

Rates and Regulatory Affairs  
Facsimile: 503.721.2516



August 30, 2010

**VIA ELECTRONIC FILING**

Public Utility Commission of Oregon  
550 Capitol Street, NE, Suite 215  
Post Office Box 2148  
Salem, Oregon 97308-2148

ATTN: Filing Center

Re: **OPUC Docket UM 1027:** Application for Reauthorization of Deferred Accounting of Refunds or Collections of Distribution Margin

Northwest Natural Gas Company, dba NW Natural ("NW Natural" or the "Company"), hereby files the above-referenced Application for Reauthorization of Deferred Accounting of Refunds or Collections of Distribution Margin.

A notice concerning this application will be sent to all parties who participated in the Company's most recent general rate case, UG 152. A copy of the notice is attached to the enclosed application as Exhibit B.

A Certificate of Service is attached as Exhibit C.

Please call me at (503) 226-4211, extension 3590, if you have any questions.

Sincerely,

*/s/ Jennifer Gross*

Jennifer Gross  
Tariff and Regulatory Compliance

enclosures

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1027

NW Natural Application for Reauthorization )  
For Deferred Accounting of Refunds or )  
Collections of Distribution Margin )

In accordance with ORS 757.259 and ORS 757.262, and OAR 860-030-0035, NW Natural (or the “Company”) files this application with the Public Utility Commission of Oregon (the “Commission”) for an order authorizing the Company to record and defer with interest, on an ongoing basis, the amount by which actual distribution margin per residential and commercial customer is different from the margin to be collected from residential and commercial customers based on “normal” consumption, as assumed in the Company’s most recent general rate case.

In support of this Application, NW Natural states:

**1. NW Natural**

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

**2. Statutory Authority**

This Application is filed pursuant to ORS 757.259 and ORS 757.262, which empower the Commission to authorize the deferral of expenses or revenues of a public utility for later incorporation in rates.

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### **3. Communications**

Communications regarding this Application should be addressed to:

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

and

Jennifer Gross  
Tariffs & Regulatory Compliance Consultant  
NW Natural  
220 NW Second Avenues  
Portland, OR 97209-3991  
Telephone: (503) 226- 4211, ext. 3590  
Facsimile (503) 721-2516  
E-mail: jennifer.gross@nwnatural.com

### **4. Description of Request - OAR 860-027-0300(3)(a)**

On September 12, 2002, the Commission issued Order No. 02-634, which approved the partial decoupling mechanism described in the Settlement Agreement in Docket UG 143. On August 25, 2005, the Commission modified the Company's decoupling mechanism by issuing Order No. 05-934, which approved the deferral and amortization of 100% of the distribution margin differential through September 30, 2009. On September 26, 2007, the Commission issued Order No. 07-426 which includes a Stipulation signed by Parties to UG 152 and UG 163, wherein the decoupling mechanism's expiration date was extended from September 30, 2009, to October 31, 2012. Permission to defer 100% of the Company's distribution margin was last granted on October 26, 2009, in Commission Order No. 09-426.

This application for reauthorization requests the deferral of 100% of the Company's distribution margin in accordance with the Commission established terms

and conditions as outlined above. This application is for the 12-month period beginning October 1, 2010 and ending September 30, 2011.

**5. Reason for Application for Reauthorization of Deferred Accounting - OAR 860-027-0300(3)(b)**

In accordance with the statutory authority provided by ORS 767.259 and ORS 757.262, and the Commission's approval of the Settlement Agreement in Docket UG 163, NW Natural proposes to record and defer, with interest, the amount by which actual distribution margin per residential and commercial customer is different from the margin to be collected from residential and commercial customers based on "normal" consumption, as assumed in the Company's most recent general rate case filing in Docket UG 152 and further adjusted for price elasticity effects since the rate case.

**6. Accounting - OAR 860-027-0300(3)(c)**

NW Natural proposes to record the amounts described in paragraph (7) below of this Application in a sub-account of Account 186. In the absence of the Commission's approval of this Application, the Company would record under- or over-collected distribution margin as utility operating revenue in FERC Account 400.

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

NW Natural cannot estimate what amounts will be recorded in the distribution margin normalization "use balancing account" for the upcoming 12-month period because the amount is dependent on volume variance resulting from the actual price elasticity and conservation responses.

