

NORTHWEST NATURAL GAS COMPANY

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2015 SETTLEMENT #1

DEPRECIABLE GROUP (1)		SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL		COMPOSITE REMAINING LIFE (9)=(6)/(7)
							ACCRUAL AMOUNT (7)	ACCRUAL RATE (8)=(7)/(4)	
DEPRECIABLE GAS PLANT									
INTANGIBLE PLANT									
303.1	MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE	15-SQ	0	57,110,816.52	20,771,445	36,339,372	3,871,516	6.78	9.4
303.2	MISCELLANEOUS INTANGIBLE PLANT - CUSTOMER INFORMATION SYST	15-SQ	0	32,409,597.11	32,386,120	23,477	1,878	0.01	12.5
303.3	MISCELLANEOUS INTANGIBLE PLANT - INDUSTRIAL AND COMMERCIAL	10-SQ	0	4,146,951.00	4,146,951	0	0	-	-
303.4	MISCELLANEOUS INTANGIBLE PLANT - CRMS	5-SQ	0	682,892.55	529,083	153,810	74,811	10.96	2.1
TOTAL INTANGIBLE PLANT				94,350,257.18	57,833,599	36,516,659	3,948,205	4.18	9.3
OIL GAS FACILITIES									
305.5	STRUCTURES AND IMPROVEMENTS - OTHER	FULLY ACCRUED		13,156.00	13,814	0	0	-	-
311.7	LIQUEFIED PETROLEUM GAS EQUIPMENT	FULLY ACCRUED		4,033.00	8,066	(4,033)	0	-	-
311.8	LIQUEFIED PETROLEUM GAS EQUIPMENT	FULLY ACCRUED		4,209.00	6,585	(2,376)	0	-	-
TOTAL OIL GAS FACILITIES				21,398.00	28,465	(6,409)	0	-	-
OTHER PRODUCTION FACILITIES									
305.11	STRUCTURES AND IMPROVEMENTS - GAS PRODUCTION	FULLY ACCRUED		8,320.00	8,736	0	0	-	-
305.17	STRUCTURES AND IMPROVEMENTS - MIXING STATION	FULLY ACCRUED		46,587.00	51,246	0	0	-	-
318.3	LIGHT OIL REFINING	FULLY ACCRUED		144,896.00	152,141	0	0	-	-
318.5	TAR PROCESSING	FULLY ACCRUED		243,551.00	255,729	0	0	-	-
319	GAS MIXING EQUIPMENT	FULLY ACCRUED		185,448.00	194,720	0	0	-	-
TOTAL OTHER PRODUCTION FACILITIES				628,802.00	662,572	0	0	-	-
UNDERGROUND STORAGE PLANT									
350.2	LAND RIGHTS	70-R4	0	109,624.94	25,143	84,482	1,567	1.43	53.9
351	STRUCTURES AND IMPROVEMENTS	60-R3	0	7,208,244.63	2,542,655	4,665,590	107,894	1.50	43.2
352	WELLS	55-R2.5	0	36,987,527.47	14,224,099	22,763,428	553,219	1.50	41.1
352.1	STORAGE LEASEHOLDS AND RIGHTS	55-S2	0	3,939,511.52	1,516,997	2,422,515	65,713	1.67	36.9
352.2	RESERVOIRS	55-R2.5	0	10,834,054.54	2,976,187	7,857,868	187,441	1.73	41.9
352.3	NONRECOVERABLE GAS	55-S2.5	0	6,440,889.82	3,198,707	3,242,183	101,043	1.57	32.1
353	LINES	55-S2.5	(15)	8,201,963.89	3,226,474	6,205,784	168,887	2.06	36.7
354.1	COMPRESSOR STATION EQUIPMENT - TURBINE 1	50-R3	(10)	4,154,699.66	2,919,205	1,650,965	62,642	1.51	26.4
354.2	COMPRESSOR STATION EQUIPMENT - TURBINE 2	50-R3	(10)	4,154,699.00	2,992,842	1,577,327	61,470	1.48	25.7
354.3	COMPRESSOR STATION EQUIPMENT - TURBINE 3	50-R3	(10)	19,640,514.36	8,920,990	12,683,576	364,670	1.86	34.8
354.4	COMPRESSOR STATION EQUIPMENT - TURBINE 4	50-R3	(10)	13,667,705.75	5,164,074	9,870,402	264,382	1.93	37.3
354.5	COMPRESSOR STATION EQUIPMENT - TURBINE 5	50-R3	(10)	2,587,036.93	733,310	2,112,431	51,933	2.01	40.7
354.6	COMPRESSOR STATION EQUIPMENT - TURBINE 6	50-R3	(10)	257,302.38	3,732	279,301	5,641	2.19	49.5
355	MEASURING AND REGULATING EQUIPMENT	45-S2	(10)	15,967,871.63	5,996,064	11,568,595	362,161	2.27	31.9
356	PURIFICATION EQUIPMENT	45-S2.5	(5)	297,363.00	217,696	94,535	4,086	1.37	23.1
357	OTHER EQUIPMENT	30-R4	0	1,395,284.93	805,728	589,557	30,288	2.17	19.5
TOTAL UNDERGROUND STORAGE PLANT				135,844,294.45	55,463,903	87,668,539	2,393,037	1.76	36.6

