

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2363

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, DBA NW NATURAL,

Updated Depreciation Study.

ORDER

DISPOSITION: STIPULATION ADOPTED

I. SUMMARY

In this order, we adopt the stipulation entered into by Northwest Natural Gas Company, dba NW Natural, Staff of the Public Utility Commission of Oregon, and the Alliance of Western Energy Consumers (AWEC) (collectively, stipulating parties) for revised depreciation rates. The revised depreciation rates will be implemented in docket UG 520, NW Natural's pending request for a general rate revision, subject to a Commission decision in those proceedings.¹

II. INTRODUCTION AND PROCEDURAL HISTORY

On December 30, 2024, NW Natural filed an updated depreciation study of its gas plant in service as of December 31, 2023. The depreciation study showed an annual depreciation expense of \$154.7 million, representing an increase of approximately \$11.58 million to the company's current system level annual depreciation expense. In its filing, NW Natural requested to change its depreciation rates effective November 1, 2025, representing one year since its last depreciation rates became effective on November 1, 2024. NW stated that it believes it is inadvisable to make major conclusions today about the gas system overall that could unnecessarily increase customer bills now but that it updated its depreciation study concurrently with its general rate case to be responsive to the Commission's directive in Order No. 24-302.² NW Natural stated that it is important its depreciation rates reflect actual operations and depreciable lives of its

¹ On June 23, 2025, NW Natural, Staff, AWEC, and the Oregon Citizens' Utility Board submitted a partial stipulation in docket UG 520 that addresses the revenue requirement and incorporates the results of the stipulation in this docket.

² *In the matter of Northwest Natural Gas Company, Updated Depreciation Study*, Docket No. UM 2312, Order No. 24-302 at 3 (Aug. 29, 2024).

system assets and that the depreciable lives of certain assets should be shortened to reflect actual operations, as proposed in this docket.

NW Natural, Staff, and AWEC participated as parties in the proceeding. Prior to the deadline for Staff and intervenor testimony, the parties engaged in settlement discussions. The stipulating parties reached an agreement resolving all issues. The stipulating parties filed a stipulation and joint supporting testimony on July 17, 2025. The stipulation is attached as Appendix A.

III. STIPULATION

The stipulating parties agree that the revised depreciation rates set forth in the stipulation are reasonable and should be adopted, and will result in rates that are fair, just, and reasonable. The stipulating parties state that Staff and AWEC each conducted a comprehensive review of the depreciation study. Staff states that it organized a workshop at which NW Natural's consultant explained the methods, procedures, and techniques used to determine depreciation rates, as well as the major changes on depreciation parameters. Staff explains that it analyzed the curve-lives and net salvage rates for each plant account. Staff's analysis resulted in several recommended account adjustments to the curve life positions and net salvage rates for multiple depreciation accounts.

AWEC engaged a third-party consultant to assist with a detailed review of the depreciation study, noting that changes to the depreciation rates as proposed are a key driver of the rate increases requested by NW Natural in its pending general rate case, docket UG 520. AWEC states that it reviewed NW Natural's original life data and evaluated the reasonability of NW Natural's survivor curves using a depreciation model developed by AWEC's consultant.

The stipulating parties explain that subsequent settlement discussions resulted in the agreed-upon depreciation parameters and resulting rates. The stipulating parties state that their intent in this stipulation is to comply with all normalization requirements. The stipulating parties provided a table of all depreciation parameters for the company's utility plant by Federal Energy Regulatory Commission account as Exhibit A to the stipulation.

The revised depreciation rates under the stipulation will result in an annual depreciation expense of about \$149.64 million, an approximate \$5.11 million decrease from the annual depreciation expense proposed in NW Natural's initial filing. The overall composite depreciation rate for total depreciable utility gas plant is 3.50 percent, compared to the company's originally proposed 3.62 percent. NW Natural agrees to use the revised depreciation rates, as presented in the stipulation, as the basis for its depreciation rates expected to go into effect October 31, 2025³, in the company's pending general rate case. NW Natural also will simultaneously update its depreciation rates on its books when new retail rates are effective following the general rate case. The parties agree that NW Natural will use the revised depreciation parameters set forth in Exhibit A to the stipulation until the effective date of the company's next depreciation study. NW Natural agrees to file another depreciation study no later than December 30, 2029.

IV. RESOLUTION

Under ORS 757.140, each public utility must “carry a proper and adequate depreciation account.” The statute requires the Commission to determine the “proper and adequate rates of depreciation” for each of the classes of property owned by the public utility. We review the terms of any stipulation for reasonableness and accord with the public interest.

