

Rates and Regulatory Affairs
Facsimile: 503.721.2516



February 3, 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 1420:** Application for Reauthorization to Defer Accounting of
NW Natural's Industrial DSM Program Costs

Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"),
files herewith the above-referenced Application for Reauthorization to Defer Accounting of NW
Natural's Industrial DSM Program Costs.

Attached as support of this request is a Memorandum of Understanding (MOU)
signed by the Company, OPUC Staff, Citizens' Utility Board (CUB) and Northwest Industrial Gas
Users (NWIGU). This MOU outlines the agreed to terms and conditions related to the
Company's offering of Industrial DSM.

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 certificate of service and a copy of
the notice are attached as Exhibit C.

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

Sincerely,

/s/ Inara Scott

Inara K. Scott
Manager, Regulatory Affairs

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**

3
4 **UM 1420**

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8 In the Matter of NW Natural Gas Company's)
9 Application for Authorization) APPLICATION FOR
10 For Deferred Accounting of Expenses) REAUTHORIZATION TO
11 For Industrial Demand Side Management) DEFERRED ACCOUNTING
12 Programs)
13
14
15

16 In accordance with ORS 757.259, ORS 757.262, and OAR 860-027-0300, NW
17 Natural Gas Company ("NW Natural" or the "Company") files this application
18 ("Application") with the Public Utility Commission of Oregon ("Commission") for an order
19 reauthorizing the Company to record and defer with interest all costs associated with
20 studying, planning, administering, and delivering Demand Side Management ("DSM")
21 programs to Industrial Firm Sales Customers,¹ Industrial Interruptible Sales Customers,²
22 and Schedule 32 Commercial Sales Customers³

23 **I. INTRODUCTION**

24 The Company has offered DSM programs to its Residential and Commercial
25 customers since 2002⁴. This Application is made in furtherance of the Company's effort

1 Industrial firm customers served on the Company's Rate Schedules 3, 31, and 32.

2 Industrial interruptible customers served on the Company's Rate Schedules 31 and 32.

3 Commercial customers served on Rate Schedule 32.

4 The Company established Residential and Commercial DSM programs in accordance with Commission Order No. 02-634, which approved the Company's Residential and Commercial decoupling mechanism. *Re NW Natural Gas Co.'s Application for Public Purposes Funding and Distribution Margin Normalization*, Docket UG 143, Order No. 02-634 at 4-5 (Sept. 12, 2002). Because decoupling removes the risk of experiencing a lost margin when customers adopt efficiency measures, it made sense to simultaneously introduce DSM programs. Order No. 02-634 also established the Company's public purpose charge which, in part, funds the Company's Residential and Commercial DSM programs. As agreed to by parties of both decoupling dockets (UG 143 and UG 163), industrial customers were exempt from the decoupling mechanism and the public purpose charge. *Id.*; *Re NW Natural Gas Co. Investigation Regarding Possible Continuation of Distribution Margin Normalization Tariff*, Docket UG 163, Order No. 05-934 (Aug. 25, 2005). Commercial customers served on Rate Schedule 32 were considered industrial customers at the time Commission Order No. 02-634

1 to continue offering DSM incentives to its industrial customers as described in this
2 Application (“Industrial DSM Program”). This program began one year ago in response
3 to NW Natural’s 2008 Integrated Resource Plan (“IRP”) wherein the Company identified
4 the potential acquisition of 22 thousand therms of cost-effective energy savings from its
5 Industrial Firm Sales customers in 2008-2009 and 25 thousand therms in 2009-2010.⁵
6 The natural gas consumption of Industrial Firm Sales Customers could be reduced by
7 570 thousand therms by 2028.⁶

8 The Industrial DSM Program also pursues the acquisition of cost-effective DSM
9 for Schedule 32 Commercial Sales Customers and Industrial Interruptible Sales
10 Customers to enhance the overall energy savings potential.

