	Rockwell	2,500	2			2
390	1400 ID	Diaphragm	American	1,400	20		1	19
400	2300 ID	Diaphragm	American	2,300	10			10
410	AL5M	Diaphragm	American	5,000	15		1	14
450	400A	Diaphragm	Schlumberger	400	152		3	149
452	400A	Diaphragm	Actaris	400	77			77
470	A425	Diaphragm	American	425	164		12	152
471	AL425	Diaphragm	American	425	262	1	1	262
472	A425	Diaphragm	American	425	236		5	231
475	AL-630	Diaphragm	American	630	404	106	1	509
480	A800 ID	Diaphragm	American	800	99		5	94
485	A800 TC ID	Diaphragm	American	800	87		13	74
486	A800	Diaphragm	American	800	3			3
500	AL1M ID	Diaphragm	American	1,000	45			45
502	AL 1000	Diaphragm	American	1,000	28		2	26
505	AL1M TC ID	Diaphragm	American	1,000	30		4	26
507	AL 1000	Diaphragm	American	1,000	281	41	1	321
510	R310	Diaphragm	Rockwell	310	192		13	179
515	R315	Diaphragm	Rockwell	315	7			7
520	R415	Diaphragm	Rockwell	415	353		26	327
530	RW1M ID	Diaphragm	Rockwell	1,000	2			2
535	RW1M TC ID	Diaphragm	Rockwell	1,000	2			2
540	R750 ID	Diaphragm	Rockwell	750	58		1	57
545	R750 TC ID	Diaphragm	Rockwell	750	6		3	3

NORTHWEST NATURAL GAS COMPANY  
CUSTOMER METERS  
WASHINGTON 2012

Perf. #	Size	Type	Make	Capacity Cubic Ft.	In Service Begin. of Year	Add.	Retire-ments	In Service End of Year
555	AL 310	Diaphragm	American	310	103	1	4	100
560	A250	Diaphragm	American	250	17,175		66	17,109
561	AC250	Diaphragm	American	250	13,145	1,428	12	14,561
565	RX250	Diaphragm	American	250	150			150
570	R275	Diaphragm	Rockwell	275	14,553		20	14,533
572	275	Diaphragm	Invensys	275	7,188		15	7,173
580	SPRM	D+Reg	Sprague	175	8			8
585	S250	Diaphragm	Sprague	250	3,782		9	3,773
590	S250	Diaphragm	Lancaster	250	2,863		11	2,852
595	METRIS 250	Diaphragm	Schlumberger	250	2,055		23	2,032
613	8C	Rotary	Roots	800	1			1
616	8C175TQM	Rotary	Dresser/Roots	800	5			5
617	8C175TQM	Rotary	Dresser/Roots	800	7			7
622	1.5M	Rotary	Roots	1,500	23		4	19
623	1.5M	Rotary	Roots	1,500	1	1	1	1
625	15C175TQM	Rotary	Dresser/Roots	1,500	17	1		18
626	15CTQM	Rotary	Roots	1,500	53	2		55
632	3M	Rotary	Roots	3,000	33			33
633	RS3M	Rotary	Roots	3,000	12			12
636	5M175TQM	Rotary	Roots	3,000	96			96
637	3M175TQM	Rotary	Dresser/Roots	3,000	62	2		64
642	5M	Rotary	Roots	5,000	28			28
643	RS5M TC	Rotary	Roots	5,000	12			12
644	3M175TQS	Rotary	Roots	5,000	13			13
646	5M175TQM	Rotary	Roots	5,000	64	1		65
647	5M175TQM	Rotary	Dresser/Roots	5,000	41	4		45
652	7M	Rotary	Roots	7,000	13	1		14
653	RS7M	Rotary	Roots	7,000	5			5
654	7M175	Rotary	Roots	7,000	4			4
655	7M175TQM	Rotary	Dresser/Roots	7,000	14	2		16
656	7M175TQM	Rotary	Roots	7,000	29			29
657	7M175TQM	Rotary	Roots	7,000	10	2		12
663	RS11	Rotary	Roots	11,000	1			1
664	RS11 ID	Rotary	Roots	11,000	3			3
665	RS11	Rotary	Roots	11,000	1			1
666	11M175TQM	Rotary	Roots	11,000	18	1		19
667	11M175TQM	Rotary	Roots	11,000	1			1
672	16M	Rotary	Roots	16,000	1			1
674	RS16 TC ID	Rotary	Roots	16,000	2			2
675	RS16 TC	Rotary	Roots	16,000	2			2
676	16M175TQM	Rotary	Roots	16,000	29			29
696	38M125TQM	Rotary	Roots	38,000	7	1		8
803	3M125e	Rotary	Dresser/Roots	3,000	0	1		1
805	7M125e	Rotary	Dresser/Roots	7,000	0	1		1
822	15c175TQMe	Rotary	Dresser/Roots	1,500	2	1		3
823	3M175TQMe	Rotary	Dresser/Roots	3,000	0	7		7
824	5M175TQMe	Rotary	Dresser/Roots	5,000	1	1		2
825	7M175TQMe	Rotary	Dresser/Roots	7,000	3	1		4
826	11M175TQMe	Rotary	Dresser/Roots	11,000	1	1		2
827	16M175TQMe	Rotary	Dresser/Roots	16,000	0	1		1
TOTALS					72,980	1,609	345	74,244



Name of Respondent	This Report Is: X An Original A resubmission	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company			Dec. 31, 2012
<b>WASHINGTON STATE - GAS ACCOUNT - NATURAL GAS</b>			
<p>1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.</p> <p>2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.</p> <p>3. Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.</p> <p>4. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.</p> <p>5. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose. Use copies of pages 520.</p> <p>6. Also indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate</p>		<p>facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market of that were not transported through any interstate portion of the reporting pipeline.</p> <p>7. Also indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.</p> <p>8. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional rows as necessary to report all data, numbered 14.01, 14.02, etc.</p>	
Line No.	Item	Ref. Page No.	Amount of Dth
	(a)	(b)	(c)
1	Name of System		
2	<b>GAS RECEIVED</b>		
3	Gas Purchases (Accounts 800-805)		
4	Gas of Others Received for Gathering (Account 489.1)		8,671,284
5	Gas of Others Received for Transmission (Account 489.2)	305	N/A
6	Gas of Others Received for Distribution (Account 489.3) Transportation	301	1,765,926
7	Gas of Others Received for Contract Storage (Account 489.4)	307	N/A
8	Exchanged Gas Received from Others (Account 806)	328	N/A
9	Gas Received as Imbalances (Account 806)	328	N/A
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332	N/A
11	Other Gas Withdrawn from Storage (Explain)		
12	Gas Received from Shippers as Compressor Station Fuel		
13	Gas Received from Shippers as Lost and Unaccounted for		
14	Other Receipts (Specify)		
15	Total Receipts (Total of lines 3 thru 14.?)		10,437,210
16	<b>GAS DELIVERED</b>		
17	Gas Sales (Accounts 480-484)		6,925,908
18	Deliveries of Gas Gathered for Others (Account 489.1)	303	N/A
19	Deliveries of Gas Transported for Others (Account 489.2)	305	N/A
20	Deliveries of Gas Distributed for Others (Account 489.3)	301	1,765,926
21	Deliveries of Contract Storage Gas (Account 489.4)	307	N/A
22	Exchange Gas Delivered to Others (Account 806)	328	N/A
23	Gas Delivered as Imbalances (Account 806)	328	N/A
24	Deliveries of Gas to Others for Transportation (Account 858)	332	N/A
25	Other Gas Delivered to Storage (Explain)		
26	Gas Used for Compressor Station Fuel	509	N/A
27	Other Deliveries (Specify): Unbilled		10,263
28	Total Deliveries (Total of lines 17 thru 27)		8,702,097
29	<b>GAS UNACCOUNTED FOR</b>		
30	Production System Losses		
31	Gathering System Losses		
32	Transmission System Losses		
33	Distribution System Losses		1,735,113
34	Storage System Losses		
35	Other Losses (Specify)		
36	Total Unaccounted for (Total of lines 30 thru 35)		1,735,113
37	Total Deliveries & Unaccounted for (Total of lines 28 and 36)		10,437,210

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> X An Original A resubmission	<b>Date of Report (Mo, Da, Yr)</b>	<b>Year of Report</b> Dec. 31, 2012
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**WASHINGTON STATE - EXECUTIVE SALARY SUPPLEMENTAL DETAILS**

- Report below the name, title and salary for each executive officer. An "executive officer" of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
- If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent and the date the change in incumbency was made.

Line No.	Name of Officer (a)	Salary for Year <sup>(1)</sup> (b)	Account Number (c)	Amount Assigned to WA (d)	Percent Increase Over Prior Year	Reason for Increase (f)
1	Gregg S. Kantor	478,500	921.1	N/A	3%	Market Adj. + Perf
2	David H. Anderson	368,000	921.1	N/A	3%	Market Adj. + Perf
3	Margaret D. Kirkpatrick	283,500	921.1	N/A	3%	Market Adj. + Perf
4	Lea Anne Doolittle	258,667	921.1	N/A	3%	Market Adj. + Perf
5	J. Keith White	234,833	921.1	N/A	3%	Market Adj. + Perf
6	David R. Williams	220,833	921.1	N/A	3%	Market Adj. + Perf
7	Grant M. Yoshihara	220,833	921.1	N/A	3%	Market Adj. + Perf
8	C. Alex Miller	194,000	921.1	N/A	3%	Market Adj. + Perf
9	MardiLyn Saathoff	213,833	921.1	N/A	3%	Market Adj. + Perf
10	Stephen P. Feltz	230,833	921.1	N/A	3%	Market Adj. + Perf

<sup>(1)</sup> Salary amounts do not include bonuses paid to executives

**EXECUTIVE COUNT BY CLASS AND TOTAL SALARIES BY CLASS**

- Pursuant to RCW 80.04.080, report below the number of employees by class (per company definition to be provided),

	Employee Class (a)	Number of Employees (b)	Total Salaries and Wages Paid Each Class (c) <sup>(2)</sup>
10	Officers & Exempt	469	40,491,211
11	Bargaining Unit	623	38,156,888
13	Total	1,092	78,648,099

<sup>(2)</sup> Salaries and wages do not include bonuses paid

**NORTHWEST NATURAL GAS COMPANY**

**Oregon Supplement to FERC Form 2**

**December 31, 2012**

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**ANNUAL REPORT  
OREGON SUPPLEMENT TO FERC FORM 2  
for  
MULTI-STATE GAS COMPANIES**

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2	Gas Operating Revenues
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<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report (Mo, Da, Yr)</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2012

**STATE OF OREGON - STATEMENT OF INCOME FOR THE YEAR**

- |   |   |
|---|---|
| <p>1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i, j) in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.</p> | <p>2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.</p> <p>3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.</p> |
|---|---|

Line No.	ACCOUNT (a)	(REF) PAGE NO. (b)	GAS UTILITY	
			CURRENT YEAR (c)	PREVIOUS YEAR (d)
1	<b>UTILITY OPERATING INCOME</b>			
2	Operating Revenues (400)	2		
3	Operating Expenses			
4	Operation Expenses (401)	4-9		
5	Maintenance Expenses (402)	4-9		
6	Depreciation Expense (403)	10		
7	Amort. & Depl. of Utility Plant (404-405)	10		
8	Amort. of Utility Plant Acq. Adj. (406)	10		
9	Amort of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)			
10	Amort. of Conversion Expenses (407)			
11	Taxes Other Than Income Taxes (408.1)	11		
12	Income Taxes - Federal (409.1)	12		
13	- Other (409.1)	13		
14	Provision for Deferred Income Taxes (410.1)	14-21		
15	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	14-21		
16	Investment Tax Credit Adj. - Net (411.4)	22		
17	(Less) Gains from Disp. of Utility Plant (411.6)			
18	Losses from Disp. of Utility Plant (411.7)			
19	TOTAL Utility Operating Expenses (Total of lines 4 thru 18)			
20	Net Utility Operating income (Enter Total of line 2 less 19)			

SEE FERC ANNUAL REPORT

<b>Name of Respondent</b>	<b>This Report is:</b> (1) X An Original (2) A Resubmission	<b>Date of Report</b> <b>(Mo, Da, Yr)</b>	<b>Year of Report</b>
Northwest Natural Gas Company			Dec. 31, 2012

**STATE OF OREGON - GAS OPERATING REVENUES (Account 400)**

- |  |   |
|--|---|
| <p>1. Report below natural gas operating revenues for each prescribed account, and manufactured gas revenues in total.</p> <p>2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.</p> <p>3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted</p> | <p>for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.</p> <p>4. Report quantities of natural gas sold in Dth.</p> <p>5. If increases or decreases from previous year (columns (c) (e) and (g), are not derived from previously reported figures,</p> |
|--|---|

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Current Year (b)	Amount for Previous Year (c)
1	<b>GAS SERVICE REVENUES</b>		
2	480 Residential Sales	390,070,669	439,881,295
3	481 Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 6)	194,447,348	222,966,807
5	Large (or Ind. ) (See instr. 6)	51,583,260	60,262,366
6	482 Other Sales to Public Authorities		
7	484 Interdepartmental Sales		
8	TOTAL Sales to Ultimate Consumers	636,101,277	723,110,468
9	483 Sales for Resale		
10	TOTAL Nat. Gas Service Revenues	636,101,277	723,110,468
11	Revenues from Manufactured Gas		
12	TOTAL Gas Service Revenues	636,101,277	723,110,468
13	<b>OTHER OPERATING REVENUES</b>		
14	485 Intercompany Transfers		
15	487 Late Payment Charge	2,350,603	2,621,754
16	488 Misc. Service Revenues	1,382,129	1,504,306
17	489 Rev. From Trans. of Gas of Others	14,011,260	14,595,604
18	490 Sales of Prod. Ext. from Natural Gas		
19	491 Rev. from Nat. Gas Proc. by Others		
20	492 Incidental Gasoline and Oil Sales		
21	493 Rent from Gas Property	260,731	260,115
22	494 Interdepartmental Rents		
23	495 Other Gas Revenues	(5,768,029)	4,401,204
24	TOTAL Other Operating Revenues	12,236,694	23,382,983
25	TOTAL Gas Operating Revenues	648,337,971	746,493,451
26	(Less) 496 Provision for Rate Refunds		
27	TOTAL Gas Operating Revenues Net of Provision for refund	648,337,971	746,493,451
28	Dist. Type Sales by State (Incl. Main Line Sales to Resid. and Comm. Custrs.)	584,518,017	723,110,468
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)	51,583,260	
30	Sales for Resale		
31	Other Sales to Pub. Auth. (Local Dist. Only)		
32	Interdepartmental Sales		
33	TOTAL (Same as Line 10, Columns (b) and (d))	636,101,277	723,110,468



<b>Name of Respondent</b>	<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) X An Original (2) A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**STATE OF OREGON - GAS OPERATING REVENUES (Account 400) (Continued)**

explain any inconsistencies in a footnote.

6. Commercial and Industrial Sales, Account 481, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 2000, Mcf per year or approximately 800 Mcf per day of normal requirements. (See Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

7. See page 108, Important Changes During Year, for important new territory added and important rate increases or decreases.

DTHS OF GAS SOLD		AVG. NO. OF NAT. GAS CUSTOMERS PER MO.		Line No.
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
				1
35,123,723	37,689,609	553,497	548,866	2
				3
22,251,048	23,517,940	57,606	57,246	4
8,915,431	9,003,704	894	876	5
				6
				7
66,290,202	70,211,253	611,997	606,988	8
				9
66,290,202	70,211,253	611,997	606,988	10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
66,290,202				27
				28
				29
				30
				31
				32
66,290,202				33

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> X An Original A Resubmission	<b>Date of Report (Mo, Da, Yr)</b>	<b>Year of Report</b> Dec. 31, 2012
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**STATE OF OREGON - INTERDEPARTMENTAL SALES - NATURAL GAS (Account 484)**  
**Report particulars concerning sales of natural gas included in Account 484**

LINE NO.	DEPARTMENT AND BASIS OF CHARGES (a)	POINT OF DELIVERY (b)	MCF (14.73 psia at 60° F) (c)	REVENUE (d)
<b>NOT APPLICABLE</b>				

**RENT FROM GAS PROPERTY AND INTERDEPARTMENTAL RENTS (Accounts 493, 494)**

- Report particulars concerning rents received, included in Accounts 493 and 494.
- Minor rents may be entered at the total amount for each class of such rents.
- If rents are included which were arrived at under an arrangement for apportioning expenses of a joint facility, whereby the amount included in this account represents profit or return on property, depreciation, and taxes, give particulars and the basis of apportionment of such charges to Account 493 or 494.
- Provide a subheading and total for each account.