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DEPRECIABLE GROUP (1)		SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL		COMPOSITE REMAINING LIFE (9)=(6)/(7)	
							ACCRUAL AMOUNT (7)	ACCRUAL RATE (8)=(7)/(4)		
LOCAL STORAGE PLANT										
361	STRUCTURES AND IMPROVEMENTS									
	LINNTON	60-R3	*	0	4,594,791.02	1,929,918	2,664,873	173,977	3.79	15.3
	NEWPORT	60-R3	*	0	4,656,739.38	2,393,826	2,262,913	201,698	4.33	11.2
	OTHER	55-S2		0	26,757.00	10,494	16,263	474	1.77	34.3
	TOTAL STRUCTURES AND IMPROVEMENTS				9,278,287.40	4,334,238	4,944,049	376,149	4.05	13.1
362	GAS HOLDERS									
	LINNTON	60-R3	*	(20)	2,744,403.58	2,262,406	1,030,878	70,773	2.58	14.6
	NEWPORT	60-R3	*	(20)	5,791,956.36	5,438,575	1,511,773	140,857	2.43	10.7
	OTHER	60-R3		(20)	1,600.14	1,172	748	16	1.00	46.8
	TOTAL GAS HOLDERS				8,537,960.08	7,702,153	2,543,399	211,646	2.48	12.0
363.1	LIQUEFACTION EQUIPMENT									
	LINNTON	50-R1.5	*	(5)	2,975,510.33	2,549,869	574,417	39,027	1.31	14.7
	NEWPORT	50-R1.5	*	(5)	7,308,110.69	7,127,677	545,839	49,060	0.67	11.1
	TOTAL LIQUEFACTION EQUIPMENT				10,283,621.02	9,677,546	1,120,256	88,087	0.86	12.7
363.2	VAPORIZING EQUIPMENT									
	LINNTON	50-S2.5	*	(5)	2,683,660.37	2,624,711	193,132	12,582	0.47	15.3
	NEWPORT	50-S2.5	*	(5)	3,664,362.12	2,612,391	1,235,189	113,272	3.09	10.9
	TOTAL VAPORIZING EQUIPMENT				6,348,022.49	5,237,102	1,428,321	125,854	1.98	11.4
363.3	COMPRESSOR EQUIPMENT									
	LINNTON	30-R1.5	*	(5)	180,903.23	206,897	(16,949)	0	-	-
	NEWPORT	30-R1.5	*	(5)	1,390,925.55	312,641	1,147,831	105,495	7.58	10.9
	TOTAL COMPRESSOR EQUIPMENT				1,571,828.78	519,538	1,130,882	105,495	6.71	10.7
363.4	MEASURING AND REGULATING EQUIPMENT									
	LINNTON	45-R2.5	*	(5)	1,247,664.71	604,263	705,785	49,779	3.99	14.2
	NEWPORT	45-R2.5	*	(5)	113,414.00	117,469	1,616	151	0.13	10.7
	TOTAL MEASURING AND REGULATING EQUIPMENT				1,361,078.71	721,732	707,401	49,930	3.67	14.2
363.5	CNG REFUELING FACILITIES	28-R3		(5)	3,051,295.49	1,328,797	1,875,063	80,014	2.62	23.4
363.6	LNG REFUELING FACILITIES	40-R2.5		(5)	739,473.00	739,473	36,974	1,732	0.23	21.3
TOTAL LOCAL STORAGE PLANT					41,171,566.97	30,260,579	13,786,345	1,038,907	2.52	13.3
TRANSMISSION PLANT										
365.2	LAND RIGHTS	70-R4		0	6,455,176.86	1,764,329	4,690,848	98,229	1.52	47.8
366.3	STRUCTURES AND IMPROVEMENTS	55-R3		0	1,041,984.12	276,967	765,017	18,234	1.75	42.0

