

Rates and Regulatory Affairs
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April 30, 2010

David Danner, Executive Director & Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive, S.W.
P.O. Box 47250
Olympia, Washington 98504-7250

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 WASHINGTON UTILITIES & TRANSPORTATION COMMISSION
 2010 APR 30 PM 1:12

Re: **ANNUAL COMMISSION BASIS REPORT FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 WITHOUT WORKPAPERS**

Dear Mr. Danner:

Enclosed are an original and three copies of the Company's Annual Commission Basis Report without workpapers for the 12 months ended December 31, 2009. This Report is submitted under *WAC 480-90-257*. Workpapers will be provided under separate cover.

Please feel free to call me if you have any questions.

Sincerely,



Natasha Siores
Senior Rates Analyst

NCS/kcm
enclosures



NW Natural

REPORT:

**ANNUAL COMMISSION BASIS REPORT
WITHOUT WORKPAPERS
(for the 12 months ended December 31, 2009)**

**NW Natural
Washington Annual Commission Basis Report
Twelve Months Ended December 31, 2009**

<u>Line No.</u>	<u>Test Year Results</u> (a)	<u>Adjustments</u> (b)	<u>Test Year Adjusted</u> (c)	
Operating Revenues				
1	Sale of Gas	\$97,755,034	(\$13,382,240)	\$84,372,794
2	Transportation	1,160,097	59,336	1,219,433
3	Miscellaneous Revenues	361,251	4,160	365,410
4	Total Operating Revenues	99,276,381	(13,318,745)	85,957,637
Operating Revenue Deductions				
5	Gas Purchased	60,187,459	(11,593,282)	48,594,177
6	Uncollectible Accrual for Gas Sales	424,648	(116,695)	307,953
7	Other Operating & Maintenance Expenses	12,637,930	(488,413)	12,149,517
8	Total Operating & Maintenance Expense	73,250,037	(12,198,390)	61,051,647
9	Federal Income Tax	3,511,979	(287,036)	3,224,943
10	Property Taxes	1,025,428	0	1,025,428
11	Other Taxes	4,691,351	(539,676)	4,151,675
12	Depreciation & Amortization	6,474,599	0	6,474,599
13	Total Operating Revenue Deductions	88,953,395	(13,025,102)	75,928,293
14	Net Operating Revenues	\$10,322,986	(\$293,643)	\$10,029,344
15	Total Rate Base	\$119,310,748	\$7,842,270	\$127,153,018
16	Rate of Return	8.65%		7.89%
17	Return on Common Equity	11.87%		10.26%