Line No.	NAME OF LESSEE OR DEPARTMENT (Designate associated companies) (a)	DESCRIPTION OF PROPERTY (b)	AMOUNT OF REVENUE FOR YEAR	
			NATURAL GAS PROPERTY (c)	MANUFACTURED GAS PROPERTY (d)
<b>ACCOUNT 493 - RENT FROM GAS PROPERTY</b>				
1.	Koppers Co. Inc.	Facilities, equip., gasco plant Communication	98,856	161,732
2.	Other			
<b>Totals</b>			<b>98,856</b>	<b>161,732</b>

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
<b>STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES</b>				
If the amount for previous year is not derived from previously reported figures, explain in footnotes.				
Line No.	Account (a)	Current Year (b)	Previous Year (c)	
1	1. PRODUCTION EXPENSES			
2	A. Manufactured Gas Production			
3	Manufactured Gas Production (Submit Supplemental Statement)			
4	B. Natural Gas Production			
5	B1. Natural Gas Production and Gathering			
6	Operation			
7	750 Operation Supervision and Engineering			
8	751 Production Maps and Records			
9	752 Gas Wells Expenses			
10	753 Field Lines Expenses			
11	754 Field Compressor Station Expenses			
12	755 Field Compressor Station Fuel and Power			
13	756 Field Measuring and Regulating Station Expenses			
14	757 Purification Expenses	<b>INFORMATION NOT AVAILABLE</b>		
15	758 Gas Well Royalties			
16	759 Other Expenses			
17	760 Rents			
18	TOTAL Operation (Total of lines 7 thru 17)			
19	Maintenance			
20	761 Maintenance Supervision and Engineering			
21	762 Maintenance of Structures and Improvements			
22	763 Maintenance of Producing Gas Wells			
23	764 Maintenance of Field Lines			
24	765 Maintenance of Field Compressor Station Equipment			
25	766 Maintenance of Field Meas. and Reg. Station Equipment			
26	767 Maintenance of Purification Equipment			
27	768 Maintenance of Drilling and Cleaning Equipment			
28	769 Maintenance of Other Equipment			
29	TOTAL Maintenance (Total of lines 20 thru 28)			
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)			
31	B2. Products Extraction			
32	Operation			
33	770 Operation Supervision and Engineering			
34	771 Operation Labor			
35	772 Gas Shrinkage			
36	773 Fuel			
37	774 Power			
38	775 Materials			
39	776 Operation Supplies and expenses			
40	777 Gas Processed by Others			
41	778 Royalties on Products Extracted			
42	779 Marketing expenses			
43	780 Products Purchased for Resale			
44	781 Variation in Products Inventory			
45	(Less) 782 Extracted Products Used by the Utility-Credit			
46	783 Rents			
47	Total Operation (Total of Lines 33 thru 46)			

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Account (a)	Current Year (b)	Previous Year (c)	
1	A. Manufactured Gas Production Detail			
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9	<b>INFORMATION NOT AVAILABLE</b>			
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Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Account (a)	Current Year (b)	Previous Year (c)	
31	B2. Products Extraction (Con't)			
32	Operation			
48	Maintenance			
49	784 Maintenance Supervision and Engineering			
50	785 Maintenance of Structures and Improvements			
51	786 Maintenance of Extraction and Refining Equipment			
52	787 Maintenance of Pipe Lines			
53	788 Maintenance of Extracted Products Storage Equipment			
54	789 Maintenance of Compressor Equipment			
55	790 Maintenance of Gas Measuring and Regulating Equipment			
56	791 Maintenance of Other Equipment			
57	TOTAL Maintenance (Total of lines 49 thru 56)			
58	TOTAL Products Extraction (Total of lines 47 and 57)			
59	C. Exploration and Development			
60	Operation			
61	795 Delay Rentals			
62	796 Nonproductive Well Drilling			
63	797 Abandoned Leases			
64	798 Other Exploration			
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	<b>INFORMATION NOT AVAILABLE</b>		
	D. Other Gas Supply Expenses			
66	Operation			
67	800 Natural Gas Well Head Purchases			
68	800.1 Natural Gas Well Head Purchases, Intracompany Transfers			
69	801 Natural Gas Field Line Purchases			
70	802 Natural Gas Gasoline Plant Outlet Purchases			
71	803 Natural Gas Transmission Line Purchases			
72	804 Natural Gas City Gate Purchases			
73	804.1 Liquefied Natural Gas Purchases			
74	805 Other Gas Purchases			
75	(Less) 805.1 Purchase Gas Cost Adjustments			
76	805.2 Incremental Gas Cost Adjustments			
77	TOTAL Purchased Gas (Total of Lines 67 thru 76)			
78	806 Exchange Gas			
79	Purchased Gas Expense			
80	807.1 Well Expense-Purchased Gas			
81	807.2 Operation of Purchased Gas Measuring Stations			
82	807.3 Maintenance of Purchased Gas Measuring Stations			
83	807.4 Purchased Gas Calculations Expense			
84	807.5 Other Purchased Gas Expenses			
85	TOTAL Purchased Gas Expense (Total of lines 80 thru 84)			
86	808.1 Gas Withdrawn from Storage-Debit			
87	(Less) 808.2 Gas Delivered to Storage-Credit			
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit			
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit			
90	(Less) Gas used in Utility Operation-Credit			
91	810 Gas Used for Compressor Station Fuel-Credit			
92	811 Gas Used for Products Extraction-Credit			
93	812 Gas Used for Other Utility Operations-Credit			
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)			
95	813 Other Gas Supply Expenses			
96	TOTAL Other Gas Supply Exp. (Total of lines 77, 78, 85, 86 thru 89, 94, 95)			
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)			

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Account (a)	Current Year (b)	Previous Year (c)	
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering			
102	815 Maps and Records			
103	816 Well Expenses			
104	817 Lines Expenses			
105	818 Compressor Station Fuel and Power			
106	819 Compressor Station Fuel and Power			
107	820 Measuring and Regulating Station Expenses			
108	821 Purification Expenses			
109	822 Exploration and Development			
110	823 Gas Losses			
111	824 Other Expenses			
112	825 Storage Well Royalties			
113	826 Rents			
114	TOTAL Operation (Total of lines of 101 thru 113)			
115	Maintenance			
116	830 Maintenance Supervision and Engineering			
117	831 Maintenance of Structures and Improvements	<b>INFORMATION NOT AVAILABLE</b>		
118	832 Maintenance of Reservoirs and Wells			
119	833 Maintenance of Lines			
120	834 Maintenance of Compressor Station Equipment			
121	835 Maintenance of Measuring and Regulating Station Equipment			
122	836 Maintenance of Purification Equipment			
123	837 Maintenance of Other Equipment			
124	TOTAL Maintenance (Total of lines 116 thru 123)			
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)			
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering			
129	841 Operation Labor and Expenses			
130	842 Rents			
131	842.1 Fuel			
132	842.2 Power			
133	842.3 Gas Losses			
134	TOTAL Operation (Total of lines 128 thru 133)			
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering			
137	843.2 Maintenance of Structures and Improvements			
138	843.3 Maintenance of Gas Holders			
139	843.4 Maintenance of Purification Equipment			
140	843.5 Maintenance of Liquefaction Equipment			
141	843.6 Maintenance of Vaporizing Equipment			
142	843.7 Maintenance of Compressor Equipment			
143	843.8 Maintenance of Measuring and Regulating Equipment			
144	843.9 Maintenance of Other Equipment			
145	TOTAL Maintenance (Total of lines 136 thru 144)			
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)			

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
<b>STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES</b>				
Line No.	Account (a)	Current Year (b)	Previous Year (c)	
147	C. Liquefied Natural Gas Terminaling and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering			
150	844.2 LNG Processing Terminal Labor and Expenses			
151	844.3 Liquefaction Processing Labor and Expenses			
152	844.4 Liquefaction Transportation Labor and Expenses			
153	844.5 Measuring and Regulating Labor and Expenses			
154	844.6 Compressor Station Labor and Expenses			
155	844.7 Communication system Expenses			
156	844.8 System Control and Load Dispatching			
157	845.1 Fuel			
158	845.2 Power			
159	845.3 Rents			
160	(Less) 845.4 Demurrage Charges			
161	845.5 Wharfage Receipts-Credit			
162	845.6 Processing Liquefied of Vaporized Gas by Others			
163	846.1 Gas Losses			
164	846.2 Other Expenses			
165	TOTAL Operation (Total of lines 149 thru 164)			
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering	<b>INFORMATION NOT AVAILABLE</b>		
168	847.2 Maintenance of Structures and Improvements			
169	847.3 Maintenance of LNG Processing Terminal Equipment			
170	847.4 Maintenance of LNG Transportation Equipment			
171	847.5 Maintenance of Measuring and Regulating Equipment			
172	847.6 Maintenance of Compressor Station Equipment			
173	847.7 Maintenance of Communication Equipment			
174	847.8 Maintenance of Other Equipment			
175	TOTAL Maintenance (Total of lines 167 thru 174)			
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 & 175)			
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)			
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering			
181	851 System Control and Load Dispatching			
182	852 Communication system Expenses			
183	853 Compressor Station Labor and Expenses			
184	854 Gas for Compressor Station Fuel			
185	855 Other Fuel and Power for Compressor Stations			
186	856 Mains Expenses			
187	857 Measuring and Regulating Station Expenses			
188	858 Transmission and Compression of Gas by Others			
189	859 Other Expenses			
190	860 Rents			
191	TOTAL Operations (Total of lines 180 thru 190)			
192	Maintenance			
193	861 Maintenance Supervision and Engineering			
194	862 Maintenance of Structures and Improvements			
195	863 Maintenance of Mains			
196	864 Maintenance of Compressor Station Equipment			
197	865 Maintenance of Measuring and Regulating Station Equipment			
198	866 Maintenance of Communication Equipment			
199	867 Maintenance of Other Equipment			

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company		X An Original A Resubmission		Dec. 31, 2012
<b>STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES</b>				
Line No.	Account (a)	Current Year (b)	Previous Year (c)	
200	TOTAL Maintenance (Total of lines 193 thru 199)			
201	TOTAL Transmission Expenses (Total of lines 191 and 200)			
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering			
205	871 Distribution Load Dispatching			
206	872 Compressor Station Labor and Expenses			
207	873 Compressor Station Fuel and Power			
208	874 Mains and Services Expenses			
209	875 Measuring and Regulating Station Expenses-General			
210	876 Measuring and Regulating Station Expenses-Industrial			
211	877 Measuring and Regulating Station Expenses-City Gas Check Station			
212	878 Meter and House Regulator Expenses			
213	879 Customer Installations Expenses			
214	880 Other Expenses			
215	881 Rents			
216	TOTAL Operations (Total of lines 204 thru 215)			
217	Maintenance			
218	885 Maintenance Supervision and Engineering			
219	886 Maintenance of Structures and Improvements			
220	887 Maintenance of Mains		<b>INFORMATION NOT AVAILABLE</b>	
221	888 Maintenance of Compressor Station Equipment			
222	889 Maintenance of Measuring & Regulating Station Equipment-General			
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial			
224	891 Maintenance of Meas & Reg Station Equip-City Gate Check Station			
225	892 Maintenance of Services			
226	893 Maintenance of Meters and House Regulators			
227	894 Maintenance of Other Equipment			
228	TOTAL Maintenance (Total of lines 218 thru 227)			
229	TOTAL Distribution Expenses (Total of lines 216 and 228)			
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision			
233	902 Meter Reading Expenses			
234	903 Customer Records and Collection Expenses			
235	904 Uncollectible Accounts			
236	905 Miscellaneous Customer Accounts Expenses			
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)			
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSE			
239	Operation			
240	907 Supervision			
241	908 Customer Assistance Expense			
242	909 Informational and Instructional Expenses			
243	910 Miscellaneous Customer Service and Informational Expenses			
244	TOTAL Customer Service & Information Expenses (Total of lines 240 thru 243)			
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision			
248	912 Demonstration and Selling Expenses			



<b>Name of Respondent</b>		<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012
<b>STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES</b>				
Line No.	Account (a)	Current Year (b)	Previous Year (c)	
249	913 Advertising Expenses			
250	916 Miscellaneous Sales Expenses			
251	TOTAL Sales Expenses (Total of lines 247 thru 250)			
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries			
255	921 Office Supplies and Expenses	<b>INFORMATION NOT AVAILABLE</b>		
256	(Less) 922 Administrative Expenses Transferred - Credit			
257	923 Outside Services Employed			
258	924 Property Insurance			
259	925 Injuries and Damages			
260	926 Employee Pensions and Benefits			
261	927 Franchise Requirements			
262	928 Regulatory Commission Expenses			
263	(Less) 929 Duplicate Charges - Credit			
264	930.1 General Advertising Expenses			
265	930.2 Miscellaneous General Expenses			
266	931 Rents			
267	TOTAL Operation (Total of lines 254 thru 266)			
268	Maintenance			
269	935 Maintenance of General Plant			
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)			
271	TOTAL Gas O & M Expenses (Total of lines 97,177,201,229,237,244,251,and 270)			

<b>STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES</b>				
LINE NO.	FUNCTIONAL CLASSIFICATIONS (a)	OPERATION (b)	MAINTENANCE (c)	TOTAL (d)
272	Production			
273	Manufactured Gas			
274	Natural gas:			
275	Production and Gathering			
276	Products Extraction			
277	Exploration and Dev.			
278	TOTAL Natural Gas			
279	Other Gas Supply Expenses			
280	TOTAL Production			
281	Underground Storage			
282	Other Storage			
283	LNG Terminaling and Processing			
284	Transmission Expenses			
285	Distribution Expenses			
286	Customer Accounts Expenses			
287	Customer Service and Informational Expenses			
288	Sales Expenses			
289	Adm. And General Expenses			
290	TOTAL Gas O. & M. Expenses			

<b>Name of Respondent</b>		<b>This Report is:</b>	<b>Date of Report</b>		<b>Year of Report</b>		
Northwest Natural Gas Company		(1) X An Original (2) A Resubmission	(Mo, Day, Yr)		Dec. 31, 2012		
<b>STATE OF OREGON</b>							
<b>ALLOCATED DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Account 403, 404.1, 404.2, 404.3, 405)</b>							
Line No.	FUNCTIONAL CLASSIFICATION (a)	DEPRECIATION EXPENSE (ACCOUNT 403) (b)	AMORTIZATION & DEPLETION OF PRODUCING NATURAL GAS LAND & LAND RIGHTS (ACCOUNT 404.1) (c)	AMORTIZATION OF UNDERGROUND STORAGE LAND & LAND RIGHTS (ACCOUNT 404.2) (d)	AMORTIZATION OF OTHER LIMITED-TERM GAS PLANT (ACCOUNT 404.3) (e)	AMORTIZATION OF OTHER GAS PLANT (ACCOUNT 405) (f)	TOTAL (g)
1	Intangible Plant						
2	Production Plant, Manufactured Gas						
3	Production and Gathering Plant, Natural Gas						
4	Products Extraction Plant						
5	Underground Gas Storage Plant						
6	Other Storage Plant						
7	Base Load LNG Terminaling and Processing Plant						
8	Transmission Plant	<b>INFORMATION NOT AVAILABLE</b>					
9	Distribution Plant						
10	General Plant						
11	Common Plant - Gas						
12							
13							
14							
15							
16							
17							
18							
19	TOTAL						

<b>Name of Respondent</b>		<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012
<b>STATE OF OREGON - ALLOCATED TAXES, OTHER THAN INCOME TAXES (Account 408.1)</b>				
Line No.	KIND OF TAX (a)			AMOUNT (b)
	SEE FERC ANNUAL REPORT			
	TOTAL (Must agree with page 1, line 11)			