11 The Company’s Industrial DSM Program acquires a least cost resource in
12 accordance with ORS 757.262, which allows the Commission to adopt policies designed
13 to encourage the acquisition of cost-effective conservation resources. As such, the
14 Commission should grant the Company’s request for deferral of expenses associated
15 with delivering an industrial DSM program.

16 **II. NOTICE**

17 NW Natural hereby waives service by means other than service by electronic
18 mail. Consistent with that waiver, communications regarding this Application should be
19 addressed to all of the following:

20 Rates and Regulatory Affairs	Jennifer Gross
21 NW Natural	Tariff & Regulatory Compliance Consultant
22 220 NW Second Avenue	NW Natural
23 Portland, Oregon 97209	220 NW Second Avenue
24 Telephone: (503) 226-4211 x3589	Portland, Oregon 97209
25 Facsimile: (503) 721-2516	Telephone: (503) 226-4211 x3590
26 E-mail: efiling@nwnatural.com	Facsimile: (503) 721-2516
27	E-mail: jennifer.gross@nwnatural.com

was issued and were, therefore, excluded from the DSM programs considered therein, as described below. *See id.*

⁵ *Re NW Natural’s 2008 Integrated Resource Plan*, Docket LC 45, Integrated Resource Plan at 4-7 (Apr. 15, 2008).

⁶ *Id.*

1
2 **III. DEFERRED ACCOUNTING RULE REQUIREMENTS**

3 The following information is provided pursuant to the requirements set forth in
4 OAR 860-027-0300(3) and (4), and Commission Order No. 09-263.

5 **A. Description of Utility Expense – OAR 860-27-0300(3)(a)**

6 In this Application, the Company is requesting to defer the costs associated with
7 studying, planning, administering, and delivering its Industrial DSM Program. This
8 program seeks to acquire cost-effective DSM for Industrial Firm Sales Customers, in
9 accordance with the finding in the Company’s 2008 IRP that potential savings are
10 available for this customer class. The program acquires DSM for Industrial Firm Sales
11 Customers and Schedule 32 Commercial Customers to the extent it is cost-effective,
12 and cost-effective DSM for Industrial Interruptible Sales Customers such that costs for
13 this portion of the program do not exceed \$500,000 per year.

14 The Company and interested parties—Commission Staff, Citizens’ Utility Board,
15 and Northwest Industrial Gas Users—have agreed as evidenced in the attached and
16 signed Memorandum of Understanding (“MOU”)⁷ that simultaneously administering
17 programs for Industrial Firm Sales Customers, Industrial Interruptible Sales Customers,
18 and Schedule 32 Commercial Sales Customers is beneficial to customers, because a
19 larger customer base increases the energy savings potential and allows costs to be
20 spread more broadly, thus reducing the impact of rates related to the Industrial DSM
21 Program.

22 The Energy Trust of Oregon (“Energy Trust”) administers the Company’s
23 Industrial DSM Program. The Energy Trust is a non-profit organization established in
24 response to Oregon’s electric deregulation legislation, which requires third-party

⁷ See attached Exhibit A.

1 administration of independently owned electric utilities' DSM programs.⁸ The Energy
2 Trust currently administers NW Natural's Residential and Commercial DSM programs,⁹
3 as well as the Company's pilot Industrial DSM program for which this Application seeks
4 approval to defer costs.

5 The Company's Industrial DSM Program complies with the stipulation adopted in
6 Commission Order No. 05-934. That stipulation prevents the Company from charging
7 the Schedule 301, Public Purpose Charge to industrial customers served on Schedules
8 3, 31, 32, and special contracts, and prevents those customers from being eligible for
9 Energy Trust DSM programs funded by the Public Purpose Charge.¹⁰ The Industrial
10 DSM Program discussed in this Application will not be charged under Schedule 301.
11 Instead, the Company will defer all costs associated with the administration and delivery
12 of the Industrial DSM Program for the 12-month period, March 1, 2010, through
13 February 28, 2011, for future amortization among Industrial Firm Sales Customers,
14 Industrial Interruptible Sales Customers, and Schedule 32 Commercial Sales Customers
15 in the Company's next annual Purchased Gas Adjustment Mechanism. The signatories
16 to the attached MOU have agreed to support amortization of these costs to these
17 customer classes.