**8. Entries in Deferred Account To-Date– OAR 860-027-0300(4)(a)**

In 2003 and 2004, the Company deferred 90% of its distribution margin in accordance with Commission Order No. Since 2005, the Company has deferred 100% of its distribution margin in accordance with the terms established in Commission Order No. 05-934. Work papers, attached as Exhibit A, demonstrate the distribution margin

differential deferred under this docket (UM 1027) for the last six years. Also, included as Exhibit A are details of costs deferred plus interest for residential and commercial customers in the most current 2009-2010 deferral period.

**9. Reason for Continuation of Deferral Account – OAR 860-027-0300(4)(b)**

NW Natural seeks continuation of this deferral account in accordance with Commission Order No. 07-426 which extended the Company's decoupling mechanism until October 31, 2012.

**10. Requirements per Commission Order No. 09-263**

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

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

Exhibit A includes the Summary Sheet which shows the amounts deferred for residential and commercial customers and demonstrates the transfer of dollars from one account to another. Exhibit A will be included in our 2010 PGA filing as work papers and will be attached to the electronic filing as a file entitled, "Proposed Temps Oregon 2010-11 PGA August filing.xls."

**b. The effective date of the deferral**

This application is for the 12-month period beginning October 1, 2010 and ending September 30, 2011.

**c. Prior year Order Number approving the deferral**

Permission to defer 100% of the Company's distribution margin was last granted on October 26, 2009, in Commission Order No. 09-426.

**d. The amount deferred last year**

See Exhibit A.

**e. The amount amortized last year**

See Exhibit A.

**f. The interest rate that will apply to the accounts**

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

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

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

WHEREFORE, NW Natural respectfully requests that in accordance with ORS 757.259, as amended, the Commission authorize the Company to record and defer, on an ongoing basis and commencing as of the date of this filing, the amount by which actual distribution margin per residential and commercial customer is different from the margin assumed in UG 152 to be collected from residential and commercial customers based on "normal" consumption.

DATED this 30th day of August 2010.

Respectfully submitted,

NW NATURAL

*/s/ Jennifer Gross*

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Jennifer Gross  
Tariff and Regulatory Compliance Consultant  
Regulatory Affairs  
NW Natural  
220 NW Second Avenue  
Portland, Oregon 97209  
Phone: (503) 226-4211, ext. 3590  
Facsimile: (503) 721-2516  
E-mail: jennifer.gross@nwnatural.com

Company: Northwest Natural Gas Company  
 State: Oregon  
 Description: Amortization of Oregon Commercial Decoupling  
 Account Number: 186271