<b>Name of Respondent</b>		<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012
<b>STATE OF OREGON - ALLOCATED CALCULATION OF CURRENT FEDERAL INCOME TAX EXPENSE (Account 409.1)</b>				
1. Report amounts used to derive current Federal income tax expense, Account 409.1, for the reporting period. If amounts are shown in thousands, show (000) in the heading for column (b). 2. Show amounts increasing taxable income as positive values and amounts decreasing taxable income as negative. 3. Current tax expense on this schedule must match the amount reported on page 1, line 12 of this report. Separately identify adjustments arising from revisions of prior year accruals. 4. Minor amounts of other additions (subtractions) may be grouped.				
<b>Line No.</b>	<b>PARTICULARS (Details)</b>			<b>AMOUNT</b>
	(a)			(b)
1	Gas Operating Revenues			
2	Operations and Maintenance Expenses			
3	Taxes, Other than Income			
4	State Income (Excise) Tax			
5	Interest			
6	Federal Income Tax Depreciation			
7	Other Additions (Subtractions) to Derive Taxable Income			
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
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21				
22				
23				
24				
25				
26				
27	Federal Tax Net Income			
28	Show Computation of Tax:			
	<b>SEE FERC ANNUAL REPORT</b> <b>PAGE 261 A-1 and 261 B-2</b>			

<b>Name of Respondent</b>		<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012
<b>STATE OF OREGON - ALLOCATED CALCULATION OF CURRENT STATE INCOME (EXCISE) TAX EXPENSE (Account 409.1)</b>				
1. Report amounts used to derive current state income (excise) tax expense, Account 409.1, for the reporting period. If amounts are shown in thousands, show (000) in the heading for column (b). 2. Show amounts increasing taxable income as positive values and amounts decreasing taxable income as negative. 3. Current tax expense on this schedule must match the amount reported on page 1, line 13 of this report. Separately identify adjustments arising from revisions of prior year accruals. 4. Minor amounts of other additions (subtractions) may be grouped.				
<b>Line No.</b>	<b>PARTICULARS (Details)</b>			<b>AMOUNT</b>
	<b>(a)</b>			<b>(b)</b>
1	Gas Operating Revenues			
2	Operations and Maintenance Expenses			
3	Taxes, Other than Income			
4	Interest			
5	State Income (Excise) Tax Depreciation			
6	Other Additions (Subtractions) to Derive Taxable Income			
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
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21				
22				
23				
24				
25				
26				
27	State Tax Net Income			
28	Show Computation of Tax:			
	<b>SEE FERC ANNUAL REPORT PAGE 262-C</b>			

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> X An Original A Resubmission	<b>Date of Report (Mo, Da, Yr)</b> Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES (Account 190)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. In the space provided:
  - (a) identify, by amount and classification, significant items for which deferred taxes are being provided.
  - (b) indicate insignificant amounts under Other.

Line No.	ACCOUNT SUBDIVISIONS (a)	BALANCE BEGINNING OF YEAR (b)	CHANGES DURING YEAR	
			AMOUNTS DEBITED ACCOUNT 410.1 (c)	AMOUNTS CREDITED ACCOUNT 411.1 (d)
1	Electric			
2				
3				
4				
5				
6				
7	Other			
8	TOTAL ELECTRIC			
9	Gas			
10				
11				
12				
13				
14				
15	Other			
16	TOTAL GAS			
17	Other (Specify)			
18	TOTAL (ACCOUNT 190)			
19	Classification of Totals			
20	Federal Income Tax			
21	State Income Tax			
22	Local Income Tax			

NOT APPLICABLE

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report (Mo, Da, Yr)</b>	<b>Year of Report</b> Dec. 31, 2012
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**STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Con't)**

3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.  
4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				BALANCE END OF YEAR (k)	Line No.
AMOUNTS DEBITED ACCOUNT 410.2 (e)	AMOUNTS CREDITED ACCOUNT 411.2 (f)	DEBITS		CREDITS			
		ACCT. NO. (g)	AMOUNT (h)	ACCT. NO. (i)	AMOUNT (j)	(k)	Line No.
							1
							2
							3
							4
							5
							6
							7
							8
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							11
							12
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							20
							21
							22

NOT APPLICABLE

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report (Mo, Da, Yr)</b> Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amortizable property.
2. In the space provided furnish explanations, including the following in clumnar order:
 

(a) State each certification number with a brief description of property	(c) Date amortization for tax purposes commenced.
(b) Total and amortizable cost of such property.	(d) "Normal" depreciation rate used in computing the deferred tax.

Line No.	ACCOUNT (a)	BALANCE BEGINNING OF YEAR (b)	CHANGES DURING YEAR	
			AMOUNTS DEBITED ACCOUNT 410.1 (c)	AMOUNTS CREDITED ACCOUNT 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities			
5	Other			
6				
7				
8	TOTAL Electric (Total of lines 3 thru 7)			
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12	Other			
13				
14				
15	TOTAL Gas (Total of lines 10 thru 14)			
16	Gas (Specify)			
17	TOTAL (Acct 281) Total of 8, 15 & 16)			
18	Classification of TOTAL			
19	Federal Income Tax			
20	State Income Tax			
21	Local Income Tax			

NOT APPLICABLE



<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report (Mo, Da, Yr)</b> Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**STATE OF OREGON - ALLOCATED ACCELERATED AMORTIZATION PROPERTY (Account 281) (Con't)**

- (e) Tax rate used originally defer amounts and the tax rate used during the current year to amortize previous deferrals.  
 3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.  
 4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				BALANCE END OF YEAR (k)	Line No.
AMOUNTS DEBITED ACCOUNT 410.2 (e)	AMOUNTS CREDITED ACCOUNT 411.2 (f)	DEBITS		CREDITS			
		ACCT. NO. (g)	AMOUNT (h)	ACCT. NO. (i)	AMOUNT (j)		
							1
							2
							3
							4
							5
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							21

NOT APPLICABLE

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report (Mo, Da, Yr)</b>	<b>Year of Report</b> Dec. 31, 2012
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**STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
2. In the space provided furnish explanations, including the following in columnar order:
  - (a) State the general method or methods of liberalized depreciation being used (sum-of-year digits, declining balance, etc.)
  - (b) Estimated lives (i.e. useful life, guideline life, guideline class life, etc.)
  - (c) Classes of plant to which each method is being applied and date method was adopted.

Line No.	ACCOUNT SUBDIVISIONS (a)	BALANCE BEGINNING OF YEAR (b)	CHANGES DURING YEAR	
			AMOUNTS DEBITED ACCOUNT 410.1 (c)	AMOUNTS CREDITED ACCOUNT 411.1 (d)
1	Account 282			
2	Electric			
3	Gas			
4	Other			
5	TOTAL (Total of lines 2 thru 4)			
6	Other (Specify)			
7				
8				
9	TOTAL (Acct 282) (Total of 5 thru 8)			
10	Classification of TOTAL			
11	Federal Income Tax			
12	State Income Tax			
13	Local Income Tax			

NOT APPLICABLE

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report (Mo, Da, Yr)</b> Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**STATE OF OREGON - ALLOCATED OTHER PROPERTY (Account 282) (Con't)**

- 3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.
- 4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				BALANCE END OF YEAR (k)	Line No.
AMOUNTS DEBITED ACCOUNT 410.2 (e)	AMOUNTS CREDITED ACCOUNT 411.2 (f)	DEBITS		CREDITS			
		ACCT. NO. (g)	AMOUNT (h)	ACCT. NO. (i)	AMOUNT (j)		
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13

NOT APPLICABLE

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report (Mo, Da, Yr)</b>	<b>Year of Report</b> Dec. 31, 2012
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**STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)**

- Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
- In the space provided below include amounts relating to insignificant items under Other.

Line No.	ACCOUNT SUBDIVISIONS (a)	BALANCE BEGINNING OF YEAR (b)	CHANGES DURING YEAR	
			AMOUNTS DEBITED ACCOUNT 410.1 (c)	AMOUNTS CREDITED ACCOUNT 411.1 (d)
1	Account 283			
2	Electric			
3				
4				
5				
6				
7				
8	Other			
9	TOTAL Electric (Total of 2 thru 8)			
10	Gas			
11				
12				
13				
14				
15				
16	Other			
17	TOTAL Gas (Total of lines 10 thru 16)			
18	Other (Specify)			
19	TOTAL (Acct 283) (Total of 9, 17, & 18)			
20	Classification of TOTAL			
21	Federal Income Tax			
22	State Income Tax			
23	Local Income Tax			

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<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report (Mo, Da, Yr)</b> Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Con't)**

3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.  
4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				BALANCE END OF YEAR (k)	Line No.
AMOUNTS DEBITED ACCOUNT 410.2 (e)	AMOUNTS CREDITED ACCOUNT 411.2 (f)	DEBITS		CREDITS			
		ACCT. NO. (g)	AMOUNT (h)	ACCT. NO. (i)	AMOUNT (j)		
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
							15
							16
							17
							18
							19
							20
							21
							22
							23

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<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b> Dec. 31, 2012
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**STATE OF OREGON - ALLOCATED ACCUMULATED DEFERED INVESTMENT TAX CREDITS (Account 255)**

Report below information applicable to Account 255. Explain by footnote any correction to the account balance shown in column (g). Include in column (l) the average period over which the tax credits are amortized.

Line No.	ACCOUNT  (a)	BALANCE AT BEGINNING OF YEAR  (b)	DEFERRED FOR YEAR		ALLOCATION TO CURRENT YEAR'S INCOME		ADJUSTMENTS  (g)	BALANCE AT END OF YEAR  (h)
			ACCOUNT NO.  (c)	AMOUNT  (d)	ACCOUNT NO.  (e)	AMOUNT  (f)		
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13	INFORMATION NOT AVAILABLE							
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								

<b>Name of Respondent</b> Northwest Natural Gas Company		<b>This Report is:</b> (1) X An Original (2) A Resubmission		<b>Date of Report</b> (Mo, Da, Yr)		<b>Year of Report</b> Dec. 31, 2012		
<b>STATE OF OREGON - ALLOCATED ACCUMULATED DEFERED INVESTMENT TAX CREDITS (Account 255)</b>								
Report below information applicable to Account 255. Explain by footnote any correction to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.								
Line No.	ACCOUNT  (a)	BALANCE AT BEGINNING OF YEAR  (b)	DEFERRED FOR YEAR		ALLOCATION TO CURRENT YEAR'S INCOME		ADJUSTMENTS  (g)	BALANCE AT END OF YEAR  (h)
			ACCOUNT NO.  (c)	AMOUNT  (d)	ACCOUNT NO.  (e)	AMOUNT  (f)		
1	Gas Utility							
2	3%							
3	4%							
4	7%							
5	10%							
6	TOTAL							
7	Other (List separately and show							
8	3%, 4%, 7% , 10% and TOTAL							
9								
10								
11								
12								
13	<b>INFORMATION NOT AVAILABLE</b>							
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								

Name of Respondent		This Report is:		Date of Report (Mo, Da, Yr)		Year of Report	
Northwest Natural Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission				Dec. 31, 2012	
<b>STATE OF OREGON - SITUS UTILITY PLANT</b>							
<b>SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION</b>							
Line No.	Item	Total	Electric	Gas	Other (Specify)	Other (Specify)	Common
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	<b>UTILITY PLANT</b>						
2	In Service						
3	Plant in Service (Classified)	1,917,388,283		1,917,388,283			
4	Property Under Capital Leases						
5	Plant Purchased or Sold						
6	Completed Construction not Classified	300,270,237		300,270,237			
7	Experimental Plant Unclassified						
8	TOTAL (Enter total of lines 3 thru 7)	2,217,658,520		2,217,658,520			
9	Leased to Others						
10	Held for Future Use	264,641		264,641			
11	Construction Work in Progress	44,892,634		44,892,634			
12	Acquisition Adjustments						
13	TOTAL Utility Plant (Enter total of lines 8 thru 12)	2,262,815,795		2,262,815,795			
14	Accum. Prov. for Depr., Amort., & Depl.	985,815,750		985,815,750			
15	Net Utility Plant (Line 13 less 14)	1,277,000,045		1,277,000,045			
16	<b>DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION</b>						
17	In Service:						
18	Depreciation	914,536,914		914,536,914			
19	Amort. and Depl. of Producing Natural Gas Land and Land Rights			0			
20	Amort. of Underground Storage Land and Land Rights	19,815		19,815			
21	Amort. of Other Utility Plant	81,446,168		81,446,168			
21.01	Salvage Work In Progress	0		0			
21.02	Less Removal Work in Progress	10,187,147		10,187,147			
22	TOTAL in Service (Lines 18 thru 21)	985,815,750		985,815,750			
23	Leased to Others						
24	Depreciation						
25	Amortization and Depletion						
26	TOTAL Leased to Others (Lines 24 and 25)						
27	Held for Future Use						
28	Depreciation						
29	Amortization						
30	TOTAL Held for Future Use (Lines 28 and 29)						
31	Abandonment of Leases (Natural Gas)						
32	Amort. of Plant Acquisition Adjustment						
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Lines 22, 26, 30, 31, and 32)	985,815,750		985,815,750			



**ACCOUNT SUMMARY BY FUNTIONAL CLASS**  
**NW Natural**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class	FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
<b>UTILITY</b>							
<b>Intangible Plant</b>							
301	ORGANIZATION	\$852	\$0	\$0	\$0	\$0	\$852
302	FRANCHISES & CONSENTS	83,496	0	0	0	0	83,496
303.1	COMPUTER SOFTWARE	54,082,137	4,555,705	0	0	0	58,637,842
303.2	CUSTOMER INFORMATION SYSTEM	29,571,739	399,162	0	0	0	29,970,901
303.3	INDUSTRIAL & COMMERCIAL BIL	4,146,951	0	0	0	0	4,146,951
303.4	CRMS	1,401,734	374,610	0	0	0	1,776,345
303.5	POWERPLANT SOFTWARE	0	0	0	0	0	0
<b>Intangible Plant Subtotal</b>		<b>89,286,910</b>	<b>5,329,477</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>94,616,387</b>
<b>Production Plant - Oil Gas</b>							
304.1	LAND	24,998	0	0	0	0	24,998
305.2	P P O G STRU & IMPR-SEWER S	0	0	0	0	0	0
305.5	P P O G STRU & IMPR-OTHER Y	13,156	0	0	0	0	13,156
312.3	P P O G FUEL HANDLING AND S	0	0	0	0	0	0
318.3	P P O G LIGHT OIL REFINING	144,896	0	0	0	0	144,896
318.5	P P O G TAR PROCESSING	243,551	0	0	0	0	243,551
325	NATURAL GAS PROD AND GATHER	0	0	0	0	0	0
327	NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
328	NATURAL GAS PROD AND GATHER	0	0	0	0	0	0
331	NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
332	NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
333	NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
334	NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0
<b>Production Plant - Oil Gas Subtotal</b>		<b>426,601</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>426,601</b>
<b>Production Plant - Other</b>							
305.11	GAS PRODUCTION - COTTAGE G	8,320	0	0	0	0	8,320
305.17	STRUCTURES MIXING STATION	46,587	0	0	0	0	46,587
311	P P OTHER-LIQUEFIED PETROLE	0	0	0	0	0	0
311.4	P P OTHER-L P G GRANGER	0	0	0	0	0	0
311.7	LIQUIFIED GAS EQUIPMENT COO	4,033	0	0	0	0	4,033
311.8	LIQUIFIED GAS EQUIPMENT LIN	4,209	0	0	0	0	4,209
319	GAS MIXING EQUIPMENT GASCO	185,448	0	0	0	0	185,448
<b>Production Plant - Other Subtotal</b>		<b>248,597</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>248,597</b>