18 **B. Reasons for Deferral – OAR 860-027-0300(3)(b)**

19 The Company requests deferral of the costs associated with the administration
20 and delivery of the Industrial DSM Program. ORS 757.259(2)(e) allows the deferral of
21 utility expenses where necessary to match appropriately the costs borne by and benefits
22 received by ratepayers. This request seeks to align the benefits customers receive from

⁸ ORS 757.612(3)(c).

⁹ Order No. 02-634 requires third party administration of NW Natural's Residential and Commercial DSM programs. *Re NW Natural Gas Co.'s Application for Public Purposes Funding and Distribution Margin Normalization*, Docket UG 143, Order No. 02-634 at 5 (Sept. 12, 2002).

¹⁰ *Re NW Natural Gas Co. Investigation Regarding Possible Continuation of Distribution Margin Normalization Tariff*, Docket UG 163, Order No. 05-934, Appendix A at 3 (Aug. 25, 2005).

1 the Company's Industrial DSM Program with the costs of the program by allowing the
2 Company to defer for later inclusion in rates the costs of the program.

3 **C. Proposed Accounting – OAR 860-027-0300(3)(c)**

4 NW Natural proposed to account for the deferred expenses related to the
5 Industrial DSM Program by recording the deferral in a sub-account of Account 186
6 (Miscellaneous Deferred Debits). In the absence of deferred accounting, the Company
7 would record Industrial DSM Program expenses in the appropriate sub-account of FERC
8 Account 909.

9 **D. Estimate of Amounts – OAR 860-027-0300(3)(d)**

10 The Company estimates the amount to be recorded in the deferred account for
11 the 12-month period beginning March 1, 2010, through February 28, 2011 to be
12 approximately \$1,750,000.

13 **E. Descriptions of Entries Deferred under UM 1420 – OAR 860-027-0300(4)(a)**

14 Exhibit B, which is attached, demonstrates all amounts deferred to date under
15 UM 1420.

16 **F. Reason for Continued Deferral – OAR 860-027-0300(4)(b)**

17 The Company continues to offer its Industrial DSM Program in accordance with
18 the MOU attached as Exhibit A. The MOU outlines a two-year pilot program that seeks
19 to acquire cost-effective DSM for Industrial Firm Sales, Industrial Sales Interruptible, and
20 Commercial Schedule 32 customers. The acquisition of cost-effective DSM is in
21 compliance with OAR 860-027-0310 which encourages utilities to provide the least cost
22 resources as identified in its most recent IRP.

23 **G. Requirements per Commission Order No. 09-263**

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

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

4 Exhibit B is the Summary Sheet which shows the amounts deferred in 2009.
5 Exhibit B will be included in the 2010 PGA filing work papers and in the
6 electronic file entitled "Proposed Temps Oregon 2010-11 PGA filing.xls."

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

8 This application is for the 12-month period beginning March 1, 2010 and
9 ending February 28, 2011.

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

11 Approval to defer costs associated with the Industrial DSM Program was last
12 granted under Commission Order No. 09-092.

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

14 \$696,000 was deferred in the last deferral year of March 1, 2009, through
15 February 28, 2010. This amount includes \$21,000 of interest.

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

17 No amount deferred under UM 1420 was amortized in 2009.

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

19 The interest rate for deferral accounts is 8.618%.

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

21 In the 2010 PGA filing, the Company estimates that it will seek to amortize
22 \$938,000 for Industrial DSM-related costs.

23 **H. Notice**

24 A copy of the Notice of Application and a Certificate of Service are attached to
25 this Application as Exhibit C.

1 **IV. CONCLUSION**

2 NW Natural respectfully requests that, in accordance with ORS 757.259, the
3 Commission authorize the Company to defer the expenses described in this Application.

