



e-FILING REPORT COVER SHEET

COMPANY NAME: NW Natural

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes If yes, submit a redacted public version (or a cover letter) by email. Submit the confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

Select report type: RE (Electric) RG (Gas) RW (Water) RT (Telecommunications)
 RO (Other, for example, industry safety information)

Did you previously file a similar report? No Yes, report docket number: RG 40

Report is required by: OAR 860-022-0070
 Statute OR
 Order

Note: A one-time submission required by an order is a compliance filing and not a report (file compliance in the applicable docket)

Other
(For example, federal regulations, or requested by Staff)

Is this report associated with a specific docket/case? No Yes, docket number: RG 40

List Key Words for this report. We use these to improve search results.

Earnings Review, Results of Operations, ROO

Send the completed Cover Sheet and the Report in an email addressed to PUC.FilingCenter@state.or.us

Send confidential information, voluminous reports, or energy utility Results of Operations Reports to PUC Filing Center, PO Box 1088, Salem, OR 97308-1088 or by delivery service to 201 High Street SE Suite 100, Salem, OR 97301.



250 SW Taylor Street
Portland, OR 97204

503-226-4211
nwnatural.com

April 27, 2023

VIA ELECTRONIC FILING AND FEDEX

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street SE, Suite 100
Salem, Oregon 97301-3398

RE: RG 40 – NW Natural’s Earnings Review for the 12 Months Ended December 31, 2022

Pursuant to OAR 860-022-0070, Northwest Natural Gas Company, dba NW Natural (“NW Natural” or “Company”), files herewith its Earnings Review for the 12 months ended December 31, 2022. Per order No. 15-049, please see the second page of the earnings review that incorporates the Asset Management Agreement Optimization (“AMA”) revenues. NW Natural’s Earnings Review return on equity results are as follows:

- **Traditional Review: 8.56%**
- **Traditional Including AMA: 8.69%**

Per the January 3, 2023 notification from Staff, two CDs of the report with supporting workpapers and schedules in Excel format will be mailed via FedEx and emailed to puc.workpapers@puc.oregon.gov.

Please feel free to call if you have any questions.

Sincerely,

NW NATURAL

/s/ Kyle Walker, CPA

Kyle Walker, CPA
Rates/Regulatory Manager
Telephone: (503) 610-7051
Email: kyle.walker@nwnatural.com

Enclosures



REPORT: RG 40

ANNUAL EARNINGS REVIEW
WITHOUT WORKPAPERS

(For the twelve months ended December 31, 2022)

OREGON EARNINGS TEST REVIEW								
Line No.	Test Year Results	TYPE I Adjustments	Results after Type I	Gas Reserves Adjustment ⁽²⁾	Results Excl. Gas Reserves ⁽²⁾	TYPE II Adjustments	Results after Type II	
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (c) + (f)	
Operating Revenues								
1	Sale of Gas	\$810,388	(\$49,703)	\$760,685		\$760,685	\$0	\$760,685
2	WARM Revenues	(8,288)	8,288	0		0	0	0
3	Revenue & Technical Adjustments	43,223	0	43,223		43,223	0	43,223
4	Decoupling Adjustments	(16,692)	16,692	0		0	0	0
5	Transportation	18,133	0	18,133		18,133	0	18,133
6	Miscellaneous Revenues	2,514	171	2,685		2,685	0	2,685
7	Total Operating Revenues	849,278	(24,552)	824,726	0	824,726	0	824,726
Operating Revenue Deductions								
8	Gas Purchased	384,848	(24,109)	360,739	529	361,268	0	360,739
9	Uncollectible Accrual for Gas Sales	811	496	1,306		1,306	0	1,306
10	Other Operating & Maintenance Expenses ⁽¹⁾	186,459	(8,837)	177,622		177,622	0	177,622
11	Total Operating & Maintenance Exp.	572,118	(32,450)	539,667	529	540,196	0	539,667
12	Federal Income Tax	11,025	1,422	12,447	218	12,665	0	12,447
13	State Excise	11,083	558	11,641	0	11,641	0	11,641
14	Property Taxes	25,183	2,012	27,195		27,195	0	27,195
15	Other Taxes	29,034	(1,340)	27,694		27,694	0	27,694
16	Depreciation & Amortization	99,382	0	99,382		99,382	0	99,382
17	Total Operating Revenue Deductions	747,825	(29,798)	718,027	747	718,775	0	718,027
18	Net Operating Revenues	\$101,453	\$5,246	\$106,699	(\$747)	\$105,951	\$0	\$106,699
Average Rate Base								
19	Utility Plant in Service	\$3,534,760	(\$4,696)	\$3,530,064	(187,307)	\$3,342,757	\$0	\$3,530,064
20	Accumulated Depreciation	(1,565,600)	0	(1,565,600)	158,281	(1,407,319)	0	(1,565,600)
21	Net Utility Plant	1,969,160	(4,696)	1,964,464	(29,027)	1,935,437	0	1,964,464
22	Aid in Advance of Construction	(5,558)	0	(5,558)		(5,558)	0	(5,558)
23	Customer Deposits	(1,510)	0	(1,510)		(1,510)	0	(1,510)
24	Materials & Supplies	81,574	0	81,574		81,574	0	81,574
25	Leasehold Improvements	22,694	0	22,694		22,694	0	22,694
26	Accumulated Deferred Income Taxes	(435,774)	0	(435,774)	13,474	(422,300)	0	(435,774)
27	Total Rate Base	\$1,630,586	(\$4,696)	\$1,625,890	(\$15,553)	\$1,610,337	\$0	\$1,625,890
28	Rate of Return	6.22%		6.56%	4.81%	6.58%		6.56%
29	Return on Common Equity	7.89%		8.56%	5.15%	8.59%		8.56%