We have reviewed the depreciation study, the terms of the stipulation, and the supporting joint testimony of the parties. We find that the parameters set forth in the stipulation represent a reasonable and appropriate resolution of this docket. We find that the resulting depreciation rates will provide NW Natural with proper and adequate revenues consistent with the standard in ORS 757.140, and will result in fair, just, and reasonable rates. We adopt the stipulation.

We again appreciate NW Natural's responsiveness to concerns around the potential need for accelerated depreciation and anticipate continuing to address this issue in the company's next depreciation rate filing. Accordingly, we direct the company to include testimony addressing this topic with its next depreciation study filing.

³ On June 23, 2025, NW Natural, Staff, AWEC, and the Oregon Citizens' Utility Board filed a partial stipulation in docket UG 520 that includes a rate effective date of October 31, 2025.

V. ORDER

IT IS ORDERED that:

1. The stipulation between Northwest Natural Gas Company dba NW Natural, Staff of the Public Utility Commission of Oregon, and Alliance of Western Energy Consumers, filed on July 17, 2025, attached as Appendix A, is adopted.
2. Northwest Natural Gas Company dba NW Natural shall implement the revised depreciation rates authorized in this proceeding subject to a Commission decision in the company's pending general rate case in docket UG 520.

Made, entered, and effective Sep 02 2025.



Letha Tawney
Chair



Les Perkins
Commissioner



Karin Power
Commissioner



A party requesting reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2363

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, dba, NW NATURAL

Updated Depreciation Study

STIPULATION

1 This Stipulation resolves all issues among all parties to this docket related to
2 Northwest Natural Gas Company dba NW Natural's ("NW Natural" or "Company")
3 Updated Depreciation Study ("Depreciation Study") filed with the Commission in
4 docket UM 2363 on December 30, 2024.

PARTIES

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7 1. The parties to this Stipulation are Staff of the Public Utility Commission
8 of Oregon ("Staff"), Alliance of Western Energy Consumers ("AWEC"), and NW
9 Natural (together, the "Stipulating Parties").

BACKGROUND

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12 2. On December 30, 2024, NW Natural filed with the Public Utility
13 Commission of Oregon ("Commission") the updated Depreciation Study of its gas
14 plant in service as of December 31, 2023. ORS 757.140 requires each public utility
15 to carry a proper and adequate depreciation account, and to conform its depreciation
16 accounts to the rates so ascertained and determined by the Commission. The

1 Commission may make changes in such rates of depreciation from time to time as
2 the Commission may find necessary. The purpose of the Depreciation Study is to
3 determine the annual depreciation accrual rates and amounts for accounting and
4 ratemaking purposes. The Depreciation Study included descriptions of the methods
5 used in the estimation of depreciation, the summary of annual depreciation accrual
6 rates, the statistical support for the life and net salvage estimates, and the detailed
7 tabulations of annual depreciation (“depreciation rates”).

8 3. The Depreciation Study set forth an annual system depreciation
9 expense of \$154.7 million when applied to depreciable plant balances as of
10 December 31, 2023, which reflected an approximate \$11.58 million increase to NW
11 Natural’s annual depreciation expense.

12 4. On June 9, 2025, NW Natural, Staff and AWEC participated in a
13 settlement conference. The discussions resulted in a settlement among the
14 Stipulating Parties. The Stipulating Parties agree that the depreciation rates agreed
15 to in this Stipulation will result in an annual depreciation expense of approximately
16 \$149.64 million, resulting in an approximate \$5.11 million decrease from the annual
17 depreciation expense proposed in the Depreciation Study. Attached Stipulation
18 Exhibit “A” Table 1 includes a complete list of all NW Natural depreciation
19 parameters for all utility plant by FERC account.

20 **TERMS OF STIPULATION**

21 5. This Stipulation resolves all issues regarding the changes to the
22 Company’s depreciation rates proposed in the Depreciation Study.

1 6. The Stipulating Parties agree that the changes shown in Stipulation
2 Exhibit "A" should be made to the depreciation rates in the Depreciation Study.

3 7. The Stipulating Parties agree that the depreciation rates set forth in
4 Stipulation Exhibit "A" are reasonable and should be adopted.

5 8. NW Natural agrees to use the depreciation rates in Stipulation Exhibit
6 "A", if approved by the Commission, as the basis for its depreciation rates in the
7 Company's pending general rate case proceeding (UG 520). NW Natural will
8 simultaneously update its depreciation rates on its books when new retail rates are
9 effective following the UG 520 general rate case. For the avoidance of any doubt, it
10 is the Stipulating Parties' intention to comply with all normalization requirements and,
11 if this Stipulation were to be determined to be out of compliance with such
12 requirements, the Stipulating Parties would address such determination at the next
13 available opportunity.