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DEPRECIABLE GROUP (1)		SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL		COMPOSITE REMAINING LIFE (9)=(6)/(7)
							ACCRUAL AMOUNT (7)	ACCRUAL RATE (8)=(7)/(4)	
367	MAINS	65-R3	(30)	146,337,788.55	23,351,961	166,887,164	2,756,613	1.88	60.5
367.21	MAINS - NORTH MIST	65-R3	(30)	1,994,582.39	1,029,831	1,563,126	34,256	1.72	45.6
367.22	MAINS - SOUTH MIST	65-R3	(30)	14,949,264.00	9,933,703	9,500,340	236,996	1.59	40.1
367.23	MAINS - SOUTH MIST	65-R3	(30)	34,881,341.36	11,826,299	33,519,445	677,448	1.94	49.5
367.24	MAINS - 11.7M S MIST	65-R3	(30)	17,466,181.89	4,819,695	17,886,341	338,244	1.94	52.9
367.25	MAINS - 12M NORTH S MIST	65-R3	(30)	18,613,651.15	4,821,672	19,376,074	363,412	1.95	53.3
367.26	MAINS - 38M NORTH S MIST	65-R3	(30)	68,232,675.58	17,873,936	70,828,542	1,328,855	1.95	53.3
368	COMPRESSOR STATION EQUIPMENT	45-R3	(5)	7,723,454.21	1,848,512	6,261,115	166,033	2.15	37.7
369	MEASURING AND REGULATING EQUIPMENT	45-R2.5	(8)	3,969,550.28	1,338,603	2,948,511	84,653	2.13	34.8
TOTAL TRANSMISSION PLANT				321,665,650.39	78,885,508	334,226,523	6,102,973	1.90	54.8
DISTRIBUTION PLANT									
374.2	LAND RIGHTS	70-R3	0	1,883,762.30	1,279,056	604,706	10,532	0.56	57.4
375	STRUCTURES AND IMPROVEMENTS	35-R0.5	0	80,217.00	80,217	0	0	-	-
376.11	MAINS - HP 4" AND LESS	65-R2.5	(75)	550,689,047.46	299,268,830	664,437,003	13,961,139	2.54	47.6
376.12	MAINS - HP 4" AND OVER	65-R2.5	(56)	505,679,049.03	200,807,579	588,051,737	11,707,993	2.32	50.2
377	COMPRESSOR STATION EQUIPMENT	35-S2	(5)	818,380.00	611,329	247,970	10,843	1.32	22.9
378	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	50-R2.5	(20)	31,676,138.08	10,827,326	27,184,040	691,959	2.18	39.3
379	MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE	45-R2	(20)	5,738,811.13	1,784,838	5,101,735	121,789	2.12	41.9
380	SERVICES	58-R2	(80)	710,138,948.30	376,515,207	901,734,900	20,348,276	2.87	44.3
381	METERS	43-S0	0	83,691,721.21	21,166,102	62,525,619	1,866,437	2.23	33.5
381.1	METERS - ELECTRIC	15-R4	0	1,541,674.51	984,268	557,407	44,491	2.89	12.5
381.2	METERS - ERT	16-R2.5	0	40,477,375.90	16,571,371	23,906,005	2,368,813	5.85	10.1
382	METER INSTALLATIONS	32-S0.5	0	59,749,260.42	8,829,443	50,919,817	2,890,225	4.84	17.6
382.1	METER INSTALLATIONS - ELECTRIC	14-R3	0	481,019.77	40,534	440,486	41,438	8.61	10.6
382.2	METER INSTALLATIONS - ERT	20-R2	0	9,473,169.55	4,397,814	5,075,356	369,587	3.90	13.7
383	HOUSE REGULATORS	35-S2	0	1,484,677.80	170,017	1,314,661	43,339	2.92	30.3
387.1	OTHER EQUIPMENT - CATHODIC PROTECTION TESTING	30-S3	0	173,858.98	140,475	33,384	1,433	0.82	23.3
387.2	OTHER EQUIPMENT - CALORIMETERS AT GATE STATION	23-S0.5	0	96,424.00	96,424	0	0	-	-
387.3	OTHER EQUIPMENT - METER TESTING EQUIPMENT	25-S4	0	72,671.00	72,671	0	0	-	-
TOTAL DISTRIBUTION PLANT				2,003,946,206.44	943,643,501	2,332,134,826	54,478,294	2.72	42.8
GENERAL PLANT									
390	STRUCTURES AND IMPROVEMENTS	45-S0	(4)	58,597,461.86	8,332,868	52,608,492	1,332,861	2.27	39.5
390.1	STRUCTURES AND IMPROVEMENTS - SOURCE CONTROL PLANT	45-S0	(4)	18,590,294.85	2,291,003	17,042,904	399,318	2.15	42.7
391.1	OFFICE FURNITURE AND EQUIPMENT								
	FULLY ACCRUED			3,304,510.00	3,304,510	0	0	-	-
	AMORTIZED	20-SQ	0	7,123,378.41	2,400,985	4,722,393	356,208	5.00	13.3
	TOTAL ACCOUNT 391.1			10,427,888.41	5,705,495	4,722,393	356,208	3.42	13.3
391.2	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS								
	FULLY ACCRUED			2,730,228.76	2,730,229	0	0	-	-
	AMORTIZED	5-SQ	0	13,288,888.59	5,599,340	7,689,549	2,657,726	20.00	2.9
	TOTAL ACCOUNT 391.2			16,019,117.35	8,329,569	7,689,549	2,657,726	16.59	2.9