**ACCOUNT SUMMARY BY FUNTIONAL CLASS**  
**NW Natural**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class	Beginning					Ending
FERC Plant Account	Balance	Additions	Retirements	Transfers	Adjustments	Balance
<b>UTILITY</b>						
<b>Natural Gas Underground Storage</b>						
350.1	LAND	106,549	0	0	0	106,549
350.2	RIGHTS-OF-WAY	109,625	0	0	0	109,625
351	STRUCTURES AND IMPROVEMENTS	6,555,425	159,639	0	0	6,715,064
352	WELLS	20,047,076	0	0	0	20,047,076
352.1	STORAGE LEASEHOLD & RIGHTS	3,538,491	0	0	0	3,538,491
352.2	RESERVOIRS	5,130,395	0	0	714,223	5,844,618
352.3	NON-RECOVERABLE NATURAL GAS	6,440,890	0	0	0	6,440,890
353	LINES	6,552,220	0	0	0	6,552,220
354	COMPRESSOR STATION EQUIPMENT	27,957,660	0	0	789,309	28,746,969
355	MEASURING / REGULATING EQUIPM	6,471,635	0	0	229,257	6,700,892
356	PURIFICATION EQUIPMENT	297,363	0	0	0	297,363
357	OTHER EQUIPMENT	1,331,924	0	0	0	1,331,924
<b>Natural Gas Underground Storage Subtotal</b>		<b>84,539,254</b>	<b>159,639</b>	<b>0</b>	<b>1,732,789</b>	<b>86,431,682</b>
<b>Local Storage Plant</b>						
360.11	LAND - LNG LINNTON	83,598	0	0	0	83,598
360.12	LAND - LNG NEWPORT	536,675	0	0	0	536,675
360.2	LAND - OTHER	128,860	0	0	0	128,860
361.11	STRUCTURES & IMPROVEMENTS	4,468,983	71,983	0	0	4,540,966
361.12	STRUCTURES & IMPROVEMENTS	4,571,883	31,512	0	0	4,603,395
361.2	STRUCTURES & IMPROVEMENTS -	26,757	0	0	0	26,757
362.11	GAS HOLDERS - LNG LINNTON	2,690,579	0	0	0	2,690,579
362.12	GAS HOLDERS - LNG NEWPORT	5,791,956	0	0	0	5,791,956
362.2	GAS HOLDERS - LNG OTHER	1,600	0	0	0	1,600
363.11	LIQUEFACTION EQUIP. - LINN	2,848,702	63,434	0	0	2,912,136
363.12	LIQUEFACTION EQUIP - NEWPO	6,951,260	0	0	0	6,951,260
363.21	VAPORIZING EQUIP - LINNTON	2,629,836	0	0	0	2,629,836
363.22	VAPORIZING EQUIP - NEWPORT	3,594,015	0	0	0	3,594,015
363.31	COMPRESSOR EQUIP - LINNTON	180,903	0	0	0	180,903
363.32	COMPRESSOR EQUIPMENT - NE	300,951	0	0	0	300,951
363.41	MEASURING & REGULATING EQU	737,149	0	0	0	737,149
363.42	MEASURING & REGULATING EQU	113,414	0	0	0	113,414
363.5	CNG REFUELING FACILITIES	1,828,161	80,905	(103,353)	0	1,805,713
363.6	LNG REFUELING FACILITIES	739,473	0	0	0	739,473
<b>Local Storage Plant Subtotal</b>		<b>38,224,755</b>	<b>247,834</b>	<b>(103,353)</b>	<b>0</b>	<b>38,369,237</b>

**ACCOUNT SUMMARY BY FUNTIONAL CLASS**  
**NW Natural**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
<b>UTILITY</b>						
<b>Transmission Plant</b>						
365.1 LAND	89,772	0	0	0	0	89,772
365.2 LAND RIGHTS	6,455,177	0	0	0	0	6,455,177
366.3 STRUCTURES & IMPROVEMENTS -	1,041,984	0	0	0	0	1,041,984
367 MAINS	41,823,589	30,519,635	0	0	0	72,343,223
367.21 NORTH MIST TRANSMISSION LI	1,993,874	708	0	0	0	1,994,582
367.22 SOUTH MIST TRANSMISSION LI	14,949,264	0	0	0	0	14,949,264
367.23 SOUTH MIST TRANSMISSION LI	34,007,331	873,240	0	0	0	34,880,570
367.24 11.7M S MIST TRANS LINE	17,466,182	0	0	0	0	17,466,182
367.25 12M NORTH S MIST TRANS	18,530,259	83,392	0	0	0	18,613,651
367.26 38M NORTH S MIST TRANS	68,232,676	0	0	0	0	68,232,676
368 TRANSMISSION COMPRESSOR	0	0	0	0	0	0
369 MEASURING & REGULATE STATION	3,661,168	201,994	0	0	0	3,863,162
370 COMMUNICATION EQUIPMENT	0	0	0	0	0	0
<b>Transmission Plant Subtotal</b>	<b>208,251,276</b>	<b>31,678,968</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>239,930,244</b>
<b>Distribution Plant</b>						
374.1 LAND	76,386	0	0	0	0	76,386
374.2 LAND RIGHTS	1,815,962	19,390	0	0	0	1,835,351
375 STRUCTURES & IMPROVEMENTS	49,372	0	0	0	0	49,372
376.11 MAINS < 4"	433,769,749	10,939,385	(242,971)	0	0	444,466,163
376.12 MAINS 4" & >	395,682,849	11,294,337	(3,697,235)	0	0	403,279,950
377 COMPRESSOR STATION EQUIPMENT	818,380	0	0	0	0	818,380
378 MEASURING & REG EQUIP - GENER	21,978,747	2,225,756	0	0	0	24,204,503
379 MEASURING & REG EQUIP - GATE	1,205,851	76,370	0	0	0	1,282,221
380 SERVICES	563,548,406	17,330,033	(659,863)	0	0	580,218,575
381 METERS	64,013,673	3,629,022	(419,974)	0	0	67,222,721
381.1 METERS (ELECTRONIC)	507,007	1,281,490	0	0	0	1,788,497
381.2 ERT (ENCODER RECEIVER TRANS	29,402,032	614,240	(444,022)	0	0	29,572,249
382 METER INSTALLATIONS	54,429,088	2,798,542	(1,727,300)	0	0	55,500,330
382.1 METER INSTALLATIONS (ELECTR	518,377	106,816	0	0	0	625,193
382.2 ERT INSTALLATION (ENCODER	8,909,419	0	(89,562)	0	0	8,819,857
383 HOUSE REGULATORS	584,373	155,574	0	0	0	739,947
386 OTHER PROPERTY ON CUSTOMERS P	0	0	0	0	0	0
387.1 CATHODIC PROTECTION TESTING	154,483	0	0	0	0	154,483

**ACCOUNT SUMMARY BY FUNTIONAL CLASS**  
**NW Natural**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class	FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
<b>UTILITY</b>							
387.2	CALORIMETERS @ GATE STATIONS	69,794	0	0	0	0	69,794
387.3	METER TESTING EQUIPMENT	72,671	0	0	0	0	72,671
	<b>Distribution Plant Subtotal</b>	<b>1,577,606,618</b>	<b>50,470,955</b>	<b>(7,280,928)</b>	<b>0</b>	<b>0</b>	<b>1,620,796,645</b>
<b>General Plant</b>							
389	LAND	2,850,886	6,866,829	(437,351)	0	0	9,280,364
390	STRUCTURES & IMPROVEMENTS	26,784,847	9,177,293	(2,077,648)	0	0	33,884,492
391.1	OFFICE FURNITURE & EQUIPMEN	10,601,789	632,469	0	0	0	11,234,258
391.2	COMPUTERS	15,825,634	2,981,912	0	0	0	18,807,546
391.3	ON SITE BILLING	938,788	0	0	0	0	938,788
391.4	CUSTOMER INFORMATION SYSTEM	1,308,391	0	0	0	0	1,308,391
392	TRANSPORTATION EQUIPMENT	22,914,335	5,632,643	(1,835,987)	0	0	26,710,991
393	STORES EQUIPMENT	119,406	0	0	0	0	119,406
394	TOOLS - SHOP & GARAGE EQUIPUI	13,608,915	1,628,804	0	0	0	15,237,718
395	LABORATORY EQUIPMENT	68,293	0	0	0	0	68,293
396	POWER OPERATED EQUIPMENT	6,969,067	854,208	(365,158)	0	0	7,458,117
397	GEN PLANT-COMMUNICATION EQU	65,967	32,581	0	0	0	98,549
397.1	MOBILE	1,295,887	0	(0)	0	0	1,295,887
397.2	OTHER THAN MOBILE & TELEMET	1,759,910	0	0	0	0	1,759,910
397.3	TELEMETERING - OTHER	3,937,420	205,321	0	0	0	4,142,742
397.4	TELEMETERING - MICROWAVE	2,056,084	467	0	0	0	2,056,551
397.5	TELEPHONE EQUIPMENT	2,057,416	150,095	0	0	0	2,207,512
398	GEN PLANT-MISCELLANEOUS EQU	0	0	0	0	0	0
398.1	PRINT SHOP	83,249	0	0	0	0	83,249
398.2	KITCHEN EQUIPMENT	12,812	0	0	0	0	12,812
398.3	JANITORIAL EQUIPMENT	14,873	46,547	0	0	0	61,420
398.4	INSTALLED IN LEASED BUILDINGS	5,393	0	0	0	0	5,393
398.5	OTHER MISCELLANEOUS EQUIPMENT	66,739	0	0	0	0	66,739
	<b>General Plant Subtotal</b>	<b>113,346,102</b>	<b>28,209,170</b>	<b>(4,716,144)</b>	<b>0</b>	<b>0</b>	<b>136,839,127</b>
<b>Oregon Utility Property Grand Total</b>		<b>\$2,111,930,112</b>	<b>\$116,096,043</b>	<b>(\$12,100,424)</b>	<b>\$1,732,789</b>	<b>\$0</b>	<b>\$2,217,658,520</b>

**ACCOUNT SUMMARY BY FUNTIONAL CLASS**  
**NW Natural**

Period Beginning: Jan 2012  
Period Ending: Dec 2012

Functional Class	FERC Plant Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
<b>Intangible Plant</b>							
303.1	COMPUTER SOFTWARE	\$163,357	\$0	\$0	\$0	\$0	\$163,357
303.2	CUSTOMER INFORMATION SYSTEM	61,429	0	0	0	0	61,429
Non Utility	Intangible Plant Subtotal	224,786	0	0	0	0	224,786
<b>Natural Gas Underground Storage</b>							
352	WELLS	16,792,086	148,366	0	0	0	16,940,451
352.1	STORAGE LEASEHOLD & RIGHTS	1,020	0	0	0	0	1,020
352.2	RESERVOIRS	5,686,159	17,500	0	(714,223)	0	4,989,436
353	LINES	1,649,744	0	0	0	0	1,649,744
354	COMPRESSOR STATION EQUIPMENT	15,163,121	255,361	0	(789,309)	0	14,629,173
355	MEASURING / REGULATING EQUIPM	8,872,031	19,469	0	(229,257)	0	8,662,242
357	OTHER EQUIPMENT	63,256	0	0	0	0	63,256
Non Utility	Natural Gas Underground Storage Subtotal	48,227,416	440,695	0	(1,732,789)	0	46,935,323
<b>Transmission Plant</b>							
368	TRANSMISSION COMPRESSOR	7,723,454	0	0	0	0	7,723,454
Non Utility	Transmission Plant Subtotal	7,723,454	0	0	0	0	7,723,454
<b>Distribution Plant</b>							
376.12	MAINS 4" & >	878,618	0	0	0	0	878,618
Non Utility	Distribution Plant Subtotal	878,618	0	0	0	0	878,618
<b>General Plant</b>							
389	LAND	438,739	0	0	0	0	438,739
390	STRUCTURES & IMPROVEMENTS	111,719	0	0	0	0	111,719
Non Utility	General Plant Subtotal	550,458	0	0	0	0	550,458
<b>Non Utility Other</b>							
121.1	NON-UTIL PROP-DOCK	1,956,033	0	0	0	0	1,956,033
121.2	NON-UTIL PROP-LAND	125,102	0	0	0	0	125,102
121.3	NON-UTIL PROP-OIL ST	2,607,096	9,217	0	0	0	2,616,313

**ACCOUNT SUMMARY BY FUNTIONAL CLASS**  
**NW Natural**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class		Beginning					Ending
FERC Plant Account		Balance	Additions	Retirements	Transfers	Adjustments	Balance
121.7	NON-UTIL PROP-APPL CENTER	61,113	0	0	0	0	61,113
121.8	NON-UTIL PROP-STORAGE	384,149	0	(96,037)	0	0	288,112
Non Utility	Other	5,133,493	9,217	(96,037)	0	0	5,046,673
<b>Oregon Non Utility Property Grand Total</b>		<b>\$62,738,226</b>	<b>\$449,912</b>	<b>(\$96,037)</b>	<b>(\$1,732,789)</b>	<b>\$0</b>	<b>\$61,359,312</b>

<b>Name of Respondent</b>		<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012
<b>STATE OF OREGON - SITUS GAS PLANT HELD FOR FUTURE USE (Account 105)</b>				
<p>1. Report separately each property held for future use at end of the year having an original cost of \$100,000 or more. Other items of property held for future use may be grouped provided that the number of properties so grouped is indicated.</p> <p>2. For property having an original cost of \$100,000 or more previously used in utility operations, now held for future use, give in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.</p>				
Line No.	DESCRIPTION AND LOCATION OF PROPERTY (a)	DATE ORIGINALLY INCLUDED IN THIS ACCOUNT (b)	DATE EXPECTED TO BE USED IN UTILITY SERVICE (c)	BALANCE END OF YEAR (d)
1				
2				
3	Underground Storage	07/2009	Undetermined	127,921
4	Easement	11/2011	Undetermined	136,720
5				
6				
7				
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39				
40	TOTALS			264,641

<b>Name of Respondent</b>		<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company		X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012
<b>STATE OF OREGON - SITUS CONSTRUCTION WORK IN PROGRESS - GAS (Account 107)</b>				
<p>1. Report below descriptions and balances at end of year of projects in process of construction (Account 107)</p> <p>2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).</p> <p>3. Minor projects (less than \$1,000,000) may be grouped.</p>				
Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)	
1	Misc Mains and Service Jobs	8,186,385	2,632,390	
2	Mist Underground Storage	7,080,903	120,360	
3	Other Projects:			
4	Misc IS Projects	5,259,842	1,371,986	
5	Corvallis Reinforcement	15,163,208	7,950,000	
6	Williams Gate Station	1,106,614	0	
7	Sherwood Build Project	2,323,935	14,270,000	
8	Other Projects	5,771,748	6,607,156	
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44				
45	<b>Total</b>	44,892,635	32,951,892	



RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS  
NW Natural

Period Beginning: Jan 2012  
Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
<b>Intangible Plant</b>								
301 ORGANIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302 FRANCHISES & CONSENTS	0	0	0	0	0	0	0	0
303.1 COMPUTER SOFTWARE	27,963,556	2,252,767	0	0	0	0	0	30,216,322
303.2 CUSTOMER INFORMATION SYSTEM	27,059,385	2,083,562	0	0	0	0	0	29,142,946
303.3 INDUSTRIAL & COMMERCIAL BIL	4,146,951	0	0	0	0	0	0	4,146,951
303.4 CRMS	1,401,734	39,874	0	0	0	0	0	1,441,608
303.5 POWERPLANT SOFTWARE	0	0	0	0	0	0	0	0
<b>Intangible Plant Subtotal</b>	<b>60,571,626</b>	<b>4,376,202</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>64,947,828</b>
<b>Production Plant - Oil Gas</b>								
304.1 LAND	0	0	0	0	0	0	0	0
305.2 P P O G STRU & IMPR-SEWER S	0	0	0	0	0	0	0	0
305.5 P P O G STRU & IMPR-OTHER Y	13,814	0	0	0	0	0	0	13,814
312.3 P P O G FUEL HANDLING AND S	0	0	0	0	0	0	0	0
318.3 P P O G LIGHT OIL REFINING	152,141	0	0	0	0	0	0	152,141
318.5 P P O G TAR PROCESSING	255,729	0	0	0	0	0	0	255,729
325 NATURAL GAS PROD AND GATHER	0	0	0	0	0	0	0	0
327 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
328 NATURAL GAS PROD AND GATHER	0	0	0	0	0	0	0	0
331 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
332 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
333 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
334 NATURAL GAS PROD & GATHERIN	0	0	0	0	0	0	0	0
<b>Production Plant - Oil Gas Subtotal</b>	<b>421,683</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>421,683</b>
<b>Production Plant - Other</b>								
305.11 GAS PRODUCTION - COTTAGE G	8,736	0	0	0	0	0	0	8,736
305.17 STRUCTURES MIXING STATION	51,246	0	0	0	0	0	0	51,246
311 P P OTHER-LIQUEFIED PETROLE	0	(0)	0	0	0	0	0	0
311.4 P P OTHER-L P G GRANGER	0	0	0	0	0	0	0	0
311.7 LIQUIFIED GAS EQUIPMENT COO	8,066	0	0	0	0	0	0	8,066
311.8 LIQUIFIED GAS EQUIPMENT LIN	6,585	0	0	0	0	0	0	6,585
319 GAS MIXING EQUIPMENT GASCO	194,720	0	0	0	0	0	0	194,720
<b>Production Plant - Other Subtotal</b>	<b>269,353</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>269,353</b>
<b>Natural Gas Underground Storage</b>								
350.1 LAND	0	0	0	0	0	0	0	0
350.2 RIGHTS-OF-WAY	18,040	1,776	0	0	0	0	0	19,815