14 9. The Stipulating Parties agree to submit this Stipulation to the
15 Commission and request that the Commission approve the Stipulation as presented.

16 10. The Stipulating Parties agree that this Stipulation is in the public interest,
17 and will result in rates that are fair, just and reasonable, consistent with the standard
18 in ORS 756.040.

19 11. This Stipulation will be offered into the record as evidence pursuant to
20 OAR 860-001-0350(7). The Stipulating Parties agree to support this Stipulation
21 throughout this proceeding and any appeal, provide witnesses to sponsor this
22 Stipulation at hearing, and recommend that the Commission issue an order adopting
23 this Stipulation. The Stipulating Parties also agree to cooperate in drafting and

1 submitting joint testimony or a brief in support of this Stipulation in accordance with
2 OAR 860-001-0350(7).

3 12. If this Stipulation is challenged, the Stipulating Parties agree that they
4 will continue to support the Commission's adoption of the terms of this Stipulation.
5 The Stipulating Parties agree to cooperate in cross-examination and put on such a
6 case as they deem appropriate to respond fully to the issues presented, which may
7 include raising issues that are incorporated in the settlements embodied in this
8 Stipulation.

9 13. The revised depreciation rates should be implemented
10 contemporaneous with the effective date of the rate change in NW Natural's pending
11 general rate request in docket UG 520.

12 14. The Stipulating Parties have negotiated this Stipulation as an integrated
13 document. If the Commission rejects all or any material portion of this Stipulation or
14 imposes additional material conditions in approving this Stipulation, any of the
15 Stipulating Parties are entitled to withdraw from this Stipulation or exercise any other
16 rights provided in OAR 860-001-0350(9).

17 15. No later than December 30, 2029, five years from the filing date of this
18 UM 2363, NW Natural shall file with the Commission another detailed depreciation
19 study of its utility property. The depreciation parameters detailed in Stipulation
20 Exhibit "A" Table 1 will be utilized until the effective date of the next depreciation
21 study.

22 16. By entering into this Stipulation, no Stipulating Party approves, admits,
23 or consents to the facts, principles, methods, or theories employed by any other

1 Stipulating Party in arriving at the terms of this Stipulation, other than those
2 specifically identified in the body of this Stipulation. No Stipulating Party shall be
3 deemed to have agreed that any provision of this Stipulation is appropriate for
4 resolving issues in any other proceeding, except as specifically identified in this
5 Stipulation.

6 17. The substantive terms of this Stipulation are not enforceable by any
7 Stipulating Party unless and until adopted by the Commission in a final order. Each
8 Stipulating Party avers that it is signing this Stipulation in good faith and that it
9 intends to abide by the terms of this Stipulation unless and until this Stipulation is
10 rejected or adopted only in part by the Commission. The Stipulating Parties agree
11 that the Commission has exclusive jurisdiction to enforce or modify this Stipulation.
12 If the Commission rejects or modifies this Stipulation, the Stipulating Parties reserve
13 the right to seek reconsideration or rehearing of the Commission order under ORS
14 756.561 and OAR 860-001-0720 or to appeal the Commission order under ORS
15 756.610.

16 18. This Stipulation may be executed in counterparts and each signed
17 counterpart shall constitute an original document.

18 This Stipulation is entered into by each Stipulating Party on the date entered
19 below such Stipulating Party's signature.