1	Debit	(Credit)						
2								
3								
4	Month/Year	Note	Amortization	Transfers	Interest	Interest Rate	Activity	Balance
5	(a)	(b)	(c)	(d)	(e)		(f)	(g)
6								
7	Beginning Balance							
8	Sep-06							(222,961.06)
9	Oct-06		(77,991.61)	(1,610,605.28)	(13,448.12)		(1,702,045.01)	(1,925,006.07)
10	Nov-06		(28,248.73)		(13,926.19)		(42,174.92)	(1,967,180.99)
11	Dec-06		194,049.83		(13,430.84)		180,618.99	(1,786,562.00)
12	Jan-07		243,321.68		(11,956.77)		231,364.91	(1,555,197.09)
13	Feb-07		230,042.90		(10,342.86)		219,700.04	(1,335,497.05)
14	Mar-07		166,775.23		(8,992.23)		157,783.00	(1,177,714.05)
15	Apr-07		122,187.28		(8,019.20)		114,168.08	(1,063,545.97)
16	May-07		97,123.23		(7,289.28)		89,833.95	(973,712.02)
17	Jun-07		65,927.40		(6,756.14)		59,171.26	(914,540.76)
18	Jul-07		52,264.00		(6,380.26)		45,883.74	(868,657.02)
19	Aug-07		47,940.99		(6,066.26)		41,874.73	(826,782.29)
20	Sep-07		49,991.20		(5,758.16)		44,233.04	(782,549.25)
21	Oct-07	1	75,058.71	(1,564,848.66)	(16,588.71)		(1,506,378.66)	(2,288,927.91)
22	Nov-07	old rates	68,516.20		(16,192.29)		52,323.91	(2,236,604.00)
23		new rates	70,326.02		252.53		70,578.55	(2,166,025.45)
24	Dec-07		245,049.62		(14,675.74)		230,373.88	(1,935,651.57)
25	Jan-08		301,709.34		(12,817.82)		288,891.52	(1,646,760.05)
26	Feb-08		299,904.70		(10,749.57)		289,155.13	(1,357,604.92)
27	Mar-08		219,494.37		(8,961.70)		210,532.67	(1,147,072.25)
28	Apr-08		214,889.63		(7,466.26)		207,423.37	(939,648.88)
29	May-08		145,973.39		(6,224.08)		139,749.31	(799,899.57)
30	Jun-08		97,103.93		(5,395.93)		91,708.00	(708,191.57)
31	Jul-08		70,124.17		(3,971.46)		66,152.71	(642,038.86)
32	Aug-08		60,875.57		(2,176.28)		58,699.29	(583,339.57)
33	Sep-08		64,010.54		(1,961.83)		62,048.71	(521,290.86)
34	Oct-08	1	83,385.94	(2,779,450.22)	(21,667.65)		(2,717,731.93)	(3,239,022.79)
35	Nov-08	old rates	75,771.69		(11,390.71)		64,380.98	(3,174,641.81)
36		new rates	96,843.50		172.30		97,015.80	(3,077,626.01)
37	Dec-08		396,792.25		(10,245.26)		386,546.99	(2,691,079.02)
38	Jan-09		569,416.92		(8,562.67)		560,854.25	(2,130,224.77)
39	Feb-09		497,665.46		(6,694.62)		490,970.84	(1,639,253.93)
40	Mar-09		443,895.29		(5,043.25)		438,852.04	(1,200,401.89)
41	Apr-09		340,875.97		(3,664.95)		337,211.02	(863,190.87)
42	May-09		217,582.32		(2,684.41)		214,897.91	(648,292.96)
43	Jun-09		138,459.02		(2,060.50)		136,398.52	(511,894.44)
44	Jul-09		113,429.67		(1,619.68)		111,809.99	(400,084.45)
45	Aug-09		97,847.88		(1,249.55)		96,598.33	(303,486.12)
46	Sep-09		107,683.53		(888.32)		106,795.21	(196,690.91)
47	Oct-09		141,430.92	510,269.28	1,367.45		653,067.65	456,376.74
48	Nov-09	old rates	144,494.69		1,881.02		146,375.71	602,752.45
49		new rates	(19,156.42)		(16.76)	2.10%	(19,173.18)	583,579.27
50	Dec-09		(74,568.02)		956.02	2.10%	(73,612.00)	509,967.27
51	Jan-10		(81,609.87)		821.03	2.10%	(80,788.84)	429,178.43
52	Feb-10		(57,667.70)		700.60	2.10%	(56,967.10)	372,211.33
53	Mar-10		(51,091.33)		606.66	2.10%	(50,484.67)	321,726.66
54	Apr-10		(49,433.02)		519.77	2.10%	(48,913.25)	272,813.41
55	May-10		(37,030.72)		445.02	2.10%	(36,585.70)	236,227.71
56	Jun-10		(29,347.50)		387.72	2.10%	(28,959.78)	207,267.93
57	Jul-10		(20,259.10)		344.99	2.10%	(19,914.11)	187,353.82
58	Aug-10	forecast	(17,028.92)		312.97	2.10%	(16,715.95)	170,637.87
59	Sep-10	forecast	(18,277.95)		282.62	2.10%	(17,995.33)	152,642.54
60	Oct-10							
61								
62								
63								
64								
65								

**Amount Amortized during Oct 09 - Sep 10 with interest: (160,935.83)**

NOTES  
 1 - transfer from Deferral account 186275

Company: Northwest Natural Gas Company  
 State: Oregon  
 Description: Deferral of Oregon Residential Decoupling  
 Account Number: 186275  
 Authorized in docket UG 143 and UM 1027  
 Last deferral reauthorization was Order 09-426 in UM 1027 (7)