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
NW Natural

Period Beginning: Jan 2012  
Period Ending: Dec 2012

Functional Class		Beginning			Cost of	Salvage and	Transfers and		Ending
FERC Plant Account		Reserve	Provision	Retirements	Removal	Other Credits	Adjustments	Loss/(Gain)	Reserve
351	STRUCTURES AND IMPROVEMENTS	2,072,376	113,349	0	0	0	0	0	2,185,725
352	WELLS	9,315,665	414,974	0	0	0	0	0	9,730,639
352.1	STORAGE LEASEHOLD & RIGHTS	1,230,738	69,001	0	0	0	0	0	1,299,739
352.2	RESERVOIRS	1,245,146	112,692	0	0	0	128,909	0	1,486,747
352.3	NON-RECOVERABLE NATURAL GAS	2,714,352	121,089	0	0	0	0	0	2,835,441
353	LINES	2,366,202	135,012	0	0	0	0	0	2,501,213
354	COMPRESSOR STATION EQUIPMENT	12,943,818	757,866	0	0	0	256,980	0	13,958,664
355	MEASURING / REGULATING EQUIPM	3,442,995	143,769	0	0	0	75,075	0	3,661,839
356	PURIFICATION EQUIPMENT	188,197	7,375	0	0	0	0	0	195,572
357	OTHER EQUIPMENT	675,543	30,368	0	0	0	0	0	705,911
Natural Gas Underground Storage Subtotal		36,213,072	1,907,269	0	0	0	460,965	0	38,581,306
<b>Local Storage Plant</b>									
360.11	LAND - LNG LINNTON	0	0	0	0	0	0	0	0
360.12	LAND - LNG NEWPORT	0	0	0	0	0	0	0	0
360.2	LAND - OTHER	0	0	0	0	0	0	0	0
361.11	STRUCTURES & IMPROVEMENTS	946,022	243,909	0	0	0	0	0	1,189,931
361.12	STRUCTURES & IMPROVEMENTS	1,824,626	142,953	0	0	0	0	0	1,967,578
361.2	STRUCTURES & IMPROVEMENTS -	8,631	466	0	0	0	0	0	9,097
362.11	GAS HOLDERS - LNG LINNTON	2,009,439	63,229	0	0	0	0	0	2,072,668
362.12	GAS HOLDERS - LNG NEWPORT	4,808,411	157,541	0	0	0	0	0	4,965,952
362.2	GAS HOLDERS - LNG OTHER	1,088	21	0	0	0	0	0	1,109
363.11	LIQUEFACTION EQUIP. - LINN	2,215,009	82,422	0	0	0	0	0	2,297,431
363.12	LIQUEFACTION EQUIP - NEWPO	6,893,189	57,019	0	0	0	0	0	6,950,208
363.21	VAPORIZING EQUIP - LINNTON	2,477,403	36,821	0	0	0	0	0	2,514,224
363.22	VAPORIZING EQUIP - NEWPORT	2,605,814	1,002	0	0	0	0	0	2,606,816
363.31	COMPRESSOR EQUIP - LINNTON	171,402	12,845	0	0	0	0	0	184,247
363.32	COMPRESSOR EQUIPMENT - NE	177,107	14,176	0	0	0	0	0	191,283
363.41	MEASURING & REGULATING EQU	596,915	295	0	0	0	0	0	597,210
363.42	MEASURING & REGULATING EQU	114,984	828	0	0	0	0	0	115,812
363.5	CNG REFUELING FACILITIES	1,828,161	107	(103,353)	0	0	0	0	1,724,915
363.6	LNG REFUELING FACILITIES	739,473	0	0	0	0	0	0	739,473
Local Storage Plant Subtotal		27,417,674	813,632	(103,353)	0	0	0	0	28,127,953
<b>Transmission Plant</b>									
365.1	LAND	0	0	0	0	0	0	0	0
365.2	LAND RIGHTS	1,276,318	122,003	0	0	0	0	0	1,398,320
366.3	STRUCTURES & IMPROVEMENTS -	195,692	20,319	0	0	0	0	0	216,010
367	MAINS	10,550,713	1,640,854	0	0	0	0	0	12,191,566
367.21	NORTH MIST TRANSMISSION LI	829,551	50,084	0	0	0	0	0	879,636
367.22	SOUTH MIST TRANSMISSION LI	8,462,518	367,916	0	0	0	0	0	8,830,433

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
NW Natural

Period Beginning: Jan 2012  
Period Ending: Dec 2012

Functional Class		Beginning			Cost of	Salvage and	Transfers and		Ending
FERC Plant Account		Reserve	Provision	Retirements	Removal	Other Credits	Adjustments	Loss/(Gain)	Reserve
367.23	SOUTH MIST TRANSMISSION LI	8,118,755	913,510	0	0	0	0	0	9,032,265
367.24	11.7M S MIST TRANS LINE	3,010,007	452,566	0	0	0	0	0	3,462,573
367.25	12M NORTH S MIST TRANS	2,878,822	485,382	0	0	0	0	0	3,364,205
367.26	38M NORTH S MIST TRANS	10,776,925	1,774,797	0	0	0	0	0	12,551,722
368	TRANSMISSION COMPRESSOR	(9)	0	0	0	0	0	0	(9)
369	MEASURING & REGULATE STATION	921,516	99,544	0	0	0	0	0	1,021,059
370	COMMUNICATION EQUIPMENT	0	0	0	0	0	0	0	0
Transmission Plant Subtotal		47,020,808	5,926,974	0	0	0	0	0	52,947,782
<b>Distribution Plant</b>									
374.1	LAND	0	0	0	0	0	0	0	0
374.2	LAND RIGHTS	708,014	136,696	0	0	0	0	0	844,710
375	STRUCTURES & IMPROVEMENTS	47,053	1,870	0	0	0	0	0	48,923
376.11	MAINS < 4"	225,334,959	10,982,453	(242,971)	(855,100)	16,811	0	0	235,236,152
376.12	MAINS 4" & >	149,057,418	9,647,102	(3,697,235)	(924,324)	16,964	0	0	154,099,925
377	COMPRESSOR STATION EQUIPMENT	535,056	19,068	0	0	0	0	0	554,124
378	MEASURING & REG EQUIP - GENER	8,056,283	496,591	0	0	0	0	0	8,552,875
379	MEASURING & REG EQUIP - GATE	668,659	52,392	0	0	0	0	0	721,051
380	SERVICES	296,693,131	15,482,675	(659,863)	(2,691,615)	0	0	0	308,824,328
381	METERS	15,499,424	1,507,822	(419,974)	0	0	0	0	16,587,273
381.1	METERS (ELECTRONIC)	507,007	132,801	0	0	0	0	0	639,808
381.2	ERT (ENCODER RECEIVER TRANS	6,566,811	1,967,498	(444,022)	0	0	0	0	8,090,286
382	METER INSTALLATIONS	12,077,455	1,304,472	(1,727,300)	0	0	0	0	11,654,626
382.1	METER INSTALLATIONS (ELECTR	518,377	7,406	0	0	0	0	0	525,783
382.2	ERT INSTALLATION (ENCODER	1,903,146	590,159	(89,562)	0	0	0	0	2,403,743
383	HOUSE REGULATORS	43,953	18,197	0	0	0	0	0	62,150
386	OTHER PROPERTY ON CUSTOMERS P	0	0	0	0	0	0	0	0
387.1	CATHODIC PROTECTION TESTING	138,969	85	0	0	0	0	0	139,055
387.2	CALORIMETERS @ GATE STATIONS	69,794	0	0	0	0	0	0	69,794
387.3	METER TESTING EQUIPMENT	72,671	0	0	0	0	0	0	72,671
Distribution Plant Subtotal		718,498,181	42,347,287	(7,280,928)	(4,471,039)	33,774	0	0	749,127,277
<b>General Plant</b>									
389	LAND	0	(88,212)	0	0	525,563	0	0	437,351
390	STRUCTURES & IMPROVEMENTS	8,949,460	604,919	(2,077,648)	0	756,298	0	0	8,233,029
391.1	OFFICE FURNITURE & EQUIPMEN	6,060,647	863,712	0	0	0	0	0	6,924,359
391.2	COMPUTERS	11,937,639	2,837,782	0	0	0	0	0	14,775,421
391.3	ON SITE BILLING	938,788	0	0	0	0	0	0	938,788
391.4	CUSTOMER INFORMATION SYSTEM	616,532	261,678	0	0	0	0	0	878,210
392	TRANSPORTATION EQUIPMENT	8,722,403	1,216,288	(1,835,987)	0	240,524	0	0	8,343,229
393	STORES EQUIPMENT	119,406	0	0	0	0	0	0	119,406

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
NW Natural

Period Beginning: Jan 2012  
Period Ending: Dec 2012

Functional Class		Beginning			Cost of	Salvage and	Transfers and		Ending
FERC Plant Account		Reserve	Provision	Retirements	Removal	Other Credits	Adjustments	Loss/(Gain)	Reserve
394	TOOLS - SHOP & GARAGE EQUIPUI	6,222,102	999,732	0	0	8,409	0	0	7,230,242
395	LABORATORY EQUIPMENT	66,281	2,012	0	0	0	0	0	68,293
396	POWER OPERATED EQUIPMENT	3,650,735	139,845	(365,158)	0	92,512	0	0	3,517,933
397	GEN PLANT-COMMUNICATION EQU	10,908	5,373	0	0	0	0	0	16,281
397.1	MOBILE	1,195,683	8,812	(0)	0	0	0	0	1,204,495
397.2	OTHER THAN MOBILE & TELEMET	1,591,942	75,324	0	0	0	0	0	1,667,266
397.3	TELEMETERING - OTHER	3,077,837	2,807	0	0	0	0	0	3,080,644
397.4	TELEMETERING - MICROWAVE	1,882,654	21,388	0	0	0	0	0	1,904,042
397.5	TELEPHONE EQUIPMENT	2,057,416	11,144	0	0	0	0	0	2,068,561
398	GEN PLANT-MISCELLANEOUS EQU	0	0	0	0	0	0	0	0
398.1	PRINT SHOP	83,249	0	0	0	0	0	0	83,249
398.2	KITCHEN EQUIPMENT	985	525	0	0	0	0	0	1,510
398.3	JANITORIAL EQUIPMENT	14,873	401	0	0	0	0	0	15,274
398.4	INSTALLED IN LEASED BUILDINGS	5,393	0	0	0	0	0	0	5,393
398.5	OTHER MISCELLANEOUS EQUIPMENT	66,739	0	0	0	0	0	0	66,739
	General Plant Subtotal	57,271,671	6,963,533	(4,278,793)	0	1,623,305	0	0	61,579,715
<b>Utility Property Grand Total</b>		<b>\$947,684,067</b>	<b>\$62,334,898</b>	<b>(\$11,663,073)</b>	<b>(\$4,471,039)</b>	<b>\$1,657,079</b>	<b>\$460,965</b>	<b>\$0</b>	<b>\$996,002,897</b>

**NON UTILITY**

Intangible Plant									
303.1	COMPUTER SOFTWARE	\$10,089	\$7,041	\$0	\$0	\$0	\$0	\$0	17,130
303.2	CUSTOMER INFORMATION SYSTEM	20,850	4,275	0	0	0	0	0	25,126
Non Utility	Intangible Plant Subtotal	30,940	11,316	0	0	0	0	0	42,256
Natural Gas Underground Storage									
352	WELLS	1,846,599	349,937	0	0	0	0	0	2,196,536
352.1	STORAGE LEASEHOLD & RIGHTS	102	20	0	0	0	0	0	122
352.2	RESERVOIRS	871,686	101,780	0	0	0	(128,909)	0	844,556
353	LINES	185,289	33,994	0	0	0	0	0	219,283
354	COMPRESSOR STATION EQUIPMENT	3,832,042	394,859	0	0	0	(256,980)	0	3,969,921
355	MEASURING / REGULATING EQUIPM	1,199,168	189,350	0	0	0	(75,075)	0	1,313,443
357	OTHER EQUIPMENT	2,944	1,442	0	0	0	0	0	4,387
Non Utility	Natural Gas Underground Storage Subtotal	7,937,831	1,071,382	0	0	0	(460,965)	0	8,548,248

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
NW Natural

Period Beginning: Jan 2012  
Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
<b>Transmission Plant</b>								
368 TRANSMISSION COMPRESSOR	893,901	238,655	0	0	0	0	0	1,132,556
Non Utility Transmission Plant Subtotal	893,901	238,655	0	0	0	0	0	1,132,556
<b>Distribution Plant</b>								
376.12 MAINS 4" & >	108,159	21,272	0	0	0	0	0	129,432
Non Utility Distribution Plant Subtotal	108,159	21,272	0	0	0	0	0	129,432
<b>General Plant</b>								
389 LAND	0	0	0	0	0	0	0	0
390 STRUCTURES & IMPROVEMENTS	15,604	2,033	0	0	0	0	0	17,637
Non Utility General Plant Subtotal	15,604	2,033	0	0	0	0	0	17,637
<b>Non Utility Other</b>								
121.1 NON-UTIL PROP-DOCK	1,837,760	41,468	0	0	0	0	0	1,879,228
121.2 NON-UTIL PROP-LAND	0	0	0	0	0	0	0	0
121.3 NON-UTIL PROP-OIL ST	2,201,485	3,289	0	0	0	0	0	2,204,774
121.7 NON-UTIL PROP-APPL CENTER	13,165	4,219	0	0	0	0	0	17,385
121.8 NON-UTIL PROP-STORAGE	(1)	0	0	0	0	0	0	(1)
Non Utility Other	4,052,409	48,976	0	0	0	0	0	4,101,384
<b>Non Utility Property Grand Total</b>	<b>\$13,038,843</b>	<b>\$1,393,635</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$460,965)</b>	<b>\$0</b>	<b>\$13,971,513</b>

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW Natural**

Period Beginning: Jan 2012  
 Period Ending: Dec 2012

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
<b>TOTAL SUMMARY OREGON UTILITY DEPRECIATION RESERVES 12/31/2011</b>								
<b>OREGON</b>								
108010	(\$21,048,348)							
108011	753,591,424							
108012	10,349,613							
108013	(2,026,249)							
108014	(136,482)							
108015	3,581,864							
108100	253,899,763							
108002	(2,324,180)							
108003	36,770							
108004	78,721							
108666	-							
SUBTOTAL				\$996,002,897				
<b>ADD:</b>								
108001 REMOVAL WORK IN PROCESS				(10,187,147)				
TOTAL OREGON UTILITY DEPRECIATION				985,815,750				

**TOTAL SUMMARY OREGON NON-UTILITY RESERVES DEPRECIATION**

122027	4,161,279
122028	8,942,024
122100	908,807
122002	(40,596)
TOTAL OREGON NON UTILITY DEPRECIATION	13,971,513

Name of Respondent		This Report is:			Date of Report (Mo, Da, Yr)	Year of Report	
Northwest Natural Gas Company		(1) X An Original (2) A Resubmission				Dec. 31, 2012	
<b>STATE OF OREGON - ALLOCATED</b>							
<b>SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION</b>							
Line No.	ITEM (a)	TOTAL (b)	ELECTRIC (c)	GAS (d)	OTHER (SPECIFY) (e)	OTHER (SPECIFY) (f)	COMMON (g)
1	UTILITY PLANT						
2	In Service						
3	Plant in Service (Classified)						
4	Property Under Capital Leases						
5	Plant Purchased or Sold						
6	Completed Construction not Classified						
7	Experimental Plant Unclassified						
8	TOTAL (Enter Total of lines 3 thru 7)						
<b>INFORMATION NOT AVAILABLE</b>							
9	Leased to Others						
10	Held for Future Use						
11	Construction Work in Progress						
12	Acquisition Adjustments						
13	TOTAL Utility Plant (Lines 8 thru 12)						
14	Accum. Prov. For Depr., Amort., & Depl.						
15	Net Utility Plant (line 13 less 14)						
<b>DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION &amp; DEPLETION</b>							
16	In Service:						
18	Depreciation						
19	Amort. & Depl. Of Producing Natural Gas Land & Land Rights						
20	Amort. Of Underground Storage Land & Land Rights						
21	Amort. Of Other Utility Plant						
22	TOTAL In Service (Lines 18 thru 21)						
23	Leased to Others						
24	Depreciation						
25	Amortization and Depletion						
26	TOTAL Leased to Others (Lines 24 and 25)						
27	Held for Future Use						
28	Depreciation						
29	Amortization						
30	TOTAL held for Future Use (Lines 28 and 29)						
31	Abandonment of Leases (Natural Gas)						
32	Amort. Of Plant Acquisition Adj.						
33	TOTAL Accumulated Provisions (should agree with line 14) (Lines 22, 26, 30, 31 & 32)						