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DEPRECIABLE GROUP (1)		SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL		COMPOSITE REMAINING LIFE (9)=(6)/(7)
							ACCURAL AMOUNT (7)	ACCURAL RATE (8)=(7)/(4)	
392	TRANSPORTATION EQUIPMENT	13-L1.5	10	34,498,851.10	9,599,643	21,449,323	2,367,924	6.86	9.1
393	STORES EQUIPMENT	FULLY ACCRUED		119,406.00	119,406	0	0	-	-
394	TOOLS, SHOP AND GARAGE EQUIPMENT								
	FULLY ACCRUED			2,898,854.00	2,898,854	0	0	-	-
	AMORTIZED	25-SQ	0	13,834,597.86	6,839,875	6,994,723	553,326	4.00	12.6
	TOTAL ACCOUNT 394			16,733,451.86	9,738,729	6,994,723	553,326	3.31	12.6
395	LABORATORY EQUIPMENT								
	FULLY ACCRUED			68,016.00	68,016	0	0	-	-
	AMORTIZED	20-SQ	0	277.00	229	48	14	5.00	3.4
	TOTAL ACCOUNT 395			68,293.00	68,245	48	14	0.02	3.4
396	POWER OPERATED EQUIPMENT	17-S0.5	20	9,170,317.89	3,277,525	4,058,729	312,193	3.40	13.0
397	COMMUNICATION EQUIPMENT	15-SQ	0	88,322.23	38,805	49,517	5,889	6.67	8.4
397.1	COMMUNICATION EQUIPMENT - MOBILE								
	FULLY ACCRUED			233,223.04	233,223	0	0	-	-
	AMORTIZED	10-SQ	0	242,398.13	191,200	51,198	24,243	10.00	2.1
	TOTAL ACCOUNT 397.1			475,621.17	424,423	51,198	24,243	5.10	2.1
397.2	COMMUNICATION EQUIPMENT - NON-MOBILE AND TELEMETER								
	FULLY ACCRUED			497,358.00	497,358	0	0	-	-
	AMORTIZED	15-SQ	0	1,193,495.65	1,106,150	87,346	79,659	6.67	1.1
	TOTAL ACCOUNT 397.2			1,690,853.65	1,603,508	87,346	79,659	4.71	1.1
397.3	COMMUNICATION EQUIPMENT - TELEMETER OTHER								
	FULLY ACCRUED			2,567,638.00	2,567,638	0	0	-	-
	AMORTIZED	15-SQ	0	2,121,913.71	765,420	1,356,494	141,569	6.67	9.6
	TOTAL ACCOUNT 397.3			4,689,551.71	3,333,058	1,356,494	141,569	3.02	9.6
397.4	COMMUNICATION EQUIPMENT - TELEMETER MICROWAVE								
	FULLY ACCRUED			497,289.79	497,290	0	0	-	-
	AMORTIZED	15-SQ	0	1,149,505.47	380,830	768,675	76,634	6.67	10.0
	TOTAL ACCOUNT 397.4			1,646,795.26	878,120	768,675	76,634	4.65	10.0
397.5	COMMUNICATION EQUIPMENT - TELEPHONE	10-SQ	0	490,741.79	94,545	396,197	49,074	10.00	8.1
398.1	MISCELLANEOUS EQUIPMENT - PRINT SHOP								
	FULLY ACCRUED			78,890.00	78,890	0	0	-	-
	AMORTIZED	15-SQ	0	4,359.31	1,889	2,470	291	6.67	8.5
	TOTAL ACCOUNT 398.1			83,249.31	80,779	2,470	291	0.35	8.5
398.2	MISCELLANEOUS EQUIPMENT - KITCHEN	15-SQ	0	12,812.44	4,700	8,112	854	6.67	9.5
398.3	MISCELLANEOUS EQUIPMENT - JANITORIAL	FULLY ACCRUED		14,873.00	14,873	0	0	-	-
398.4	MISCELLANEOUS EQUIPMENT - LEASED BUILDINGS	FULLY ACCRUED		10,120.00	10,120	0	0	-	-
398.5	MISCELLANEOUS EQUIPMENT - OTHER	FULLY ACCRUED		66,739.00	66,739	0	0	-	-
TOTAL GENERAL PLANT				173,494,761.88	54,012,153	117,286,170	8,357,783	4.82	14.0