4 DATED: February 3, 2010

5 Sincerely,

6 /s/ Inara Scott

7 _____
8 Inara K. Scott
9 NW Natural Gas
10 Manager, Regulatory Affairs
11 220 NW Second Ave
12 Portland, Oregon 97209
13

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

In the Matter of NW Natural Gas Company's)
Application for Authorization)
For Deferred Accounting of Expenses) Memorandum of Understanding
For Industrial Demand Side Management)
Programs)

This Memorandum of Understanding ("MOU") is entered into for the purpose of resolving the issues among the parties to this MOU related to NW Natural Gas Company's ("NW Natural" or the "Company") industrial demand side management program ("Industrial DSM Program") and funding for the Program.

PARTIES

1. The parties to this MOU are Staff of the Public Utility Commission of Oregon ("Staff"), the Citizens' Utility Board ("CUB"), the Northwest Industrial Gas Users ("NWIGU"), and NW Natural (together, the "Parties").

BACKGROUND

2. The Company currently offers DSM programs to its residential and most of its commercial sales customers.¹ The Company established residential and commercial sales DSM programs in accordance with the Stipulation adopted by the Commission in Order No. 02-634.² That Stipulation also established the Company's public purpose charge that funds the Company's residential and commercial sales DSM programs as well as low income weatherization programs.³ As agreed to by parties to both decoupling dockets (UG 143 and UG

¹ Commercial Customers served on Rate Schedule 32 were classified as Industrial customers when Order No. 02-634 was issued, so these customers are not served under the DSM programs or charged the public purpose charge required therein. See *Re NW Natural Gas Co.'s Application for Public Purposes Funding and Distribution Margin Normalization*, Docket UG 143, Order No. 02-634 at 3-4 (Sept. 12, 2002).

² Order No. 02-634 at 3-4.

³ *Id.* at 4-5.

Exhibit A

163), industrial customers were exempt from the decoupling mechanism and the public purpose charge.⁴

3. In its most recent Integrated Resource Plan (“IRP”), NW Natural found that it could potentially save 22,000 therms of energy per year from Industrial Firm Sales Customers.⁵ The cumulative achievable savings for industrial firm sales energy efficiency programs in Oregon could reduce consumption by 540 thousand therms by 2022 and approximately 570 thousand therms by 2028.⁶ The amount of DSM that may be available to the Company on a cost-effective basis for Interruptible Sales Customers⁷ is not known because the IRP does not plan for these customers. Schedule 32 Commercial Customers were not studied as a customer class separate from other commercial customers.

4. The Parties have agreed that simultaneously developing industrial DSM programs for Industrial Firm Sales Customers, Industrial Interruptible Sales Customers, and Schedule 32 Commercial Customers would prove beneficial to customers, because a larger customer base would increase energy savings and allow costs to be spread more broadly, thus reducing the impact of rates related to industrial DSM. The Company plans to develop such a program (“Industrial DSM Program”) for these three classes of customers that is separate from the programs for residential and commercial sales customers that already exist.

5. The MOU adopted by the Commission in Order No. 05-934 prevents the Company from charging the Schedule 301, Public Purpose Charge to industrial customers served on Schedules 3, 31, and 32 and special contracts, and prevents those customers from being eligible for Energy Trust of Oregon (“Energy Trust”) funding for DSM programs.⁸ The

⁴ *Id.*; *Re NW Natural Gas Co. Investigation Regarding Possible Continuation of Distribution Margin Normalization Tariff*, Docket UG 163, Order No. 05-934, Appendix A at 3 (Aug. 25, 2005).

⁵ *Re NW Natural’s 2008 Integrated Resource Plan*, Docket LC 45, Integrated Resource Plan at 4-7 (April 15, 2008). Firm Industrial Sales Customers include industrial firm customers served on the Company’s Rate Schedules 3, 31, and 32.

⁶ *Id.*

⁷ Interruptible Sales Customers are industrial interruptible customers served on the Company’s Schedules 31 and 32.

⁸ *Re NW Natural Gas Co. Investigation Regarding Possible Continuation of Distribution Margin Normalization Tariff*, Docket UG 163, Order No. 05-934, Appendix A at 3 (Aug. 25, 2005).