Notes: ⁽¹⁾ Column (a) excludes expenses not included in our last general rate case therefore are not included in customer rates.

Notes: ⁽²⁾ Columns (d) and (e) added in accordance with Order No. 11-176 pertaining to Encana.

NW Natural Gas Company
 2022 Oregon Earnings Review
 12 Months Ended December 31, 2022
 (\$'000's)

Line No.	OREGON EARNINGS TEST REVIEW						
	Test Year	TYPE I	Results	TYPE II	Results		Results
	Results	Adjustments	after Type I	Adjustments	after Type II	AMA	after AMA
	(a)	(b)	(c) = ((a)+(b))	(d)	(e) = (c)+(d)	(f)	(g) = (e)+(f)
	Operating Revenues						
1	Sale of Gas	\$810,388	(\$49,703)	\$760,685	\$0	\$760,685	\$760,685
2	WARM Revenues	(8,288)	8,288	0	0	0	0
3	Revenue & Technical Adjustments	43,223	0	43,223	0	43,223	43,223
4	Decoupling Adjustments	(16,692)	16,692	0	0	0	0
5	Transportation	18,133	0	18,133	0	18,133	18,133
6	Miscellaneous Revenues	2,514	171	2,685	0	2,685	4,221
7	Total Operating Revenues	849,278	(24,552)	824,726	0	824,726	826,262
	MARGIN (Rev less COG less FF)	445,157		446,054		446,054	447,590
	Operating Revenue Deductions						
8	Gas Purchased	384,848	(24,109)	360,739	0	360,739	360,739
9	Uncollectible Accrual for Gas Sales	811	496	1,306	0	1,306	1,306
10	Other Operating & Maintenance Expenses ⁽¹⁾	186,459	(8,837)	177,622	0	177,622	177,622
11	Total Operating & Maintenance Exp.	572,118	(32,450)	539,667	0	539,667	539,667
12	Federal Income Tax	11,025	1,422	12,447	0	12,447	12,745
13	State Excise	11,083	558	11,641	0	11,641	11,758
14	Property Taxes	25,183	2,012	27,195	0	27,195	27,195
15	Other Taxes (i.e Franchise, Payroll, PUC & DOE Fee)	29,034	(1,340)	27,694	0	27,694	27,694
16	Depreciation & Amortization	99,382	0	99,382	0	99,382	99,382
17	Total Operating Revenue Deductions	747,825	(29,798)	718,027	0	718,027	718,442
18	Net Operating Revenues	\$101,453	\$5,246	\$106,699	\$0	\$106,699	\$107,820
	Average Rate Base						
19	Utility Plant in Service	\$3,534,760	(\$4,696)	\$3,530,064	\$0	\$3,530,064	\$3,530,064
20	Accumulated Depreciation	(1,565,600)	0	(1,565,600)	0	(1,565,600)	(1,565,600)
21	Net Utility Plant	1,969,160	(4,696)	1,964,464	0	1,964,464	1,964,464
22	Aid in Advance of Construction	(5,558)	0	(5,558)	0	(5,558)	(5,558)
23	Customer Deposits	(1,510)	0	(1,510)	0	(1,510)	(1,510)
24	Materials & Supplies	19,132	0	19,132	0	19,132	19,132
25	Gas Inventory	62,442	0	62,442	0	62,442	62,442
26	EDIT Adjustment to Rate Base	7,779	0	7,779	0	7,779	7,779
27	Leasehold Improvements	22,694	0	22,694	0	22,694	22,694
28	Accumulated Deferred Income Taxes	(443,553)	0	(443,553)	0	(443,553)	(443,553)
29	Total Rate Base	\$1,630,586	(\$4,696)	\$1,625,890	\$0	\$1,625,890	\$1,625,890
30	Rate of Return	6.22%		6.56%		6.56%	6.63%
31	Return on Common Equity	7.89%		8.56%		8.56%	8.69%

Notes: ⁽¹⁾ Column (a) excludes expenses not included in our last general rate case therefore are not included in customer rates.

