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VIA ELECTRONIC FILING

March 26, 2018

Steven V. King, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Post Office Box 47250
Olympia, Washington 98504-7250

Received
Records Management
03/26/18 13:48
State Of WASH.
UTIL. AND TRANSP.
COMMISSION

Re: Request for an accounting order to reflect new depreciation rate

Dear Mr. King:

Northwest Natural Gas Company (“NW Natural” or the “Company”) is seeking an accounting order to adopt new depreciation rates to be reflected on the books of the Company, effective November 1, 2018. In 2016, the Company hired Gannett Fleming, Inc. to conduct a depreciation study of its gas plant in service as of December 31, 2015 (the “Depreciation Study”), included as Attachment A. NW Natural was required to undertake the Depreciation Study pursuant to the Public Utility Commission of Oregon’s (“OPUC”) Rules, which require that each public utility file an updated depreciation study with the OPUC every five years. As a result of that filing, the Company entered into a stipulation with Oregon Staff and other parties, that resulted in an overall decline in system depreciation expense of \$1.3 million, as described in the stipulation approved by the OPUC in Order No. 18-007 included as Attachment B.

The Company is requesting this accounting order so that our depreciation rates continue to be aligned in each jurisdiction that the utility operates, effective November 1, 2018. By aligning our depreciation rates, the Company can avoid the unnecessary burden of keeping separate accounting records for each jurisdiction. Please call or email me if you have any questions with respect to the request, or enclosed materials.

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Sincerely,

/s/ Kyle Walker

Kyle Walker, CPA
Rates/Regulatory Analyst
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Attachments

NEW-NW-Naturals-Accounting-Ord-Request-Attachment-A-03-26-2018

NEW-NW-Naturals-Accounting-Ord-Request-Attachment-B-03-26-2018