Exhibit A

Parties have entered into this MOU in part to clarify that the Stipulation adopted in Order No. 05-934 does not prevent industrial customers from participating in or being charged for the Company's Industrial DSM Program as it is delineated in this MOU.

6. The Energy Trust is a non-profit organization established in response to Oregon's electric deregulation legislation, which requires third-party administration of independently owned electric utilities' DSM programs.⁹ The Energy Trust currently administers NW Natural's residential and commercial sales DSM programs.

7. NW Natural is filing this MOU as supporting documentation to its Application for Deferred Accounting ("Application") for the costs associated with studying, planning, administering, and delivering Industrial DSM.

III. AGREEMENT

8. Using funds provided by NW Natural, the Energy Trust will provide cost effective DSM as identified in the Company's 2008 IRP to Industrial Firm Sales Customers and future analysis of DSM potential. The Energy Trust will also study the availability of DSM for Industrial Interruptible Sales Customers and Schedule 32 Commercial Sales Customers. The Energy Trust will offer DSM to Industrial Firm Sales Customers and Schedule 32 Commercial Firm Sales customers to the extent it is cost-effective; the Energy Trust will also provide cost-effective DSM to Industrial Interruptible customers for a pilot period of 2 years, at an annual cost not to exceed \$500,000.

9. The Energy Trust will develop, administer, and deliver NW Natural's Industrial DSM Program.

10. Staff, CUB, and NWIGU agree that the Commission should grant NW Natural's Application in order to appropriately align the benefits customers receive from the Company's Industrial DSM Program with the costs of the program.

⁹ ORS 757.612(3)(c).

11. NW Natural will request that the costs deferred as a result of its Application be amortized for recovery across Industrial Firm Sales Customers, Industrial Interruptible Sales Customers, and Schedule 32 Commercial Sales Customers. NW Natural will request authorization to defer costs of the Industrial DSM Program each year for two years, after which time the Parties will review the success of this plan. The Parties will specifically review the inclusion of Industrial Interruptible Sales Customers and future program budgets.

12. The Parties agree to support and recommend that the Commission support NW Natural's request to recover the costs of Industrial DSM in the manner described in paragraph 11.

13. By entering into this MOU, no Party shall be deemed to have approved, admitted, or consented to the facts, principles, methods, or theories employed by any other Party in arriving at the terms of this MOU, other than those specifically identified in the body of this MOU. No Party shall be deemed to have agreed that any provision of this MOU is appropriate for resolving issues in any other proceeding, except as specifically identified in this MOU.

14. This MOU may be executed in counterparts and each signed counterpart shall constitute an original document.

This MOU is entered into by each party on the date entered below such Party's signature.

NWIGU

STAFF

By: _____

By: _____

Date: _____

Date: _____

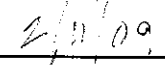
CUB

NW NATURAL

By: _____

By:  _____

Date: _____

Date:  _____

11. NW Natural will request that the costs deferred as a result of its Application be amortized for recovery across Industrial Firm Sales Customers, Industrial Interruptible Sales Customers, and Schedule 32 Commercial Sales Customers. NW Natural will request authorization to defer costs of the Industrial DSM Program each year for two years, after which time the Parties will review the success of this plan. The Parties will specifically review the inclusion of Industrial Interruptible Sales Customers and future program budgets.

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NWIGU

STAFF

By: Paula E. Ayron

By: _____

Date: 2/11/09

Date: _____

CUB

NW NATURAL

By: _____

By: _____

Date: _____

Date: _____

Exhibit A

11. NW Natural will request that the costs deferred as a result of its Application be amortized for recovery across Industrial Firm Sales Customers, Industrial Interruptible Sales Customers, and Schedule 32 Commercial Sales Customers. NW Natural will request authorization to defer costs of the Industrial DSM Program each year for two years, after which time the Parties will review the success of this plan. The Parties will specifically review the inclusion of Industrial Interruptible Sales Customers and future program budgets.

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This MOU is entered into by each party on the date entered below such Party's signature.