1	Debit	(Credit)					
2					8.618%		
3					Interest	Activity	Balance
4	Month/Year	Note	Deferral	Transfers			
5	(a)	(b)	(c)	(d)	(e)	(f)	(g)
6							
7	Beginning Balance						(891,599.35)
8	Sep-06						
9	Oct-06		(612,077.65)	891,599.35	(2,197.87)	277,323.83	(614,275.52)
10	Nov-06		(202,819.75)		(5,139.81)	(207,959.56)	(822,235.08)
11	Dec-06		1,621,206.15		(83.54)	1,621,122.61	798,887.53
12	Jan-07		863,104.51		8,836.61	871,941.12	1,670,828.65
13	Feb-07		888,453.80		15,189.62	903,643.42	2,574,472.07
14	Mar-07		110,318.06		18,885.13	129,203.19	2,703,675.26
15	Apr-07		1,208,344.89		23,755.86	1,232,100.75	3,935,776.01
16	May-07		414,151.84		29,752.58	443,904.42	4,379,680.43
17	Jun-07		(707,430.79)		28,913.14	(678,517.65)	3,701,162.78
18	Jul-07		(1,511.41)		26,575.09	25,063.68	3,726,226.46
19	Aug-07		(420,011.95)		25,252.32	(394,759.63)	3,331,466.83
20	Sep-07		(651,105.90)		21,587.47	(629,518.43)	2,701,948.40
21	Oct-07	1	(2,014,133.00)	(2,701,948.40)	(7,232.42)	(4,723,313.82)	(2,021,365.42)
22	Nov-07		879,987.26		(11,356.89)	868,630.37	(1,152,735.05)
23	Dec-07		1,746,249.09		(2,008.07)	1,744,241.02	591,505.97
24	Jan-08		1,008,778.75		7,870.36	1,016,649.11	1,608,155.08
25	Feb-08		775,198.96		14,332.84	789,531.80	2,397,686.88
26	Mar-08		1,186,963.01		21,481.57	1,208,444.58	3,606,131.46
27	Apr-08		1,525,944.67		31,377.45	1,557,322.12	5,163,453.58
28	May-08		(457,167.12)		35,440.59	(421,726.53)	4,741,727.05
29	Jun-08		(1,858,227.66)		27,380.92	(1,830,846.74)	2,910,880.31
30	Jul-08		(627,492.94)		18,651.75	(608,841.19)	2,302,039.12
31	Aug-08		(139,193.99)		16,032.66	(123,161.33)	2,178,877.79
32	Sep-08		(116,822.48)		15,228.48	(101,594.00)	2,077,283.79
33	Oct-08		43,213.07	(2,077,283.79)	155.17	(2,033,915.55)	43,368.24
34	Nov-08		2,677,075.86		9,924.39	2,687,000.25	2,730,368.49
35	Dec-08		2,412,358.44		28,270.97	2,440,629.41	5,170,997.90
36	Jan-09		743,986.01		39,807.91	783,793.92	5,954,791.82
37	Feb-09		2,821,585.26		52,897.17	2,874,482.43	8,829,274.25
38	Mar-09		1,603,581.00		69,167.10	1,672,748.10	10,502,022.35
39	Apr-09		1,561,733.30		81,029.95	1,642,763.25	12,144,785.60
40	May-09		(531,439.15)		85,311.49	(446,127.66)	11,698,657.94
41	Jun-09		(195,721.35)		83,313.06	(112,408.29)	11,586,249.65
42	Jul-09		(236,995.62)		82,357.57	(154,638.05)	11,431,611.60
43	Aug-09		(190,034.65)		81,415.64	(108,619.01)	11,322,992.59
44	Sep-09		(37,631.70)		81,182.83	43,551.13	11,366,543.72
45	Oct-09		(503,811.79)	(11,366,543.72)	(1,809.10)	(11,872,164.61)	(505,620.89)
46	Nov-09		2,161,304.47		4,129.68	2,165,434.15	1,659,813.26
47	Dec-09		4,270,808.79		27,255.99	4,298,064.78	5,957,878.04
48	Jan-10		2,275,554.18		50,958.63	2,326,512.81	8,284,390.85
49	Feb-10		2,823,898.01		69,635.88	2,893,533.89	11,177,924.74
50	Mar-10		1,619,089.54		86,090.01	1,705,179.55	12,883,104.29
51	Apr-10		1,108,542.12		96,502.75	1,205,044.87	14,088,149.16
52	May-10		1,239,531.22		105,627.34	1,345,158.56	15,433,307.72
53	Jun-10		(1,780,002.09)		104,445.18	(1,675,556.91)	13,757,750.81
54	Jul-10		(479,547.14)		97,081.61	(382,465.53)	13,375,285.28
55	Aug-10				96,056.84	96,056.84	13,471,342.12
56	Sep-10				96,746.69	96,746.69	13,568,088.81
57	Oct-10						
58							
59							
60							
61							
62							
63							
64							
65							
66							
67							
68							