RESERVE ADJUSTMENT FOR AMORTIZATION

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DEPRECIABLE GROUP	SURVIVOR CURVE	NET	ORIGINAL COST	BOOK	FUTURE ACCRUALS	CALCULATED ANNUAL		COMPOSITE REMAINING LIFE
		SALVAGE PERCENT		DEPRECIATION RESERVE		AMOUNT	ACCRUAL RATE	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)
391.1	OFFICE FURNITURE AND EQUIPMENT			771,790		(154,358)	**	
391.2	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS			5,011,650		(1,002,330)	**	
394.0	TOOLS, SHOP AND GARAGE EQUIPMENT			575,603		(115,121)	**	
395.0	LABORATORY EQUIPMENT			48		(10)	**	
397.0	COMMUNICATION EQUIPMENT			(11,695)		2,339	**	
397.1	COMMUNICATION EQUIPMENT - MOBILE			(20,033)		4,007	**	
397.2	COMMUNICATION EQUIPMENT - NON-MOBILE AND TELEMETER			87,346		(17,469)	**	
397.3	COMMUNICATION EQUIPMENT - TELEMETER OTHER			(341,606)		68,321	**	
397.4	COMMUNICATION EQUIPMENT - TELEMETER MICROWAVE			55,013		(11,003)	**	
397.5	COMMUNICATION EQUIPMENT - TELEPHONE			77,953		(15,591)	**	
398.1	MISCELLANEOUS EQUIPMENT - PRINT SHOP			2,470		(494)	**	
398.2	MISCELLANEOUS EQUIPMENT - KITCHEN			(1,614)		323	**	
TOTAL RESERVE ADJUSTMENT FOR AMORTIZATION				6,206,925		(1,241,386)		
TOTAL DEPRECIABLE GAS PLANT			2,771,122,937.31	1,226,997,205	2,921,612,653	75,077,813	2.71	38.9
NONDEPRECIABLE GAS PLANT								
301	ORGANIZATION		1,174.00					
302	FRANCHISES AND CONSENTS		83,621.00					
304.1	LAND		24,998.00					
350.1	LAND		106,549.00					
360.11	LAND - LNG LINNTON		83,598.00					
360.12	LAND - LNG NEWPORT		536,675.00					
360.2	LAND - OTHER		106,557.00					
365.1	LAND		89,772.00					
374.1	LAND		86,775.00					
389	LAND		11,633,851.00	437,351				
TOTAL NONDEPRECIABLE GAS PLANT			12,753,570.00	437,351				
TOTAL GAS PLANT IN SERVICE			2,783,876,507.31	1,227,434,556	2,921,612,653	75,077,813		

* INDICATES INTERIM SURVIVOR CURVE. EACH UNIT HAS A UNIQUE TERMINAL DATE.

** 5 YEAR AMORTIZATION OF RESERVE RELATED TO AMORTIZATION ACCOUNTING.