STAFF

AWEC

By: /s/ Stephanie Andrus

By: /s/ Chad Stokes

Date: July 17, 2025

Date: July 17, 2025

NW NATURAL

By: /s/ Eric W. Nelsen

Date: July 17, 2025

Stipulation Exhibit “A” Table 1 Summary of Depreciation

NORTHWEST NATURAL GAS COMPANY

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2023

DEPRECIABLE GROUP	PROBABLE	SURVIVOR	NET	ORIGINAL COST	BOOK	FUTURE	CALCULATED ANNUAL		COMPOSITE
	RETIREMENT		SALVAGE	AS OF	DEPRECIATION		ACCRUAL	ACCRUAL	
(1)	YEAR	CURVE	PERCENT	DECEMBER 31, 2023	RESERVE	ACCRUALS	AMOUNT	RATE	REMAINING
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)=(7)/(8)
DEPRECIABLE GAS PLANT									
INTANGIBLE PLANT									
303.10 MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE		15-SQ	0	128,050,933.02	26,336,695	101,714,238	9,791,008	7.65	10.4
303.11 MISCELLANEOUS INTANGIBLE PLANT - HORIZON		10-SQ	0	46,726,994.21	4,141,642	42,585,352	5,010,041	10.72	8.5
303.12 MISCELLANEOUS INTANGIBLE PLANT - SECURITY DIRECTIVE		10-SQ	0	22,242,163.51	1,789,927	20,452,237	2,403,337	10.81	8.5
303.20 MISCELLANEOUS INTANGIBLE PLANT - CUSTOMER INFORMATION SYSTEM		15-SQ	0	32,409,597.11	32,398,798	10,799	1,963	0.01	5.5
303.30 MISCELLANEOUS INTANGIBLE PLANT - INDUSTRIAL AND COMMERCIAL		10-SQ	0	4,146,951.00	4,146,951	0	0	-	-
303.70 MISCELLANEOUS INTANGIBLE PLANT - CRMS		5-SQ	0	33,207,967.40	11,320,431	21,887,536	5,597,274	16.86	3.9
303.71 MISCELLANEOUS INTANGIBLE PLANT - CLOUD-BASED SOFTWARE HORIZON		10-SQ	0	24,096,593.68	3,203,067	20,893,527	2,458,062	10.20	8.5
303.72 MISCELLANEOUS INTANGIBLE PLANT - CLOUD-BASED SOFTWARE TSA SECURITY DIRECTIVE		5-SQ	0	3,157,883.11	0	3,157,883	900,792	28.53	3.5
TOTAL INTANGIBLE PLANT				294,039,083.04	83,337,511	210,701,572	26,162,477	8.90	
OIL GAS FACILITIES									
305.50 STRUCTURES AND IMPROVEMENTS - OTHER		40-S1	(5)	13,156.00	13,814	0	0	-	-
311.70 LIQUEFIED PETROLEUM GAS EQUIPMENT		18-L0.5	(5)	4,033.00	8,066	(3,831)	0	-	-
311.80 LIQUEFIED PETROLEUM GAS EQUIPMENT		18-L0.5	(5)	4,209.00	6,585	(2,166)	0	-	-
TOTAL OIL GAS FACILITIES				21,398.00	28,465	(5,997)	0	-	
OTHER PRODUCTION FACILITIES									
305.11 STRUCTURES AND IMPROVEMENTS - GAS PRODUCTION		40-S1	(5)	8,320.00	8,736	0	0	-	-
305.17 STRUCTURES AND IMPROVEMENTS - MIXING STATION		40-S1	(5)	46,587.00	51,246	(2,330)	0	-	-
318.30 LIGHT OIL REFINING		45-S2.5	(5)	144,896.00	152,141	0	0	-	-
318.50 TAR PROCESSING		45-S2.5	(5)	243,551.00	255,729	0	0	-	-
319.00 GAS MIXING EQUIPMENT		30-R0.5	(5)	185,448.00	194,720	0	0	-	-
TOTAL OTHER PRODUCTION FACILITIES				628,802.00	662,572	(2,330)	0	-	