**Amount Deferred during Oct 09 - Sep 10 with interest: 13,568,088.81**

NOTES

Deferral to this account will be opposite sign of column J of each month's supporting Decoupling Worksheet

1 - transfer to Amorization account 186277



Company: Northwest Natural Gas Company  
 State: Oregon  
 Description: Amortization of Oregon Residential Decoupling  
 Account Number: 186277

1	Debit	(Credit)						
2								
3						Interest		
4	Month/Year	Note	Amortization	Transfers	Interest	Rate	Activity	Balance
5	(a)	(b)	(c)	(d)	(e1)	(e2)	(f)	(g)
6								
7	Beginning Balance							
8	Sep-06							(564,614.55)
9	Oct-06		(156,617.95)	(891,599.35)	(11,020.43)		(1,059,237.73)	(1,623,852.28)
10	Nov-06		(171,595.01)		(12,278.13)		(183,873.14)	(1,807,725.42)
11	Dec-06		105,994.55		(12,601.87)		93,392.68	(1,714,332.74)
12	Jan-07		133,677.71		(11,831.75)		121,845.96	(1,592,486.78)
13	Feb-07		121,916.88		(10,998.93)		110,917.95	(1,481,568.83)
14	Mar-07		85,546.30		(10,332.95)		75,213.35	(1,406,355.48)
15	Apr-07		61,106.87		(9,880.55)		51,226.32	(1,355,129.16)
16	May-07		45,574.07		(9,568.44)		36,005.63	(1,319,123.53)
17	Jun-07		26,729.13		(9,377.53)		17,351.60	(1,301,771.93)
18	Jul-07		18,560.64		(9,282.24)		9,278.40	(1,292,493.53)
19	Aug-07		15,865.13		(9,225.29)		6,639.84	(1,285,853.69)
20	Sep-07		16,976.16		(9,173.61)		7,802.55	(1,278,051.14)
21	Oct-07	1	33,388.05	2,701,948.40	10,345.85		2,745,682.30	1,467,631.16
22	Nov-07	old rates	36,075.28		10,669.58		46,744.86	1,514,376.02
23		new rates	(106,221.92)		(381.43)		(106,603.35)	1,407,772.67
24	Dec-07		(394,210.78)		8,694.61		(385,516.17)	1,022,256.50
25	Jan-08		(478,636.42)		5,622.80		(473,013.62)	549,242.88
26	Feb-08		(467,314.03)		2,266.43		(465,047.60)	84,195.28
27	Mar-08		(337,745.11)		(608.12)		(338,353.23)	(254,157.95)
28	Apr-08		(333,477.40)		(3,022.74)		(336,500.14)	(590,658.09)
29	May-08		(213,652.71)		(5,009.10)		(218,661.81)	(809,319.90)
30	Jun-08		(128,628.28)		(6,274.15)		(134,902.43)	(944,222.33)
31	Jul-08		(78,871.17)		(5,803.58)		(84,674.75)	(1,028,897.08)
32	Aug-08		(59,501.88)		(3,767.02)		(63,268.90)	(1,092,165.98)
33	Sep-08		(64,734.21)		(4,001.46)		(68,735.67)	(1,160,901.65)
34	Oct-08	1	(100,896.52)	2,077,283.79	10,607.97		1,986,995.24	826,093.59
35	Nov-08	old rates	(112,433.67)		2,739.48		(109,694.19)	716,399.40
36		new rates	(20,990.83)		(37.35)		(21,028.18)	695,371.22
37	Dec-08		(97,016.97)		2,301.75		(94,715.22)	600,656.00
38	Jan-09		(139,671.79)		1,888.83		(137,782.96)	462,873.04
39	Feb-09		(121,318.44)		1,431.21		(119,887.23)	342,985.81
40	Mar-09		(107,172.00)		1,029.78		(106,142.22)	236,843.59
41	Apr-09		(80,081.84)		700.29		(79,381.55)	157,462.04
42	May-09		(47,325.13)		476.10		(46,849.03)	110,613.01
43	Jun-09		(24,643.88)		349.75		(24,294.13)	86,318.88
44	Jul-09		(18,078.29)		274.99		(17,803.30)	68,515.58
45	Aug-09		(15,088.33)		216.96		(14,871.37)	53,644.21
46	Sep-09		(16,613.55)		161.33		(16,452.22)	37,191.99
47	Oct-09		(26,816.30)	11,366,543.72	40,530.58		11,380,258.00	11,417,449.99
48	Nov-09	old rates	(35,524.76)		40,563.89		5,039.13	11,422,489.12
49		new rates	(459,390.38)		(392.40)	2.05%	(459,782.78)	10,962,706.34
50	Dec-09		(1,745,752.70)		17,236.79	2.05%	(1,728,515.91)	9,234,190.43
51	Jan-10		(1,891,194.24)		14,159.68	2.05%	(1,877,034.56)	7,357,155.87
52	Feb-10		(1,327,328.85)		11,434.71	2.05%	(1,315,894.14)	6,041,261.73
53	Mar-10		(1,141,120.14)		9,345.78	2.05%	(1,131,774.36)	4,909,487.37
54	Apr-10		(1,076,922.70)		7,467.17	2.05%	(1,069,455.53)	3,840,031.84
55	May-10		(780,719.37)		5,893.19	2.05%	(774,826.18)	3,065,205.66
56	Jun-10		(564,222.78)		4,754.45	2.05%	(559,468.33)	2,505,737.33
57	Jul-10		(330,182.04)		3,998.60	2.05%	(326,183.44)	2,179,553.89
58	Aug-10	forecast	(243,095.93)		3,515.76	2.05%	(239,580.17)	1,939,973.72
59	Sep-10	forecast	(283,581.93)		3,071.90	2.05%	(280,510.03)	1,659,463.69
60	Oct-10							
61								
62								
63								
64								