Name of Respondent		This Report is:		Date of Report (Mo, Da, Yr)	Year of Report		
Northwest Natural Gas Company		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission		Dec. 31, 2012		
<b>STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE</b>							
1. Report below the original cost of gas plant in service		4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.		accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in column (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at the end of the year. <b>(Continued on page 33)</b>			
2. In addition to Account 101, <i>Gas Plant In Service (Classified)</i> , this page and the next include Account 102, <i>Gas Plant Purchased or Sold</i> , Account 103, <i>Completed Construction Not Classified - Gas</i> .		5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions or prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on Estimated basis, with appropriate contra entry to the account for					
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.							
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1	1. Intangible Plant						
2	301 Organization						
3	302 Franchises and Consents						
4	303 Miscellaneous Intangible Plant						
5	TOTAL Intangible Plant						
6	2. Production Plant						
7	Natural Gas Production & Gathering Plant						
8	325.1 Producing Lands						
9	325.2 Producing Leaseholds						
10	325.3 Gas Rights						
11	325.4 Rights-of-Way						
12	325.5 Other Land and Land Rights						
13	326 Gas Well Structures						
14	327 Field Compressor Station Structures						
15	328 Field Meas. And Reg. Sta. Structures						
16	329 Other Structures						
17	330 Producing Gas Wells - Well Construction						
18	331 Producing Gas Wells - Well Equipment						
19	332 Field Lines						
20	333 Field Compressor Station Equipment						
21	334 Field Meas. And Reg. Sta. Equipment						
22	335 Drilling and Cleaning Equipment						
23	336 Purification Equipment						
24	337 Other Equipment						
25	338 Unsuccessful Explor. & Devel. Costs						
26	TOTAL Production & Gathering Plant						
27	Products Extraction Plant						
28	340 Land and Land Rights						
29	341 Structures and Improvements						
30	342 Extraction and Refining Equipment						
31	343 Pipe lines						
32	344 Extracted Products Storage Equipment						



<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> (1) X An Original (2) A Resubmission	<b>Date of Report (Mo, Da, Yr)</b>	<b>Year of Report</b> Dec. 31, 2012
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**STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE (CONT'D)**

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc. and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.
7. For account 399, state the nature and use of plant included in this account and if substantial amount, submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.
8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
	2. Production Plant (Con't)						
	Products Extraction Plant (Con't)						
33	345 Compressor Equipment						
34	345 Gas Meas. And Reg. Equipment						
35	347 Other Equipment						
36	TOTAL Products Extraction Plant						
37	TOTAL Nat. Gas Production Plant						
38	Mfd. Gas Prod. Plant (Submit Suppl. Stmt)						
39	TOTAL Production Plant						
40	3. Natural Gas Storage & Proc. Plant						
41	Underground Storage Plant						
42	350.1 Land						
43	350.2 Rights-of-Way						
44	351 Structures & Improvements						
45	352 Wells						
46	352.1 Storage Leaseholds & Rights						
47	352.2 Reservoirs						
48	352.3 Non-recoverable Natural Gas						
49	353 Lines						
50	354 Compressor Station Equipment						
51	355 Measuring & Reg. Equipment						
52	356 Purification Equipment						
53	357 Other Equipment						
54	TOTAL Underground Storage Plant						
55	Other Storage Plant						
56	360 Land and Land Rights						
57	361 Structures and Improvements						
58	362 Gas Holders						
59	363 Purification Equipment						
60	363.1 Liquefaction Equipment						
61	363.2 Vaporizing Equipment						
62	363.3 Compressor Equipment						
63	363.4 Meas. And Reg. Equipment						
64	363.5 Other Equipment						
65	TOTAL Other Storage Plant						

Name of Respondent		This Report is:		Date of Report		Year of Report	
Northwest Natural Gas Company		(1) X An Original (2) A Resubmission		(Mo, Da, Yr)		Dec. 31, 2012	
STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE (CONT'D)							
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
66	Base Load Liquefied Natural Gas Terminaling and Processing Plant						
67	364.1 Land and Land Rights						
68	364.2 Structures and Improvements						
69	364.3 LNG Processing Terminal Equipment						
70	364.4 LNG Transportation Equipment						
71	364.5 Measuring and Regulating Equipment						
72	364.6 Compressor Station Equipment						
73	364.7 Communications Equipment						
74	364.8 Other Equipment						
75	TOTAL Base Load Liquefied Natural Gas, Terminaling, & Processing Plant						
76	TOTAL Nat. Gas Storage & Proc. Plant						
77	4. Transmission Plant	INFORMATION NOT AVAILABLE					
78	365.1 Land and Land Rights						
79	365.2 Rights-of-Way						
80	366 Structures and Improvements						
81	367 Mains						
82	368 Compressor Station Equipment						
83	369 Measuring and Reg. Sta. Equipment						
84	370 Communication Equipment						
85	371 Other Equipment						
86	TOTAL Transmission Plant						
87	5. Distribution Plant						
88	374 Land and Land Rights						
89	375 Structures and Improvements						
90	376 Mains						
91	377 Compressor Station Equipment						
92	378 Meas. And Reg. Sta. Equip. - General						
93	379 Meas. And Reg. Sta. Equip. - City Gate						
94	380 Services						
95	381 Meters						
96	382 Meter Installations						
97	383 House Regulators						
98	384 House Reg. installations						
99	385 Industrial Meas. & Reg. Sta. Equip						
100	386 Other Prop. On Customers' premises						
101	387 Other Equipment						
102	TOTAL Distribution Plant						
103							

<b>Name of Respondent</b>		<b>This Report is:</b>		<b>Date of Report</b>		<b>Year of Report</b>	
Northwest Natural Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr)		Dec. 31, 2012	
<b>STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE (CONT'D)</b>							
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
104	6. General Plant						
105	389 Land and Land Rights						
106	390 Structures and Improvements						
107	391 Office Furniture and Equipment						
108	392 Transportation Equipment						
109	393 Store Equipment						
<b>INFORMATION NOT AVAILABLE</b>							
110	394 Tools, Shop, and Garage Equipment						
111	395 Laboratory Equipment						
112	396 Power Operated Equipment						
113	397 Communication Equipment						
114	398 Miscellaneous Equipment						
115	Subtotal						
116	399 Other Intangible Property						
117	TOTAL General Plant						
118	TOTAL (Accounts 101 and 106)						
119	Gas Plant Purchased ( <i>See Instr. 8</i> )						
120	(Less) Gas Plant Sold ( <i>See Instr. 8</i> )						
121	Experimental Gas Plant Unclassified						
122	TOTAL Gas Plant In Service						

Name of Respondent Northwest Natural Gas Company	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2012
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**STATE OF OREGON - ALLOCATED GAS PLANT HELD FOR FUTURE USE (Account 105)**

1. Report separately each property held for future use at end of the year having an original cost of \$100,000 or more. Other items of property held for future use may be grouped provided that the number of properties so grouped is indicated.
2. For property having an original cost of \$100,000 or more previously used in utility operations, now held for future use, give, in addition to other required information, the date that utility use of such property was discontinued, and the date the original costs were transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in this account (b)	Date Expected to be Used In Utility Service (c)	Balance at End of Year (d)
1				
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11				
12	<b>INFORMATION NOT AVAILABLE</b>			
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50	<b>TOTALS</b>			

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr) Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**STATE OF OREGON - ALLOCATED CONSTRUCTION WORK IN PROGRESS - GAS (Account 107)**

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research", development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress (Account 107) (b)	Estimated Additional Cost of Project (c)
1			\$
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3			
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11	<b>INFORMATION NOT AVAILABLE</b>		
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43			
44	TOTALS		

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> X An Original A Resubmission	<b>Date of Report (Mo, Da, Yr)</b> Dec. 31, 2012	<b>Year of Report</b> Dec. 31, 2012
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**STATE OF OREGON - ALLOCATED ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108)**

- |   |   |
|---|---|
| <ol style="list-style-type: none"> <li>1. Explain in a footnote any important adjustments during the year.</li> <li>2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for gas plant in service, pages 32-35, column (d) excluding retirements of non-depreciable property.</li> <li>3. The provisions of Account 108 of the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the</li> </ol> | <p>respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year-end in the appropriate functional classifications.</p> <ol style="list-style-type: none"> <li>4. Show separately interest credits under a sinking fund of similar method of depreciation accounting.</li> </ol> |
|---|---|

**Section A. Balances and Changes During Year**

	ITEM (a)	TOTAL (c+d+e) (b)	GAS PLANT IN SERVICE (c)	GAS PLANT HELD FOR FUTURE USE (d)	GAS PLANT LEASED TO OTHERS (e)
1	Balance Beginning of Year				
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense				
4	(413) Exp. Of Gas Plt. Lease to Others				
5	Transportation Expenses - Clearing				
6	Other Clearing Accounts				
7	Other Accounts (Specify):				
8					
9	Total Deprec. Prov. For Year (Enter total of lines 3-8)		<b>INFORMATION NOT AVAILABLE</b>		
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired				
12	Cost of Removal				
13	Salvage (Credit)				
14	TOTAL Net Charges for Plant Ret. (Enter Total of lines 11-13)				
15	Other Debit or Credit Items (Describe):				
16					
17	Balance End of Year (Enter Total of Lines 1,9, 14, 15,& 16)				

**Section B. Balances at End of Year According to Functional Classifications**

18	Production - Manufactured Gas				
19	Prod. And Gathering - Natural Gas				
20	Products Extraction - Natural Gas				
21	Underground Gas Storage				
22	Other Storage Plant				
23	Base Load LNG Term and Proc. Plt.				
24	Transmission				
25	Distribution				
26	General				
27	TOTAL (Total of Lines 18 thru 26)				

<b>Name of Respondent</b>	<b>This Report Is:</b> X An Original A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			Dec. 31, 2012

**STATE OF OREGON - GAS STORED (Account 117, 164.1, 164.2 and 164.3)**

1. Report below the information called for concerning inventories of gas stored.
2. The Uniform System of Accounts provides that inventory cost records be maintained on a consolidated basis for all storage projects with separate records showing the Mcf of inputs and withdrawals and balance for each project, except under certain specified circumstances. If the respondent's inventory cost records are not maintained on a consolidated basis for all storage projects, furnish an explanation of the accounting followed and reason for any deviation from the general basis provided by the Uniform System of Accounts. Separate schedules on this schedule form should be furnished for each group of storage projects for which separate inventory cost records are maintained.
3. If during the year adjustment was made of the stored gas inventory, such as to correct for cumulative inaccuracies of gas measurements, furnish an explanation of the reason for the adjustment, the Mcf and dollar amount of adjustment and account charged or credited.
4. Give a concise statement of the facts and the accounting performed with respect to any encroachment of withdrawals during the year, or
5. If the respondent uses a "base stock" in connection with its inventory accounting, give a concise statement of the basis of establishing such "base stock" and the inventory basis and the accounting performed with respect to any encroachment of withdrawals upon "base stock", or restoration of previous encroachment, including brief particulars of any such accounting during the year.
6. If respondent has provided accumulated provision for stored gas which may not eventually be fully recovered from any storage project furnish a statement showing: (a) date of Commission authorization of such accumulated provision (b) explanation of circumstances requiring such provision (c) basis of provision and factors of calculation (d) estimated ultimate accumulated provision accumulation (e) a summary showing balance of accumulated provision and entries during year.
7. Pressure base of gas volumes reported in this schedule is 14.73 psia at 60° F.

Line No.	Description	NONCURRENT (ACCOUNT 117) (a)	CURRENT (ACCOUNT 164.1) (b)	LNG (ACCOUNT 164.2) (c)	LNG (ACCOUNT 164.3) (d)	Total (e)
1	Balance, beginning of year					
2	Gas delivered to storage					
3	(Contra Account)		<b>SEE FERC ANNUAL REPORT</b>			
4	Gas withdrawn from storage		<b>PAGE 220</b>			
5	(Contra Account)					
6	Other debits or credits					
7	(Explain)					
8						
9						
10						
11						
12	Balance, end of year					
13	MCF					
14	Amount per Mcf					
15	State basis of segregation of inventory between current and noncurrent portions.					
16						
17	Gas delivered to storage:					
18	Mcf					
19	Amount per Mcf					
20	Cost basis of gas delivered to storage:					
21	Specify: Own production (give production area, see					
22	uniform system of accounts); average system purchases					
23	specific purchases (state which purchases).					
24	Does cost of gas delivered to storage include any expenses					
25	for use of respondent's transmission, storage, or other					
26	facilities? If so, give particulars and date of Commission					
27	approval of the accounting.					
28						
29	Gas withdrawn from storage:					
30	Mcf					
31	Amount per Mcf					
32	Cost basis of withdrawals:					
33	Specify: average cost, LIFO, FIFO. (Explain any change in					
34	inventory basis during year and give date of Commission;					
35	approval of the change or approval of an inventory basis					
36	different from that referred to in uniform system of accounts)					
37						
38						
39						