NORTHWEST NATURAL GAS COMPANY

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2023

DEPRECIABLE GROUP (1)		PROBABLE	SURVIVOR	NET	ORIGINAL COST	BOOK	FUTURE	CALCULATED ANNUAL		COMPOSITE
		RETIREMENT		SALVAGE	AS OF	DEPRECIATION		ACCRUAL	ACCRUAL	REMAINING
		YEAR	CURVE	PERCENT	DECEMBER 31, 2023	RESERVE	ACCRUALS	AMOUNT	RATE	LIFE
		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)=(7)/(8)
UNDERGROUND STORAGE PLANT										
350.20	LAND RIGHTS		70-R4	0	109,624.94	38,249	71,376	1,545	1.41	46.2
351.00	STRUCTURES AND IMPROVEMENTS		60-R4	0	14,554,925.77	3,598,479	10,956,447	232,069	1.59	47.2
352.00	WELLS		50-S4	0	63,027,620.00	20,130,011	42,897,609	1,219,313	1.93	35.2
352.10	STORAGE LEASEHOLDS AND RIGHTS		55-S3	0	3,939,511.52	2,053,886	1,885,626	65,283	1.66	28.9
352.20	RESERVOIRS		55-S3	0	10,834,054.54	4,520,124	6,313,931	191,859	1.77	32.9
352.30	NONRECOVERABLE GAS		55-R4	0	6,440,889.82	4,055,238	2,385,652	97,235	1.51	24.5
353.00	LINES		55-S3	(15)	12,955,423.07	4,880,336	10,018,401	267,129	2.06	37.5
354.10	COMPRESSOR STATION EQUIPMENT - TURBINE 1		50-R3	(10)	7,885,231.22	3,244,668	5,429,086	150,255	1.91	36.1
354.20	COMPRESSOR STATION EQUIPMENT - TURBINE 2		50-R3	(10)	4,154,699.00	3,255,359	1,314,810	67,461	1.62	19.5
354.30	COMPRESSOR STATION EQUIPMENT - TURBINE 3		50-R3	(10)	21,084,256.03	8,324,605	14,868,077	420,517	1.99	35.4
354.40	COMPRESSOR STATION EQUIPMENT - TURBINE 4		50-R3	(10)	16,396,554.18	7,211,285	10,824,925	325,593	1.99	33.2
354.50	COMPRESSOR STATION EQUIPMENT - TURBINE 5		50-R3	(10)	3,739,476.97	1,231,783	2,881,642	76,801	2.05	37.5
354.60	COMPRESSOR STATION EQUIPMENT - TURBINE 6		50-R3	(10)	260,041.78	55,162	230,884	5,531	2.13	41.7
355.00	MEASURING AND REGULATING EQUIPMENT		45-S2	(10)	39,474,567.00	9,593,627	33,828,397	944,101	2.39	35.8
356.00	PURIFICATION EQUIPMENT		45-S2.5	(5)	28,968,864.51	1,837,162	28,580,146	694,183	2.40	41.2
357.00	OTHER EQUIPMENT		35-R4	0	5,261,772.21	1,404,487	3,857,285	137,955	2.62	28.0
TOTAL UNDERGROUND STORAGE PLANT					239,087,512.56	75,434,461	176,344,294	4,896,830	2.05	

NORTHWEST NATURAL GAS COMPANY

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2023

DEPRECIABLE GROUP		PROBABLE RETIREMENT YEAR	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2023	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	ACCRAUAL RATE	COMPOSITE REMAINING LIFE
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)=(7)/(8)
LOCAL STORAGE PLANT										
361.00	STRUCTURES AND IMPROVEMENTS									
	LINNTON	06-2036	60-R2.5	*	(5)	12,498,961.89	5,008,053	8,115,857	658,612	5.27
	NEWPORT	06-2042	60-R2.5	*	(5)	12,196,541.26	5,148,646	7,657,722	428,309	3.51
	OTHER		60-R2.5		(5)	26,757.00	14,191	13,904	399	1.49
	TOTAL STRUCTURES AND IMPROVEMENTS					24,722,260.15	10,170,890	15,787,483	1,087,320	4.40
362.00	GAS HOLDERS									
	LINNTON	06-2036	60-R3	*	(20)	4,556,064.35	3,122,790	2,344,487	197,281	4.33
	NEWPORT	06-2042	60-R3	*	(20)	5,927,103.82	6,422,031	690,494	44,938	0.76
	OTHER		60-R3		(20)	1,600.14	1,312	608	15	0.94
	TOTAL GAS HOLDERS					10,484,768.31	9,546,133	3,035,589	242,234	2.31
363.10	LIQUEFACTION EQUIPMENT									
	LINNTON	06-2036	50-R2.5	*	(5)	3,911,724.33	2,906,482	1,200,829	98,779	2.53
	NEWPORT	06-2042	50-R2.5	*	(5)	22,700,560.02	8,398,821	15,436,767	890,918	3.92
	TOTAL LIQUEFACTION EQUIPMENT					26,612,284.35	11,305,303	16,637,596	989,697	3.72
363.20	VAPORIZING EQUIPMENT									
	LINNTON	06-2036	40-R4	*	(5)	4,458,618.00	2,707,111	1,974,438	179,030	4.02
	NEWPORT	06-2042	40-R4	*	(5)	6,718,208.96	1,307,093	5,747,026	320,797	4.78
	TOTAL VAPORIZING EQUIPMENT					11,176,826.96	4,014,204	7,721,464	499,827	4.47
363.30	COMPRESSOR EQUIPMENT									
	LINNTON	06-2036	35-R1.5	*	(5)	1,362,753.51	218,613	1,212,278	102,046	7.49
	NEWPORT	06-2042	35-R1.5	*	(5)	7,731,229.09	2,477,597	5,640,194	333,389	4.31
	TOTAL COMPRESSOR EQUIPMENT					9,093,982.60	2,696,210	6,852,472	435,435	4.79
363.40	MEASURING AND REGULATING EQUIPMENT									
	LINNTON	06-2036	50-R4	*	(5)	7,882,786.81	1,490,295	6,786,631	559,147	7.09
	NEWPORT	06-2042	50-R4	*	(5)	15,384,423.80	1,109,662	15,043,983	819,145	5.32
	TOTAL MEASURING AND REGULATING EQUIPMENT					23,267,210.61	2,599,957	21,830,614	1,378,292	5.92
363.50	CNG REFUELING FACILITIES		31-R3		(5)	3,281,734.97	1,831,291	1,614,531	83,959	2.56
363.60	LNG REFUELING FACILITIES		45-S2.5		(5)	739,473.00	741,913	34,534	1,903	0.26
TOTAL LOCAL STORAGE PLANT					109,378,540.95	42,905,901	73,514,283	4,718,667	4.31	

