

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Complainant,

v.

NORTHWEST NATURAL GAS
COMPANY,

Respondent.

DOCKET UG-200994

DOCKET UG-200995

DOCKET UG-200996

DOCKET UG-210085

NORTHWEST NATURAL GAS COMPANY

Exhibit of Kyle T. Walker

YEAR TWO REVENUE REQUIREMENT

Exh. KTW-11

December 2, 2022

NW Natural Gas
UG-200994, UG-200995, UG-200996 & UG-210085
Exh. KTW-11

	Capital (Net Book Value)	Revenue Req.
SE 1st Grading Project (Phase 2)	\$ -	\$ -
White Salmon Reinforcement	\$ 4,411,532	\$ 479,068
Battleground Gate Station	\$ 2,909,228	\$ 314,452
Ridgefield Gate Station	\$ 3,031,495	\$ 320,562
Mist Well Rework Program (2021)	\$ 236,280	\$ 23,538
Mist Corrosion Abatement (Phase 4)	\$ 365,492	\$ 38,054
Vancouver Retrofit Phase 2	\$ 6,249,309	\$ 671,467
Horizon:		
O&M (net of savings/benefits)		\$ 618,136
Capital	\$ 8,462,311	\$ 1,443,665
Less: Retirement of current SAP[1]	\$ -	\$ (166,000)
Horizon Sub-Total	\$ 8,462,311	\$ 1,895,801
Subtotal	\$ 25,665,646	\$ 3,742,941
Horizon Start-Up O&M (Deferral Amortization)		\$ 108,441
Conservation Potential Assessment (CPA)		\$ 77,076
Total Portfolio Revenue Requirement		\$ 3,928,458
Settlement Cap		\$ 3,000,000

[1] Washington's portion of the original cost of the current SAP system was \$2.3 million. Under Mass Asset accounting, retiring the current SAP includes a removal of \$2.3m from both gross plant and accumulated depreciation, with no change to net book value. The revenue requirement reduction is driven by the removal of depreciation expense due to the lower gross plant, which along with depreciation rates, is the basis of depreciation expense.