NWIGU

STAFF

By: _____

By: Bonnie B. Jaton

Date: _____

Date: February 10, 2009

CUB

NW NATURAL

By: _____

By: _____

Date: _____

Date: _____

Exhibit A

11. NW Natural will request that the costs deferred as a result of its Application be amortized for recovery across Industrial Firm Sales Customers, Industrial Interruptible Sales Customers, and Schedule 32 Commercial Sales Customers. NW Natural will request authorization to defer costs of the Industrial DSM Program each year for two years, after which time the Parties will review the success of this plan. The Parties will specifically review the inclusion of Industrial Interruptible Sales Customers and future program budgets.

12. The Parties agree to support and recommend that the Commission support NW Natural's request to recover the costs of Industrial DSM in the manner described in paragraph 11.

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14. This MOU may be executed in counterparts and each signed counterpart shall constitute an original document.

This MOU is entered into by each party on the date entered below such Party's signature.

NWIGU

STAFF

By: _____

By: _____

Date: _____

Date: _____

CUB

NW NATURAL

By: *Bl. Adams*

By: _____

Date: 2-11-09

Date: _____

Exhibit B

**Northwest Natural Industrial DSM Pilot Project
Budget
12/30/2009**

	Year 1 3/1/09 - 2/28/10	Year 2 3/1/10 - 2/28/11	TOTAL	original fcst 2009	updated fcst 2009	2010 - 2 mo's	2010 - 10 mo's	2010 total	2011
Carryover from prior year		569,537			-	561,417	561,417	561,417	268,908
Revenue, per agreement	900,000	1,750,000	2,650,000	750,000	750,000	150,000	1,458,333	1,608,333	291,667
Amount to be refunded to NWN	(65,286)	(27,524)	(92,810)	-	(65,286)	-	-	-	-
Total available	834,714	2,292,013	2,557,190	750,000	684,714	711,417	2,019,750	2,169,750	560,575
Incentives, accounting basis	61,812	1,494,927	1,556,739	59,340	43,739	18,073	1,139,927	1,158,000	355,000
All Other Costs	203,365	797,086	1,000,451	79,558	79,558	123,807	619,035	742,842	178,051
TOTAL	265,177	2,292,013	2,557,190	138,898	123,297	141,880	1,758,962	1,900,842	533,051
Net Revenue, accounting basis, before refund	634,823	(542,013)	-	611,102	626,703	8,120	(300,629)	(292,509)	(241,384)
Cumulative net revenue, after refund	569,537	-		611,102	561,417	569,537	260,788	268,908	27,524

End of Calendar Year - commitments versus carryover	--- estimated as of: 12/30/2009		
	2009	2010	2011
Carryover as of 12/31 each calendar year	626,703	268,908	27,524
Commitments as of 12/31 each calendar year:			
Studies	33,078	-	-
Projects	528,339	355,000	-
Total	561,417	355,000	-
Amount to be refunded to NWN, if any	65,286	-	27,524
Amount to be carried forward to next calendar yea	561,417	268,908	-



February 3, 2010

**NOTICE OF APPLICATION FOR REAUTHORIZATION TO
DEFER ACCOUNTING OF INDUSTRIAL DEMAND SIDE MANAGEMENT (DSM)
PROGRAM COSTS**

To All Parties Who Participated in UG 152:

Please be advised that today Northwest Natural Gas Company, dba NW Natural (“NW Natural” or “Company”), applied for reauthorization to defer Industrial Demand Side Management (DSM) Program costs, pursuant to the provisions of ORS 757.259(2)(e). Copies of the Company’s application are available for inspection at its main office.

This is not a rate case. The purpose of this Notice is to inform parties that participated in the Company’s most recent general rate case, UG 152, that the Application was filed.

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

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

Public Utility Commission of Oregon
Attn: Judy Johnson
550 Capitol St., NE, Ste 215
PO Box 2148
Salem, Oregon 97308-2148
Telephone: (503) 378-6636

Any person may submit to the Commission written comments on this matter no sooner than 25 days from the date of this Application. The granting of this Application will not authorize a change in rates, but will permit the Company to defer amounts in rates to a subsequent proceeding.