NORTHWEST NATURAL GAS COMPANY

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2023

DEPRECIABLE GROUP	PROBABLE RETIREMENT YEAR	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2023	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	ACCRUAL RATE	COMPOSITE REMAINING LIFE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)=(7)/(8)
TRANSMISSION PLANT									
365.20 LAND RIGHTS		75-R4	0	6,455,176.86	2,600,382	3,854,795	83,004	1.29	46.4
366.30 STRUCTURES AND IMPROVEMENTS		55-R3	0	1,546,072.61	494,039	1,052,034	26,760	1.73	39.3
367.00 MAINS		70-R3	(40)	243,891,349.30	46,553,265	294,894,624	4,855,298	1.99	60.7
367.21 MAINS - NORTH MIST		70-R3	(40)	1,994,582.39	1,342,849	1,449,566	32,816	1.65	44.2
367.22 MAINS - SOUTH MIST		70-R3	(40)	14,949,264.00	12,154,663	8,774,307	230,439	1.54	38.1
367.23 MAINS - SOUTH MIST		70-R3	(40)	34,881,341.36	17,859,027	30,974,851	657,235	1.88	47.1
367.24 MAINS - 11.7M S MIST		70-R3	(40)	17,466,181.89	7,804,954	16,647,701	330,574	1.89	50.4
367.25 MAINS - 12M NORTH S MIST		70-R3	(40)	18,613,651.15	8,025,389	18,033,723	355,046	1.91	50.8
367.26 MAINS - 38M NORTH S MIST		70-R3	(40)	68,232,675.58	29,590,611	65,935,135	1,298,659	1.90	50.8
368.00 COMPRESSOR STATION EQUIPMENT		45-R3	(5)	7,723,454.21	3,373,630	4,735,997	156,458	2.03	30.3
369.00 MEASURING AND REGULATING EQUIPMENT		50-R2.5	(10)	3,969,550.28	2,062,022	2,304,483	57,616	1.45	40.0
TOTAL TRANSMISSION PLANT				419,723,299.63	131,860,831	448,657,216	8,083,905	1.93	
DISTRIBUTION PLANT									
374.20 LAND RIGHTS		75-R4	0	1,886,180.64	1,725,171	161,010	2,499	0.13	64.4
375.00 STRUCTURES AND IMPROVEMENTS		35-S1	0	1,587,598.32	239,253	1,348,345	62,819	3.96	21.5
376.11 MAINS - HP 4" AND LESS		67-R3	(65)	733,069,799.15	396,483,311	813,081,858	17,214,421	2.35	47.2
376.12 MAINS - HP 4" AND OVER		67-R3	(65)	779,378,528.59	297,942,649	988,031,923	19,544,832	2.51	50.6
377.00 COMPRESSOR STATION EQUIPMENT		30-S3	(5)	860,686.82	719,546	184,175	14,348	1.67	12.8
378.00 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL		55-R2.5	(25)	55,197,805.30	16,175,076	52,822,181	1,204,613	2.18	43.8
379.00 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE		50-R2.5	(25)	22,002,640.72	4,561,996	22,941,305	527,644	2.40	43.5
380.00 SERVICES		62-R2.5	(100)	1,004,062,014.54	486,777,081	1,521,346,948	33,691,199	3.36	45.2
381.00 METERS		32-S0	0	111,544,967.20	16,523,475	95,021,492	4,074,971	3.65	23.3
381.10 METERS - ELECTRIC		16-S4	0	1,696,938.46	1,461,577	235,361	35,878	2.11	6.6
381.20 METERS - ERT		15-R0.5	0	48,095,881.00	16,345,841	31,750,040	3,304,178	6.87	9.6
382.00 METER INSTALLATIONS		25-L1	0	67,194,266.99	3,463,742	63,730,525	4,319,569	6.43	14.8
382.10 METER INSTALLATIONS - ELECTRIC		15-L3	0	481,019.77	298,351	182,669	33,953	7.06	5.4
382.20 METER INSTALLATIONS - ERT		18-R2.5	0	9,455,364.18	5,948,353	3,507,011	404,405	4.28	8.7
383.00 HOUSE REGULATORS		30-S2.5	0	3,244,766.96	695,743	2,549,024	115,310	3.55	22.1
386.00 OTHER PROPERTY ON CUSTOMERS' PREMISES		14-S0	0	1,162,110.41	753,163	408,947	43,878	3.78	9.3
387.10 OTHER EQUIPMENT - CATHODIC PROTECTION TESTING		25-S4	0	173,858.98	150,855	23,004	3,899	2.24	5.9
387.20 OTHER EQUIPMENT - CALORIMETERS AT GATE STATION		23-S0.5	0	96,424.00	96,424	0	0	-	-
387.30 OTHER EQUIPMENT - METER TESTING EQUIPMENT		25-S4	0	72,671.00	72,671	0	0	-	-
TOTAL DISTRIBUTION PLANT				2,841,263,523.03	1,250,434,278	3,597,325,818	84,598,416	2.98	