Name of Respondent	This Report Is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report												
Northwest Natural Gas Company			Dec. 31, 2012												
<b>STATE OF OREGON - GAS PURCHASES (Accounts 800, 801, 802, 803, 804.1 and 805)</b>															
<p>1. Report particulars of gas purchases during the year in the manner prescribed below. (Code numbers to be used in reporting for Columns (d), (e) and (f) will be supplied by the Commission.)</p> <p>2. Provide subheadings and totals for prescribed accounts as follows:</p> <table border="0" data-bbox="240 495 695 688"> <tr><td>800</td><td>Natural Gas Well Head Purchases</td></tr> <tr><td>801</td><td>Natural Gas Field Line Purchases</td></tr> <tr><td>802</td><td>Natural Gas Gasoline Plant Outlet Purchases</td></tr> <tr><td>803</td><td>Natural gas Transmission Line Purchases</td></tr> <tr><td>804</td><td>Natural Gas City Gate Purchases</td></tr> <tr><td>804.1</td><td>Liquefied natural Gas Purchases</td></tr> <tr><td>805</td><td>Other gas Purchases</td></tr> </table> <p>Purchases are to be reported in account number sequence, e.g. all purchases charged to Account 800, followed by charges to Account 801, etc. Under each account number, purchases should be reported by states in alphabetical order. Totals are to be shown for each account in Columns (k) and (l) and should agree with the books of accounts, or any differences reconciled.</p> <p>3. Purchases may be reported by gas purchase contract totals (at the option of the respondent) where one contract includes two or more FERC producer rate schedules or small producer certificates, provided that the same price is being paid for all gas purchased under the contract. If two or more prices are in effect under the same contract, separate details for each price shall be reported. The name, and FERC rate schedule or small producer certificate docket number of each seller included in the contract total shall be listed on separate sheets, clearly cross-referenced. Where two or more prices are in effect, the sellers at each price are to be listed separately.</p> <p>4. Purchases of less than 100,000 MCF per year per contract from sellers not affiliated with the reporting company may (at the option of the respondent) be grouped by account number, except when the purchases were permanently discontinued during the reporting year. When grouped purchases are reported, the number of grouped purchases is to be reported in Column (a). Only Columns (a), (k), (l), and (m) are to be completed for grouped purchases; however, the Commission may request additional details when necessary. Grouped non-jurisdictional purchases should be shown on a separate line.</p> <p>5. Column instructions are as follows:</p> <p><u>Columns (a) and (d)</u> - In reporting the names of sellers under FERC rate schedules, use the names as they appear on the filed rate schedules. Abbreviations may be used where necessary. The code number to be used is the Commission assigned number.</p> <p><u>Column (b)</u> - Give the name of the producing field only for purchases at the wellhead or from field lines. The plant name should be given for purchases from gasoline plant outlets. If purchases under a contract are from more than one field or plant, use the name of the one contributing the largest volume. Use a footnote to list the other fields or plants involved.</p>	800	Natural Gas Well Head Purchases	801	Natural Gas Field Line Purchases	802	Natural Gas Gasoline Plant Outlet Purchases	803	Natural gas Transmission Line Purchases	804	Natural Gas City Gate Purchases	804.1	Liquefied natural Gas Purchases	805	Other gas Purchases	<p><u>Column (c)</u> - State the net rate in cents per MCF as of December 31 for the reported year, applicable to the volume shown in Column (k). The net rate includes all applicable deductions and downward adjustments. The rate is effective if filed pursuant to applicable statutes and regulations and (as to FERC rates schedules) permitted by the commission to become effective.</p> <p><u>Columns (e) and (f)</u> - General Services Administration location code designations are to be used to designate the state and county where the gas is received. Where gas is received in more than one county, use the code designation for the county having the largest volume, and by footnote list the other counties involved.</p> <p><u>Column (g)</u> - List the assigned commission rate schedule number or small producer certificate docket number. Use the designation "NF" in Column (g) to indicate non-jurisdictional purchases.</p> <p><u>Column (h)</u> - In some cases, two or more lines will be required to report a purchase, as when two or more rates are being paid under the same contract, or when purchases under the same rate schedule are charged to more than one account. If for such reasons the producer rate schedule or non-jurisdictional purchase contract appears on more than one line, enter a numerical code (selected by the respondent) in Column (h) to so indicate. Once established, the same numerical suffix is to be used for all subsequent-year reporting of the purchase. If the purchase was permanently discontinued during the reporting year, so indicate by an asterisk (*) in column (h). Column (h) is to be used also, to enter any Commission assigned letter rate schedule suffix (e.g. R.S. No. 22A).</p> <p><u>Column (i)</u> - Show date of the gas purchase contract. If gas is purchased under a renegotiated contract show the dates of the original and renegotiated contracts on the following line in brackets. If new acreage is dedicated by ratification of an existing contract, show the date of the ratification, rather than the date of the original contract. If gas is being sold from a different reservoir than the original dedicated acreage pursuant to Section 2.56 (f) (2) of the Commission's Rules of Practice and Procedure, place the letter "A" after the contract date.</p> <p><u>Column (j)</u> - Show, for each purchase, the approximate BTU per cubic foot, determined in accordance with the definition in item No. 7 of the General Instructions for FERC Form 2.</p> <p><u>Column (k)</u> - State the volume of purchased gas as finally measured for purpose of determining the amount payable for the gas. Include current year receipts of make-up gas that was paid for in prior years.</p> <p><u>Column (l)</u> - State the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in Column (k).</p> <p><u>Column (m)</u> - State the average cost per MCF to the nearest hundredth of a cent. (Column (l) divided by Column (k) multiplied by 100).</p>
800	Natural Gas Well Head Purchases														
801	Natural Gas Field Line Purchases														
802	Natural Gas Gasoline Plant Outlet Purchases														
803	Natural gas Transmission Line Purchases														
804	Natural Gas City Gate Purchases														
804.1	Liquefied natural Gas Purchases														
805	Other gas Purchases														



<b>Name of Respondent</b>	<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	X An Original A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**STATE OF OREGON - GAS PURCHASES (Account 800, 801, 802, 803, 804, 804.1 and 805) Con't)**

Line No.	NAME OF SELLER (DESIGNATE ASSOCIATED COMPANIES) (a)	NAME OF PRODUCING FIELD OR GASOLINE PLANT (b)	NET RATE EFFECTIVE DECEMBER 31 (c)
1	<b>SEE FERC ANNUAL REPORT</b>		
2			
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Name of Respondent			This Report Is:		Date of Report		Year of Report			
Northwest Natural Gas Company			X An Original A Resubmission		(Mo, Da, Yr)		Dec. 31, 2012			
STATE OF OREGON - GAS PURCHASES (Account 800, 801, 802, 803, 804, 804.1 and 805) Con't										
Seller Code (d)	State Code (e)	County Code (f)	Rate Schedule		Date of Contract (i)	Approx BTU Per CU Ft. (j)	Gas Purchased - MCF (14.73 PSIA 60°F) (k)	Cost of Gas (l)	Cost Per MCF (Cents) (m)	Line No.
			No. (g)	Suffix (h)						
										1
										2
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SEE FERC ANNUAL REPORT

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Northwest Natural Gas Company		X An Original A Resubmission		(Mo, Da, Yr)		Dec. 31, 2012	
<b>STATE OF OREGON - GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 810, 811 and 812)</b>							
1. Report below particulars of credits during the year to Accounts 810, 811 and 812, which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply. 2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas. 3. If the reported MCF for any use is an estimated quantity, state such fact. 4. If any natural gas was used by the respondent for which charge was not made to the appropriate operating expenses or other account, list separately in column (c) used, the MCF of gas so omitting entries in columns (d) and (e). 5. Pressure base of measurement, to be reported in columns (c) and (f) is 14.73 psia at 60° F.							
Line No.	PURPOSE FOR WHICH GAS WAS USED (a)	ACCOUNT CHARGED (b)	NATURAL GAS			MANUFACTURED GAS	
			Dth OF GAS USED (14.73 PSIA AT 60° F) (c)	AMOUNT OF CREDIT (d)	AMOUNT PER Dth (CENTS) (e)	MCF OF GAS USED (14.73 PSIA AT 60° F) (f)	AMOUNT OF CREDIT (g)
1	810 Gas used for Compressor Station Fuel - Credit						
2	811 Gas used for Products Extraction - Credit						
3	(a) Gas shrinkage & other usage in respondent's own processing						
4	(b) Gas shrinkage, etc. for respondent's gas processed by others						
5	812 Gas used for Other Utility Operations - Credit						
6	(Report separately for each principal use, Group minor uses.)						
7							
8	Portland and District Centers		125,231	332,105			
9	Storage Plants		139,762	Included in the Cost of Inventory			
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25	TOTAL		264,993	332,105	1.25		

Name of Respondent		This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company		(1) X An Original (2) A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012
<b>STATE OF OREGON - GAS ACCOUNT - NATURAL GAS</b>				
<p>1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent, taking into consideration differences in pressure bases used in measuring Mcf of natural gas received and delivered.</p> <p>2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.</p> <p>3. Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.</p> <p>4. In a footnote report the volumes of gas from respondent's own production delivered to respondent's transmission system and included in natural gas sales.</p> <p>5. If the respondent operates two or more systems which are not interconnected, separate schedules should be submitted. Insert pages for this purpose.</p>				
Line No.	Item (a)	Ref. Page No. (b)	Amount of Dth (c)	
1	<b>GAS RECEIVED</b>			
2	Natural Gas Produced			
3	LPG Gas Produced and Mixed with Natural Gas			
4	Manufactured Gas Produced and Mixed with Natural Gas			
5	Purchased Gas			
6	(a.) Wellhead			
7	(b.) Field Lines		631,889	
8	(c.) Gasoline Plants			
9	(d.) Transmission Line			
10	(e.) City Gate Under FERC Rate Schedules		63,928,019	
11	(f.) LNG			
12	(g.) Other			
13	TOTAL, Gas Purchased (Enter Total of lines 7 thru 13)		64,559,908	
14	Gas of Others Received for Transportation		36,173,321	
15	Receipts of Respondents' Gas Transported or Compressed by Others			
16	Exchange Gas Received			
17	Gas Withdrawn from Underground Storage	*	4,083,411	
18	Gas Received from LNG Storage		315,033	
19	Gas Received from LNG Processing			
20	Other Receipts (Specify)			
21	TOTAL Receipts (Enter Total of lines 2 thru 5, 13, and 14 thru 20)		105,131,673	

Note: \* This amount does not tie to system page 512 as it only includes Oregon storage sites.

Name of Respondent		This Report Is:	Date of Report	Year of Report
Northwest Natural Gas Company		(1) X An Original (2) A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012
<b>STATE OF OREGON - GAS ACCOUNT - NATURAL GAS (Continued)</b>				
<b>01 NAME OF SYSTEM OREGON</b>				
Line No.	Item	Ref. Page No.	Amount of Dth	
	(a)	(b)	(c)	
22	<b>GAS DELIVERED</b>			
23	Natural Gas Sales			
24	Field Sales			
25	(i) To Interstate Pipeline Companies for Resale Pursuant to FERC Rate Schedules			
26	(ii) Retail Industrial Sales			
27	(iii) Other Field Sales			
28	TOTAL, Field Sales (Enter Total of lines 26 thru 28)			
29	Transmission System Sales			
30	(i) To Interstate Pipeline Co. for Resale Under FERC Rate Schedules			
32	(ii) To Interstate Pipeline Co. and Gas Utilities for Resale Under FERC Rate Schedules			
33	(iii) Mainline Industrial Sales Under FERC Certification			
34	(iv) Other Mainline Industrial Sales			
35	(v) Other Transmission System Sales			
36	TOTAL, Transmission System Sales (Enter Total of lines 31 thru 35)			
37	Local Distribution by Respondent			
38	(i) Retail Industrial Sales		8,913,237	
39	(ii) Other Distribution System Sales		57,413,857	
40	TOTAL, Distribution System Sales (Lines 38 + 39)		66,327,094	
41	Unbilled Therms		(36,892)	
42	TOTAL SALES (Enter Total of lines 29, 36, 40, and 41)		66,290,202	
43	Deliveries of Gas Transported or Compressed for:			
44	(a.) Other Interstate Pipeline Companies			
45	(b.) Others - Transportation		36,173,321	
46	TOTAL, Gas Transported or Compressed for Others (Enter Total of lines 44 and 45)		36,173,321	
47	Deliveries of Respondent's Gas for Trans. or Compression by Others			
48	Exchange Gas Delivered			
49	Natural Gas Used by Respondent		-	
50	Natural Gas Delivered to Underground Storage	*	3,668,258	
51	Natural Gas Delivered to LNG Storage		299,205	
52	Natural Gas Delivered to LNG Processing	331	264,993	
53	Natural Gas for Franchise Requirements			
54	Other Deliveries (Specify): FIK			
55	TOTAL SALES & OTHER DELIVERIES (Lines 42, 46, 47 thru 54)		106,695,979	
56	<b>UNACCOUNTED FOR</b>			
57	Production System Losses			
58	Storage Losses: Mist Gas Loss			
59	Transmission System Losses		(1,564,306)	
60	Distribution System Losses			
61	Other Losses (Leakage)			
62	TOTAL Unaccounted for (Enter Total of lines 57 thru 61)		(1,564,306)	
63	TOTAL SALES, OTHER DELIVERIES, AND UNACCOUNTED FOR (Enter Total of lines 55 and 62)		105,131,673	

Note: \* This amount does not tie to system page 512 as it only includes Oregon storage sites.

<b>Name of Respondent</b> Northwest Natural Gas Company		<b>This Report is:</b> X An Original A Resubmission	<b>Date of Report</b> <b>(Mo, Da, Yr)</b>	<b>Year of Report</b> Dec. 31, 2012
<b>STATE OF OREGON - MISCELLANEOUS GENERAL EXPENSES (Account 930.2)</b>				
Report below the information called for concerning items included in miscellaneous general expenses.				
LINE NO.	ITEMS (a)	TOTAL (b)	AMOUNT APPLICABLE TO STATE OF OREGON (c)	AMOUNT APPLICABLE TO OTHER STATES (d)
	<b>SEE FERC ANNUAL REPORT</b>			

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> X An Original A Resubmission	<b>Date of Report (Mo, Da, Yr)</b>	<b>Year of Report</b> Dec. 31, 2012
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**STATE OF OREGON - POLITICAL ADVERTISING**

1. List all payments for advertising, the purpose of which is to aid or defeat any measure before the people or to promote or prevent the enactment of any national, state, district or municipal legislation.
2. Give the specific purpose of such advertising, when and where placed, and the account or accounts charged.
3. Report whole dollars only. Provide a total for each account and a grand total.

Line No.	DESCRIPTION (a)	ACCOUNT CHARGED (b)	AMOUNT (c)
	NONE		

Name of Respondent	This Report is: X An Original A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company			Dec. 31, 2012
<b>STATE OF OREGON - POLITICAL CONTRIBUTIONS</b>			
1. List all payments or contributions to persons and organizations for the purpose of aiding or defeating any measure before the people or to promote or prevent the enactment of any national, state, district or municipal legislation.			
2. The purpose of all contributions or payments should be clearly explained			
3. Report whole dollars only. Provide a total for each account and a grand total.			
Line No.	Description of Investment (a)	Account Charged (b)	Amount (c)
1	AOI PAC	426-04935	1,000
2	DAVID DOUGLAS CITIZENS FOR SCHOOLS	426-04935	5,000
3	GROW OREGON	426-04935	10,000
4	KITZHABER 2010	426-04935	5,000
5	LIBRARIES YES! COMMITTEE	426-04935	2,500
6	PORTLANDERS FOR SCHOOLS	426-04935	15,000
7	OTHER < \$1,000	426-04935	23,075
8	Total 426-04935	Total	61,575
9			
10			
11	NATURAL GAS POLITICAL COMMITTEE	426-04955	130,000
12	OTHER < \$1,000	426-04955	212
13	Total 426-04955	Total	130,212
14			
15			
16	INTERNAL LOBBY AND INTERNAL RESOURCES	426-04950	271,705
17	C&E SYSTEMS	426-04950	1,800
18	GROW OREGON	426-04950	20,000
19	OTHER < \$1,000	426-04950	125
20	Total 426-04950	Total	293,630
21			
22			
23			
24			
25		Total	485,417



Name of Respondent		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company				Dec. 31, 2012
<b>STATE OF OREGON - EXPENDITURES TO ANY PERSON OR ORGANIZATION HAVING AN AFFILIATED INTEREST FOR SERVICES, ETC.</b>				
<p>1. Report all expenditures to any person or organization having an affiliated interest for service, advice, auditing, associating, sponsoring, engineering, managing, operating, financial, legal or other services. See Oregon Revised Statute 757.015 for definition of "affiliated interest."</p> <p>2. Give reference if such expenditures have in the past been approved by the Commission. Describe the services received and the account or accounts charged. Report whole dollars only.</p>				
Line No.	Description (a)	Account Number (b)	Total Amount (c)	Amount assigned to Oregon (d)
1	All expenditures shown below are reflected in the Statement of Income of			
2	Northwest Natural Gas for the year ended December 31, 2012			
3	All expenditures are based upon the accrual method of accounting.			
4				
5	<b>Name of Affiliated Party: Gill Ranch Storage, LLC</b>			
6	Relationship: Wholly Owned Subsidiary of NW Natural Gas Storage, LLC			
7	Corporate income taxes accrued and charged on behalf of affiliated party			
8	Federal income tax expense (benefit) - see FERC Form 2 p. 263B	409-43075	-	N/A
9	State income tax expense (benefit) - see FERC Form 2 p. 263C	409-43145	-	N/A
10	<b>Total of transactions with affiliated party</b>		-	
11				
12				
13	<b>Name of Affiliated Party: Northwest Natural Energy, LLC</b>			
14	Relationship: Wholly Owned Subsidiary of Northwest Natural Gas Company			
15	NW Energy LLC Investment	123.1	172,546,876	N/A
16	Shared Services Agreement - see FERC Form 2 p. 358	421-61505, 421-61510, 921-01505	251,023	N/A
17	Corporate income taxes accrued and charged on behalf of affiliated party			
18	Federal income tax expense (benefit) - see FERC Form 2 p. 263B	409-49001	-	N/A
19	State income tax expense (benefit) - see FERC Form 2 p. 263C	409-49002	-	N/A
20	<b>Total of transactions with affiliated party</b>		172,797,899	
21				
22	<b>Name of Affiliated Party: NW Natural Gas Storage LLC</b>			
23	Relationship: Wholly Owned Subsidiary of NW Energy LLC			
24	Shared Services Agreement - see FERC Form 2 p. 358	421-61505, 421-61510, 921-01505	106,984	N/A
25	Corporate income taxes accrued and charged on behalf of affiliated party			
26	Federal income tax expense (benefit) - see FERC Form 2 p. 263B	409-44001	-	N/A
27	State income tax expense (benefit) - see FERC Form 2 p. 263C	409-44002	-	N/A
28	<b>Total of transactions with affiliated party</b>		106,984	
29				
30	<b>Name of Affiliated Party: NNG Financial Corporation</b>			
31	Relationship: Wholly Owned Subsidiary of Northwest Natural Gas Company			
32	Pipeline capacity charges (KB Pipeline)	804-02910	224,258	N/A
33	NNG Financial Corporation Investment	123.1	937,212	N/A
34	Corporate income taxes accrued and charged on behalf of affiliated party			
35	Federal income tax expense (benefit) - see FERC Form 2 p. 263B	409-23075	(63,953)	N/A
36	State income tax expense (benefit) - see FERC Form 2 p. 263C	409-23145	(123,539)	N/A
37	<b>Total of transactions with affiliated party</b>		973,978	
38				
39	<b>Name of Affiliated Party: Northwest Biogas, LLC</b>			
40	NW Biogas LLC Investment	123.1	150,000	N/A
41	<b>Total of transactions with affiliated party</b>		150,000	
42				
43				
44				
45				
46	<b>Total of transactions with all affiliated parties</b>		174,028,861	N/A