CERTIFICATE OF SERVICE

I hereby certify that on the 3rd day of February 2010, I served the foregoing NW NATURAL'S NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER INDUSTRIAL DEMAND SIDE MANAGEMENT (DSM) PROGRAM COSTS upon each party listed below by electronically mailing a copy to each party's email address of record, as listed on the Public Utility Commission of Oregon's official service lists for these matters.

UG 152 SERVICE LIST

JASON EISDORFER
CITIZENS' UTILITY BOARD OF OREGON
610 SW BROADWAY STE 308
PORTLAND OR 97205
dockets@oregoncub.org

STEVEN LOUNSBURY
COOS COUNTY OFFICE OF LEGAL COUNSEL
250 N BAXTER
COQUILLE OR 97423
cooscc@co.coos.or.us

JOHN A CAMERON
DAVIS WRIGHT TREMAINE LLP
1300 SW FIFTH AVE STE 2300
PORTLAND OR 97201
johncameron@dwt.com

TED LEHMANN
DIREXX ENERGY
2737 SE 78TH AVE STE 101
MERCER ISLAND WA 98040
ted@cmsnaturalgas.com

MELANIE L GILLETTE
MGR OF REGULATORY AFFAIRS
IGI RESOURCES INC
980 NINTH ST STE 1540
SACRAMENTO CA 95814
mlgillette@duke-energy.com

KATHERINE A MCDOWELL
McDOWELL & RACKNER PC
520 SW SIXTH AVE STE 830
PORTLAND OR 97204
katherine@mcd-law.com

PAULA E PYRON
NORTHWEST INDUSTRIAL GAS USERS
4113 WOLF BERRY CT
LAKE OSWEGO OR 97035-1827
ppyron@nwigu.org

JUDY JOHNSON
PUBLIC UTILITY COMMISSION
PO BOX 2148
SALEM OR 97308-2148
judy.johnson@state.or.us

JAY T WALDRON
SCHWABE WILLIAMSON & WYATT
1211 SW FIFTH AVE STE 1600-1900
PORTLAND OR 97204-3795
jwaldron@schwabe.com

JIM ABRAHAMSON
CASCADE NATURAL GAS CORPORATION
2004 SE CLATSOP ST
PORTLAND OR 97202
jim.abrahamson@cngc.com

DANIEL W MEEK
ATTORNEY AT LAW
10949 SW FOURTH AVE
PORTLAND OR 97219
dan@meek.net

MICHAEL T WEIRICH
DEPARTMENT OF JUSTICE
REGULATED UTILITY & BUSINESS SECTON
1162 COURT ST NE
SALEM OR 97310-4096
michael.weirich@doj.state.or.us

EDWARD A FINKLEA
ENERGY ACTION NORTHWEST
PO BOX 8308
PORTLAND OR 97207
efinklea@energyactionnw.org

GORDON J SMITH
JOHN & HENGERER
1730 RHODE ISLAND AVE NW STE 600
WASHINGTON DC 20036-3116
gsmith@jhenergy.com

STEVEN WEISS
NORTHWEST ENERGY COALITION
4422 OREGON TRAIL CT NE
SALEM OR 97305
steve@nwenergy.org

PATRICK G HAGER
PORTLAND GENERAL ELECTRIC
121 SW SALMON ST 1WTC0702
PORTLAND OR 97204
pge.opuc.filings@pgn.com

DONALD W SCHOENBECK
REGULATORY & COGENERATION SERVICES INC
900 WASHINGTON ST STE 780
VANCOUVER WA 98660-3455
dws@r-c-s-inc.com

DATED at Portland, Oregon, this 3rd day of February 2010

/s/ Kelley C. Miller
Kelley C. Miller, Staff Assistant
Rates & Regulatory Affairs
NW NATURAL
220 NW Second Avenue
Portland, Oregon 97209-3991
1.503.226.4211, extension 3589
kelley.miller@nwnatural.com