NORTHWEST NATURAL GAS COMPANY

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2023

DEPRECIABLE GROUP		PROBABLE RETIREMENT YEAR	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2023	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT		COMPOSITE REMAINING LIFE
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)=(7)/(8)
GENERAL PLANT										
390.00	STRUCTURES AND IMPROVEMENTS		48-SQ	(5)	147,048,661.54	21,709,798	132,691,297	3,132,793	2.13	42.4
390.10	STRUCTURES AND IMPROVEMENTS - SOURCE CONTROL PLANT		48-SQ	(5)	23,033,564.87	7,427,058	16,758,185	417,789	1.81	40.1
391.10	OFFICE FURNITURE AND EQUIPMENT									
	FULLY ACCRUED				150,625.11	150,625	0	0	-	-
	AMORTIZED		20-SQ	0	18,089,789.51	5,849,675	12,240,115	904,546	5.00	13.5
	TOTAL ACCOUNT 391.10				18,240,414.62	6,000,300	12,240,115	904,546	4.96	13.5
391.20	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS									
	FULLY ACCRUED				0.14	0	0	0	-	-
	AMORTIZED		5-SQ	0	45,049,654.91	26,473,140	18,576,515	9,008,263	20.00	2.1
	TOTAL ACCOUNT 391.20				45,049,655.05	26,473,140	18,576,515	9,008,263	20.00	2.1
391.21	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS HORIZON		10-SQ	0	2,190,419.85	328,563	1,861,857	219,042	10.00	8.5
391.22	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS TSA SECURITY DIRECTIVE		10-SQ	0	9,141,168.44	1,370,558	7,770,610	914,117	10.00	8.5
392.00	TRANSPORTATION EQUIPMENT		13-L2	15	57,500,630.35	22,116,078	26,759,458	3,192,238	5.55	8.4
393.00	STORES EQUIPMENT		FULLY ACCRUED		119,406.00	119,406	0	0	-	-
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT		25-SQ	0	23,892,668.61	7,467,894	16,424,775	955,705	4.00	17.2
396.00	POWER OPERATED EQUIPMENT		15-L1.5	20	16,250,386.19	3,432,764	9,567,545	893,134	5.50	10.7
397.00	COMMUNICATION EQUIPMENT		15-SQ	0	49,718.14	34,803	14,915	3,314	6.67	4.5
397.10	COMMUNICATION EQUIPMENT - MOBILE		10-SQ	0	5,340,779.26	1,977,185	3,363,594	534,079	10.00	6.3
397.20	COMMUNICATION EQUIPMENT - NON-MOBILE AND TELEMETER		15-SQ	0	9,957.65	6,970	2,988	664	6.67	4.5
397.30	COMMUNICATION EQUIPMENT - TELEMETER OTHER									
	FULLY ACCRUED				53,241.79	53,242	0	0	-	-
	AMORTIZED		15-SQ	0	13,964,358.75	3,160,000	10,804,359	931,795	6.67	11.6
	TOTAL ACCOUNT 397.30				14,017,600.54	3,213,242	10,804,359	931,795	6.65	11.6
397.40	COMMUNICATION EQUIPMENT - TELEMETER MICROWAVE									
	FULLY ACCRUED				61,119.78	61,120	0	0	-	-
	AMORTIZED		15-SQ	0	7,009,279.04	2,127,101	4,882,178	467,288	6.67	10.4
	TOTAL ACCOUNT 397.40				7,070,398.82	2,188,221	4,882,178	467,288	6.61	10.4