**NORTHWEST NATURAL  
DONATIONS FOR THE YEAR ENDED DECEMBER 31, 2012**

<b>DESCRIPTION</b>	<b>AMOUNT ASSIGNED TO OREGON</b>	<b>AMOUNT ASSIGNED TO WASHINGTON</b>
UNITED WAY OF THE COLUMBIA-WILLAM	\$ 93,344.00	
THE FRESHWATER TRUST	70,251.00	
OREGON COMMUNITY FOUNDATION	70,120.00	
VERNONIA EDUCATION FOUNDATION	50,000.00	
UNITED WAY/GAS ASSISTANCE PROGRAM	50,000.00	
CAMP FIRE USA	39,890.00	
EARTH SHARE	38,000.00	
BIG BROTHERS BIG SISTERS NORTHWEST	35,939.00	
WORK FOR ART	26,932.00	
AMERICAN RED CROSS	22,000.00	
HABITAT FOR HUMANITY	20,485.00	
BLACK UNITED FUND	20,350.00	
DUCK ATHLETIC FUND	16,400.00	
OREGON WILD	16,148.00	
LIFEWORKS NORTHWEST	16,137.00	
OREGON FOOD BANK	11,585.00	
FRIENDS OF THE CHILDREN - PORTLAND	11,435.00	
PORTLAND CENTER STAGE	11,250.00	
BLANCHET HOUSE	10,500.00	
STAND FOR CHILDREN	10,400.00	
CHILDREN'S RELIEF NURSERY	10,000.00	
FOREST PARK CONSERVANCY	10,000.00	
LIBRARY FOUNDATION	10,000.00	
OREGON ALLIANCE OF INDEPENDENT	10,000.00	
OREGON STATE PARKS TRUST	10,000.00	
OREGON ZOO FOUNDATION	10,000.00	
PORTLAND COMMUNITY COLLEGE	10,000.00	
YOUNG ENTREPRENEURS BUSINESS WEEK	10,000.00	
SCHOOLHOUSE SUPPLIES INC	8,200.00	
FRIENDS OF THE RIDGEFIELD		8,170.00
UNITED WAY OF LINN COUNTY	8,000.00	
BASIC RIGHTS EDUCATION FUND	7,500.00	
FRIENDS OF TREES	7,500.00	
PORTLAND OPERA ASSOCIATION INC	7,500.00	
URBAN LEAGUE OF PORTLAND	7,500.00	
DE LA SALLE	7,300.00	
BUSINESS FOR CULTURE & THE ARTS	6,450.00	
AUDUBON SOCIETY OF PORTLAND	6,395.00	
AMERICAN CANCER SOCIETY	6,250.00	
SMART	6,000.00	
UNITED WAY OF COLUMBIA COUNTY	6,000.00	
MEDICAL TEAMS INTERNATIONAL	5,685.00	
I HAVE A DREAM FOUNDATION OREGON	5,547.00	
OPEN MEADOW ALTERNATIVE SCHOOLS	5,278.00	
BEAVERTON EDUCATION FOUNDATION	5,000.00	
BLACK PARENT INITIATIVE	5,000.00	
CASA FOR CHILDREN	5,000.00	

**NORTHWEST NATURAL  
DONATIONS FOR THE YEAR ENDED DECEMBER 31, 2012**

<b>DESCRIPTION</b>	<b>AMOUNT ASSIGNED TO OREGON</b>	<b>AMOUNT ASSIGNED TO WASHINGTON</b>
CASCADE AIDS PROJECT	5,000.00	
CASH OREGON	5,000.00	
CHILDREN'S CENTER OF CLACKAMAS	5,000.00	
CHILDREN'S INSTITUTE	5,000.00	
FORT VANCOUVER REGIONAL LIBRARY		5,000.00
GUIDE DOGS FOR THE BLIND	5,000.00	
IMPACT NORTHWEST	5,000.00	
JAPANESE GARDEN SOCIETY	5,000.00	
MERCY CORPS INTERNATIONAL	5,000.00	
NORTH CLACKAMAS EDUCATION FOUND	5,000.00	
NORTHWEST EARTH INSTITUTE	5,000.00	
OMSI	5,000.00	
OREGON BALLET THEATRE	5,000.00	
OREGON HISTORICAL SOCIETY	5,000.00	
OREGON SYMPHONY ASSOCIATION	5,000.00	
OSU FOUNDATION	5,000.00	
PORTLAND ART MUSEUM	5,000.00	
PORTLAND SCHOOLS FOUNDATION	5,000.00	
PSU SIMON BENSON AWARDS	5,000.00	
RANDALL CHILDREN'S HOSPITAL FOUNDATION	5,000.00	
TUALATIN RIVERKEEPERS	5,000.00	
WILLAMETTE PARTNERSHIP	5,000.00	
SELF ENHANCEMENT INC	4,850.00	
JESUIT HIGH SCHOOL	4,500.00	
JUNIOR ACHIEVEMENT	4,200.00	
UNITED WAY OF SOUTHWESTERN OREGON	4,000.00	
PORTLAND CLASSICAL CHINESE GARDEN	3,500.00	
UNITED WAY OF LANE COUNTY	3,500.00	
SHARE EMERGENCY HOUSING		3,216.00
CAMP ODYSSEY	3,000.00	
CENTRAL CITY CONCERN INC	3,000.00	
HISPANIC METROPOLITAN CHAMBER	3,000.00	
OREGON PARTNERSHIP	3,000.00	
BIG BROTHERS BIG SISTERS OF COLUMBIA	2,750.00	
PORTLAND INSTITUTE FOR CONTEMPORARY	2,750.00	
FENCES FOR FIDO	2,559.00	
AMERICAN HEART ASSOCIATION	2,500.00	
BRADLEY-ANGLE HOUSE	2,500.00	
CASA OF LINCOLN COUNTY	2,500.00	
CHILDREN FIRST FOR OREGON	2,500.00	
CHILDREN'S TRUST FUND OF OREGON	2,500.00	
COLUMBIA PACIFIC FOOD BANK	2,500.00	
COMMUNITY ACTION OF WASHINGTON COUNTY	2,500.00	
COMMUNITY ACTION TEAM	2,500.00	
COMMUNITY FOUNDATION FOR SW WASHING		2,500.00
COMMUNITY WAREHOUSE	2,500.00	
THE DOUGY CENTER INC	2,500.00	

**NORTHWEST NATURAL  
DONATIONS FOR THE YEAR ENDED DECEMBER 31, 2012**

<b>DESCRIPTION</b>	<b>AMOUNT ASSIGNED TO OREGON</b>	<b>AMOUNT ASSIGNED TO WASHINGTON</b>
GIRLS INC OF NORTHWEST OREGON	2,500.00	
HANDS ON PORTLAND JOIN	2,500.00	2,500.00
LIBERI FOUNDATION	2,500.00	
LINCOLN COUNTY SCHOOL DISTRICT	2,500.00	
LOOKING GLASS YOUTH	2,500.00	
LOWER COLUMBIA RIVER ESTUARY PARTNER	2,500.00	
MEALS ON WHEELS PEOPLE INC	2,500.00	
OREGON BURN CENTER	2,500.00	
OREGON MENTORS	2,500.00	
OREGON WWII MEMORIAL FOUNDATION	2,500.00	
PORTLAND CENTER STAGE	2,500.00	
PORTLAND FESTIVAL SYMPHONY	2,500.00	
PSU FOUNDATION - SIMON BENSON AWARDS	2,500.00	
PWC CHILDREN'S CHARITY TOURNAMENT	2,500.00	
SERENDIPITY CENTER INC	2,500.00	
VIRGINIA GARCIA MEMORIAL FOUNDATION	2,500.00	
VOLUNTEERS OF AMERICA	2,500.00	
WILLAMETTE VALLEY DEVELOPMENT	2,500.00	
WOMEN'S SAFETY & RESOURCE CENTER	2,500.00	
WORDSTOCK	2,500.00	
FOCUS THE NATION	2,432.00	
UNITED WAY OF BENTON AND LINCOLN CO	2,250.00	
ASIAN AMERICAN YOUTH LEADERSHIP CONF	2,000.00	
CASA OF LANE COUNTY	2,000.00	
DAVID DOUGLAS	2,000.00	
FOOD FOR LANE COUNTY	2,000.00	
PEARMENTOR	2,000.00	
PORTLAND STATE UNIV SCHOOL OF BUSI	2,000.00	
PSU FOUNDATION	2,000.00	
REACH COMMUNITY DEVELOPMENT	2,000.00	
SALEM-KEIZER EDUCATION	2,000.00	
SATURDAY ACADEMY	2,000.00	
STAYTON PUBLIC LIBRARY FOUNDATION	2,000.00	
UNITED WAY OF MID-WILLAMETTE	2,000.00	
UNITED WAY OF THE COLUMBIA GORGE	2,000.00	
SUNSHINE DIVISION	1,707.00	
CAMAS EDUCATIONAL FOUNDATION		1,500.00
JUVENILE DIABETES RESEARCH FOUNDATION	1,500.00	
NATIVE AMERICAN YOUTH	1,500.00	
WHOLISTIC PEACE INSTITUTE	1,500.00	
PORTLAND RESCUE MISSION	1,350.00	
VERNON SCHOOL PTA	1,316.00	
REVOLUTION CHURCH	1,300.00	
GEORGE FOX UNIVERSITY	1,250.00	
COMMUNITY CYCLING CENTER	1,200.00	
INTERSERVICE WALK & KNOCK		1,200.00

**NORTHWEST NATURAL  
DONATIONS FOR THE YEAR ENDED DECEMBER 31, 2012**

<b>DESCRIPTION</b>	<b>AMOUNT ASSIGNED TO OREGON</b>	<b>AMOUNT ASSIGNED TO WASHINGTON</b>
POLICE ACTIVITIES LEAGUE	1,185.00	
AFRICAN ADVISORY	1,092.00	
SYCAMORE LANE THERAPUTIC RIDING	1,085.00	
BIG BROTHERS BIG SISTERS OF LANE CO	1,000.00	
FAMILY BUILDING BLOCKS	1,000.00	
FRIENDLY HOUSE INC	1,000.00	
GLADSTONE EDUCATION FOUNDATION	1,000.00	
INNOVATIVE SERVICES NW	1,000.00	
LETTY OWINGS CENTER	1,000.00	
LIBERTY RESTORATION INC	1,000.00	
LINCOLN COUNTY FOOD SHARE	1,000.00	
LOAVES & FISHES	1,000.00	
MACDONALD CENTER	1,000.00	
MAYOR'S CHARITY BALL	1,000.00	
MID-WILLAMETTE FAMILY YMCA	1,000.00	
NEIGHBORS FOR KIDS	1,000.00	
OREGON ENVIRONMENTAL COUNCIL	1,000.00	
OREGON HEAT	1,000.00	
OREGON LEAGUE OF MINORITY VOTERS	1,000.00	
OREGON NIKKEI ENDOWMENT INC	1,000.00	
OSWILG	1,000.00	
SMART IN THE SOUTH VALLEY	1,000.00	
STREET ROOTS	1,000.00	
TECH ASSIST FOR COMM SERVICES	1,000.00	
THE CUB POLICY CENTER	1,000.00	
UNION GOSPEL MISSION	1,000.00	
UNITED WAY OF CLATSOP COUNTY	1,000.00	
YWCA OF GREATER PORTLAND	1,000.00	
Under 1K	36,603.00	1,800.00
Grand Total	\$ 1,170,150.00	\$ 25,886.00
Total of Donations > \$1,000	1,133,547.00	24,086.00
Various Charities < \$1,000	36,603.00	1,800.00
Total Donations	\$ 1,170,150.00	\$ 25,886.00

<b>Name of Respondent</b>	<b>This Report Is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	Dec. 31, 2012

**State of Oregon - Officers' Salaries**

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration, or finance), and any other person who performs similar policy-making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent and date change in incumbency was made.
3. Utilities which are required to file similar data with the Securities and Exchange Commission, may substitute a copy of Item 4, Regulation S-K, identified as this schedule page. The substituted page(s) should be conformed to the size of this page.

Line No.	Title (a)	Name of Officer (b)	Salary for Year	
			Total (c)	Oregon (d)
1	President and Chief Executive Officer	Gregg S. Kantor	478,500	478,500
2	Senior Vice President and Chief Financial Officer	David H. Anderson	368,000	368,000
3	Vice President and General Counsel	Margaret D. Kirkpatrick	283,500	283,500
4	Senior Vice President	Lea Anne Doolittle	258,667	258,667
5	Vice President	J. Keith White	234,833	234,833
6	Vice President	David R. Williams	220,833	220,833
7	Vice President	Grant M. Yoshihara	220,833	220,833
8	Vice President	C. Alex Miller	194,000	194,000
9	Chief Governance Officer and Corp. Secretary	MardiLyn Saathoff	213,833	213,833
10	Treasurer and Controller	Stephen P. Feltz	230,833	230,833

<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report Is:</b> X An Original A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b> Dec. 31, 2012
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**STATE OF OREGON - DONATIONS OR PAYMENTS FOR SERVICES RENDERED BY PERSONS  
OTHER THAN EMPLOYEES AND CHARGED TO OREGON OPERATING ACCOUNTS**

- Report for each service rendered (including materials furnished incidental to the service which are impracticable of (separation) by recipient and in total the aggregate of all payments made during the year where the aggregate of such payments to a recipient was \$25,000 or more including fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payments for services, traffic settlements, amounts paid for construction or maintenance of plant to persons other than affiliatesto any one corporation, institution, association, firm partnership, committee, or person (not an employee of the respondent). Indicate by an asterisk in column (c) each item that includes payments for materials furnished incidental to the services performed. Payments to a recipient by two or more companies within a single system under a cost sharing or other joint arrangement shall be considered a single item for reporting in this schedule and shall be shown in the report of the principal company in the joint arrangement (as measured by gross operating revenues) with references thereto in the reports of the other system companies in the joint arrangement.
- If more convenient, this schedule may be filled out for a group of companies considered as one system and shown only in the report of the principal company in the system, with references thereto in the reports of the other companies.

Line No.	NAME OF RECIPIENT (a)	NATURE OF SERVICE (b)	AMOUNT OF PAYMENT (c)
	SEE FERC ANNUAL REPORT PAGE 357		

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company	X An Original A Resubmission		Dec. 31, 2012

In order to help us with production of our Oregon Utility Statistics publication, please indicate:

Oregon Production Statistics (Dths)

Gas Produced	-
Gas Purchased	64,559,908
Total Receipts	<u>64,559,908</u>

Gas Sales	66,327,094
Gas Used by Company	264,993
Gas Delivered to LNG Storage - Net	(430,981)
Losses & billing Delay	(1,601,198)
Total Disbursements	<u>64,559,908</u>

Oregon Revenue by Service Class

Residential	387,742,156
Commercial & Industrial	
Firm	193,264,006
Interruptible	51,277,881
Transportation	14,011,260
Total	<u>646,295,303</u>

Gas Sold in Therms (Oregon)

Residential	351,237,229
Commercial & Industrial	
Firm	254,366,367
Interruptible	57,298,426
Transportation	361,733,205
Total	<u>1,024,635,227</u>

Average Number of Oregon Customers

Residential	553,497
Commercial & Industrial	
Firm	58,145
Interruptible	137
Transportation	218
Total	<u>611,997</u>