

June 6, 2023

VIA ELECTRONIC FILING

Amanda Maxwell, Executive Director & Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Re: UG-220423 – NW Natural’s Demonstration of Calculation for Interest Accrual

Northwest Natural Gas Company, dba NW Natural (Company or NW Natural), provides the enclosed demonstration in the above-referenced docket, in compliance with Order 01.

Purpose

The purpose of this filing is to demonstrate how the Company is calculating its actual cost of debt as discussed with Commission Staff per the Commission’s Order 01 in UG-220423.

Background

On March 24, 2022, SB 5634 was enacted, which increased the annual regulatory fee. Northwest Natural subsequently requested to recover the incremental costs through deferred accounting. The Commission adopted Staff’s recommendation and granted the Company’s Petition in UG-220423, Order 01. This order conditioned the Company’s deferral of increased regulatory fees on interest accruing at the actual cost of debt, updated semi-annually.

Paragraph 7 of Order 01 provides, in part: “...we adopt Staff’s recommendation and condition NW Natural’s deferral of increased regulatory fees on interest accruing at the actual cost of debt, updated semi-annually on July 1 and January 1.”

The enclosed workpaper provides the calculation for the updated actual cost of debt for January 1, 2023.

Conclusion

NW Natural respectfully submits the enclosed actual cost of debt calculation, based on discussions with Staff.

Please address correspondence on this matter to me at kyle.walker@nwnatural.com with copies to the following:

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Rates & Regulatory Affairs
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Sincerely,

/s/ Kyle Walker, CPA

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Attachments:
220423-NWN-Interest-Adjustment-Calc-WP-06-06-2023.xls