



250 SW Taylor Street
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nwnatural.com

December 22, 2021

VIA ELECTRONIC FILING

Amanda Maxwell, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop S.E.
Lacey, Washington 98503

Re: UG-_____— NW Natural’s Updated Depreciation Study

Dear Ms. Maxwell:

In accordance with RCW 80.04.350 and WAC 480-07-370(3)(b), Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), petitions the Washington Utilities and Transportation Commission (Commission) for an accounting order authorizing a change in depreciation rates applicable to NW Natural’s depreciable natural gas plant as of December 31, 2020, consistent with the Company’s 2021 depreciation study (Depreciation Study) that is attached hereto as Exhibit A.

NW Natural hired Gannett Fleming, Inc. to conduct the Depreciation Study of its gas plant in service as of December 31, 2020. The purpose of the Depreciation Study is to determine the annual depreciation accrual rates and amounts for accounting and ratemaking purposes. The Depreciation Study includes descriptions of the methods used in the estimation of depreciation, the summary of annual depreciation accrual rates, the statistical support for the life and net salvage estimates, and the detailed tabulations of annual depreciation.

The Depreciation Study sets forth an annual system depreciation expense of \$116.2 million when applied to depreciable plant balances as of December 31, 2020. Using the depreciation rates currently in effect for NW Natural, NW Natural’s annual system depreciation expense would be \$107.6 million. The resulting annual system increase in depreciation expense under the depreciation rates currently in effect for NW Natural and the depreciation expense under the depreciation rates set forth in the Depreciation Study is \$8.6 million. NW Natural is requesting to update its depreciation rates for an effective date of November 1, 2023.

Please address correspondence on this matter to me with copies to the following:

UG-210974

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Sincerely,

/s/ Kyle Walker

Kyle Walker
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Attachments:

NEW-NWN-Updated-Depreciation-Study-Pet-Acct-12-22-2021
NEW-NWN-Updated-Depreciation-Study-Exh-A-12-22-2021