**Amount Amortized during Oct 09 - Sep 10 with interest: (9,744,272.02)**

NOTES

1 - transfer from Deferral account 186275

Company: Northwest Natural Gas Company  
 State: Oregon  
 Description: Deferral of Oregon Commercial Decoupling  
 Account Number: 186270  
 Authorized in docket UG 143 and UM 1027  
 Last deferral reauthorization was Order 09-426 in UM 1027 (7)

1	Debit	(Credit)					
2					8.618%		
3					Interest	Activity	Balance
4	Month/Year	Note	Deferral	Transfers	(e)	(f)	(g)
5	(a)	(b)	(c)	(d)			
6							
7	Beginning Balance						(1,610,605.28)
8	Sep-06						
9	Oct-06		(730,559.18)	1,610,605.28	(2,623.32)	877,422.78	(733,182.50)
10	Nov-06		262,845.86		(4,321.64)	258,524.22	(474,658.28)
11	Dec-06		432,392.92		(1,856.19)	430,536.73	(44,121.55)
12	Jan-07		(326,012.35)		(1,487.52)	(327,499.87)	(371,621.42)
13	Feb-07		(201,783.61)		(3,393.43)	(205,177.04)	(576,798.46)
14	Mar-07		(232,950.13)		(4,978.86)	(237,928.99)	(814,727.45)
15	Apr-07		115,386.93		(5,436.77)	109,950.16	(704,777.29)
16	May-07		73,139.62		(4,798.84)	68,340.78	(636,436.51)
17	Jun-07		(357,277.04)		(5,853.60)	(363,130.64)	(999,567.15)
18	Jul-07		65,255.19		(6,944.24)	58,310.95	(941,256.20)
19	Aug-07		(200,209.37)		(7,478.71)	(207,688.08)	(1,148,944.28)
20	Sep-07		(406,194.47)		(9,709.91)	(415,904.38)	(1,564,848.66)
21	Oct-07	1	(825,906.88)	1,564,848.66	(2,965.69)	735,976.09	(828,872.57)
22	Nov-07		261,719.91		(5,012.89)	256,707.02	(572,165.55)
23	Dec-07		310,249.19		(2,995.05)	307,254.14	(264,911.41)
24	Jan-08		(649,628.89)		(4,235.21)	(653,864.10)	(918,775.51)
25	Feb-08		(272,028.21)		(7,575.15)	(279,603.36)	(1,198,378.87)
26	Mar-08		(284,716.46)		(9,628.73)	(294,345.19)	(1,492,724.06)
27	Apr-08		(241,537.84)		(11,587.57)	(253,125.41)	(1,745,849.47)
28	May-08		50,129.73		(12,358.10)	37,771.63	(1,708,077.84)
29	Jun-08		(980,714.18)		(15,788.43)	(996,502.61)	(2,704,580.45)
30	Jul-08		257,460.60		(18,498.90)	238,961.70	(2,465,618.75)
31	Aug-08		(184,684.49)		(18,370.42)	(203,054.91)	(2,668,673.66)
32	Sep-08		(91,283.25)		(19,493.31)	(110,776.56)	(2,779,450.22)
33	Oct-08		(469,361.29)	2,779,450.22	(1,685.40)	2,308,403.53	(471,046.69)
34	Nov-08		944,854.89		9.92	944,864.81	473,818.12
35	Dec-08		347,980.78		4,652.34	352,633.12	826,451.24
36	Jan-09		(513,420.99)		4,091.69	(509,329.30)	317,121.94
37	Feb-09		383,576.59		3,654.82	387,231.41	704,353.35
38	Mar-09		(85,630.27)		4,750.95	(80,879.32)	623,474.03
39	Apr-09		(345,799.24)		3,235.88	(342,563.36)	280,910.67
40	May-09		114,887.12		2,429.95	117,317.07	398,227.74
41	Jun-09		7,419.19		2,886.58	10,305.77	408,533.51
42	Jul-09		100,100.72		3,293.40	103,394.12	511,927.63