NORTHWEST NATURAL GAS COMPANY

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2023

DEPRECIABLE GROUP		PROBABLE RETIREMENT YEAR	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2023	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	ACCUAL RATE	COMPOSITE REMAINING LIFE
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)=(7)/(8)
397.50	COMMUNICATION EQUIPMENT - TELEPHONE		10-SQ	0	340,671.19	300,650	40,021	34,146	10.00	1.2
398.10	MISCELLANEOUS EQUIPMENT - PRINT SHOP		15-SQ	0	4,359.31	3,923	436	291	6.67	1.5
398.20	MISCELLANEOUS EQUIPMENT - KITCHEN		15-SQ	0	28,864.84	15,277	13,588	1,924	6.67	7.1
398.30	MISCELLANEOUS EQUIPMENT - JANITORIAL		FULLY ACCRUED		14,873.00	14,873	0	0	-	-
398.40	MISCELLANEOUS EQUIPMENT - LEASED BUILDINGS		FULLY ACCRUED		10,120.00	10,120	0	0	-	-
398.50	MISCELLANEOUS EQUIPMENT - OTHER									
	FULLY ACCRUED				66,739.00	66,739	0	0	-	-
	AMORTIZED		20-SQ	0	243.22	12	231	12	5.00	19.2
TOTAL ACCOUNT 398.50					66,982.22	66,751	231	12	0.02	19.3
TOTAL GENERAL PLANT					369,421,300.49	104,277,574	261,772,667	21,611,140	5.85	
RESERVE ADJUSTMENT FOR AMORTIZATION										
391.10	OFFICE FURNITURE AND EQUIPMENT					1,342,419		(268,484)	**	
391.20	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS					(85,000)		17,000	**	
391.21	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS HORIZON					218,417		(43,683)	**	
391.22	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS TSA SECURITY DIRECTIVE					961,928		(192,386)	**	
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT					485,356		(97,071)	**	
395.00	LABORATORY EQUIPMENT					(35)		7	**	
397.00	COMMUNICATION EQUIPMENT					5,944		(1,189)	**	
397.10	COMMUNICATION EQUIPMENT - MOBILE					(104,997)		20,999	**	
397.20	COMMUNICATION EQUIPMENT - NON-MOBILE AND TELEMETER					(59,219)		11,844	**	
397.30	COMMUNICATION EQUIPMENT - TELEMETER OTHER					(318,519)		63,704	**	
397.40	COMMUNICATION EQUIPMENT - TELEMETER MICROWAVE					(330,997)		66,199	**	
397.50	COMMUNICATION EQUIPMENT - TELEPHONE					57,055		(11,411)	**	
398.10	MISCELLANEOUS EQUIPMENT - PRINT SHOP					(1,527)		305	**	
398.20	MISCELLANEOUS EQUIPMENT - KITCHEN					(744)		149	**	
398.50	MISCELLANEOUS EQUIPMENT - OTHER					(12)		2	**	
TOTAL RESERVE ADJUSTMENT FOR AMORTIZATION						2,170,069		(434,015)		
TOTAL DEPRECIABLE GAS PLANT					4,273,563,459.70	1,691,111,662	4,768,307,523	149,637,420	3.50	

NORTHWEST NATURAL GAS COMPANY

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2023

DEPRECIABLE GROUP (1)	PROBABLE RETIREMENT YEAR (2)	SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST AS OF DECEMBER 31, 2023 (5)	BOOK DEPRECIATION RESERVE (6)	FUTURE ACCRUALS (7)	CALCULATED ANNUAL ACCRUAL AMOUNT (8)		ACCRAU RATE (9)=(8)/(5)	COMPOSITE REMAINING LIFE (10)=(7)/(8)
NONDEPRECIABLE GAS PLANT										
301.00 ORGANIZATION				1,174.00	0					
302.00 FRANCHISES AND CONSENTS				83,621.00	0					
304.10 LAND				24,998.00	0					
350.10 LAND				106,549.00	0					
360.11 LAND - LNG LINNTON				83,598.00	0					
360.12 LAND - LNG NEWPORT				536,433.00	(242)					
360.20 LAND - OTHER				106,557.00	0					
365.10 LAND				1,015,597.00	0					
374.10 LAND				211,692.00	0					
389.00 LAND				13,118,401.00	426,129					
ROU UTILITY LEASE				0.00	15,856,270					
FIN UTILITY LEASE				0.00	199,716					
TOTAL NONDEPRECIABLE GAS PLANT				15,288,620.00	16,481,873					
TOTAL GAS PLANT IN SERVICE				4,288,852,079.70	1,707,593,535					

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

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