

BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

UG-__
GENERAL RATE APPLICATION
OF
NORTHWEST NATURAL GAS COMPANY

December 31, 2018

Direct Exhibit of Sean R. Borgerson

FEDERAL INCOME TAX REFORM

Exh. SRB-7

NW Natural - Excess Deferred Income Taxes (EDIT)
Summary of Washington Remeasurement Liability Amortization

	a	b	c	d	e	f	g	h	i	
		Washington Regulatory (Liability)	Gross Up for Income Taxes	Washington (Liability) Including Income Tax Gross Up	Applied to Ratemaking Years as Follows:					
					Year 1	Year 2	Year 3	Year 4	Year 5	
1	Plant	\$ 14.592	x 1.266	= \$ 18.471	\$ 0.506	\$ 0.506	\$ 0.506	\$ 0.506	\$ 0.506	A
2	Non-Plant	\$ (0.319)	x 1.266	= \$ (0.404)	(0.040)	(0.040)	(0.040)	(0.040)	(0.040)	B
3		\$ 14.3			\$ 0.466	\$ 0.466	\$ 0.466	\$ 0.466	\$ 0.466	C

A Reflects the first five years of Plant EDIT amortization at a rate intended not to exceed an ARAM normalization speed limit (including a gross up for income taxes)

B Reflects straight-line amortization over ten years (including a gross up for income taxes)

C Total proposed annual amounts that can be used to provide bill credits, applied to reduce a regulatory asset, or apply as a reduction to other capital projects. One or a combination of these applications are appropriate.

C1,C2 Reflects gross up factor for income taxes [$1.266 = 1/(1-.21)$]