43	Aug-09		21,253.23		3,752.81	25,006.04	536,933.67
44	Sep-09		(30,411.27)		3,746.88	(26,664.39)	510,269.28
45	Oct-09		(187,794.14)	(510,269.28)	(674.34)	(698,737.76)	(188,468.48)
46	Nov-09		486,807.89		394.53	487,202.42	298,733.94
47	Dec-09		633,635.11		4,420.69	638,055.80	936,789.74
48	Jan-10		465,969.45		8,400.93	474,370.38	1,411,160.12
49	Feb-10		954,560.30		13,562.15	968,122.45	2,379,282.57
50	Mar-10		317,097.15		18,225.86	335,323.01	2,714,605.58
51	Apr-10		37,409.80		19,629.72	57,039.52	2,771,645.10
52	May-10		88,924.47		20,224.34	109,148.81	2,880,793.91
53	Jun-10		(565,750.38)		18,657.39	(547,092.99)	2,333,700.92
54	Jul-10		98,039.74		17,111.91	115,151.65	2,448,852.57
55	Aug-10				17,586.84	17,586.84	2,466,439.41
56	Sep-10				17,713.15	17,713.15	2,484,152.56
57	Oct-10				17,840.36	17,840.36	2,501,992.92
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62	NOTES						
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65	1 - transfer to Amorization account 186271						
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68							

Amount Deferred during Oct 09 - Sep 10 with interest: 2,501,992.92



August 30, 2010

**NOTICE OF APPLICATION FOR REAUTHORIZATION OF  
DEFERRED ACCOUNTING OF  
REFUNDS OR COLLECTIONS OF DISTRIBUTION MARGIN**

**To All Parties Who Participated in UG 152:**

Please be advised that today Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), applied for reauthorization of deferred accounting of refunds or collections of distribution margin. Copies of the Company's application are available for inspection at its main office.

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

Parties who desire more information or who wish to obtain a copy of the filing, or notice of the time and place of any hearing, if scheduled, should contact the Company or the Public Utility Commission of Oregon as follows:

**NW Natural**  
**Attn: Jennifer Gross**  
**220 NW Second Ave.**  
**Portland, Oregon 97209-3991**  
**Telephone: (503) 226-4211, ext. 3590**

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

Any person may submit written comments on this application to the Commission within 25 days of the date of this application. The granting of this application will not authorize a change in rates, but will permit the Company to defer amounts in rates to a subsequent proceeding.

\* \* \* \* \*

# EXHIBIT C



## CERTIFICATE OF SERVICE

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

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DATED this 30th day of August, 2010  
Respectfully submitted,  
NW NATURAL

/s/ Kelley C. Miller

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