2022

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Schedule 185 Revenue	182,646	193,145	233,695	248,198	373,283	500,701	720,751	553,021	340,392	190,892	122,232	197,519	3,856,474
Less: Optimization O&M (I/O 417-02230)	(2,977)	(3,028)	(2,882)	(3,336)	(3,499)	(7,578)	(769)	171	(430)	(1,600)	(1,715)	2,500	(25,142)
Less: OR CAT Tax	(1,041)	(1,101)	(1,332)	(1,415)	(2,128)	(2,854)	(4,108)	(3,152)	(1,940)	(1,088)	(697)	(1,126)	(21,982)
Net Schedule 185 Revenue	178,628	189,016	229,481	243,447	367,656	490,269	715,874	550,040	338,022	188,204	119,820	198,893	3,831,332
Oregon Allocation	88.026%	88.026%	88.026%	88.026%	88.026%	88.026%	88.026%	88.026%	88.026%	88.026%	88.026%	88.026%	88.026%
Schedule 185 Revenue to Oregon	157,240	166,384	202,003	214,298	323,634	431,566	630,158	484,180	297,548	165,669	105,473	175,078	3,353,232
% to Core	58.64%	58.64%	58.64%	58.64%	58.64%	58.64%	58.64%	58.64%	58.64%	58.64%	58.64%	58.64%	58.64%
Total Schedule 185 Revenue Allocated to Core	92,201	97,563	118,449	125,658	189,769	253,057	369,505	283,908	174,473	97,143	61,846	102,661	1,966,233
NWN's Share of Revenue (10%)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
NWN's Schedule 185 Revenue	9,220	9,756	11,845	12,566	18,977	25,306	36,951	28,391	17,447	9,714	6,185	10,266	196,623
50% to Earnings Test Calculation	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Total Schedule 185 Revenue for Earnings Test	4,610	4,878	5,922	6,283	9,488	12,653	18,475	14,195	8,724	4,857	3,092	5,133	98,312
Gross Schedule 186 Revenue	727,964	780,451	1,027,972	894,552	1,189,348	1,860,071	4,102,646	5,550,745	4,648,726	2,160,556	1,305,831	8,803,385	33,052,247
Less: Optimization O&M (I/O 417-02230)	(11,864)	(12,237)	(12,879)	(12,023)	(10,897)	(27,735)	(15,632)	(18,901)	(17,776)	(15,835)	(14,742)	(19,233)	(189,754)
Less: OR CAT Tax	(4,149)	(4,449)	(5,859)	(5,099)	(6,779)	(10,602)	(23,385)	(31,639)	(26,498)	(12,315)	(7,443)	(50,179)	(188,398)
Net Schedule 186 Revenue	711,951	763,765	1,009,234	877,430	1,171,672	1,821,734	4,063,629	5,500,205	4,604,452	2,132,406	1,283,646	8,733,973	32,674,095
Oregon Allocation	88.026%	88.026%	88.026%	88.026%	88.026%	88.026%	88.026%	88.026%	88.026%	88.026%	88.026%	88.026%	88.026%
Schedule 186 Revenue to Oregon	626,705	672,314	888,392	772,370	1,031,380	1,603,606	3,577,065	4,841,630	4,053,132	1,877,079	1,129,947	7,688,198	28,761,817
NWN's Share of Revenue (10%)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
NWN's Schedule 186 Revenue	62,670	67,231	88,839	77,237	103,138	160,361	357,706	484,163	405,313	187,708	112,995	768,820	2,876,182
50% to Earnings Test Calculation	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Total Schedule 186 Revenue for Earnings Test	31,335	33,616	44,420	38,618	51,569	80,180	178,853	242,082	202,657	93,854	56,497	384,410	1,438,091
Total Schedule 185 & 186 Revenue for Earnings Test	35,945	38,494	50,342	44,901	61,057	92,833	197,328	256,277	211,380	98,711	59,590	389,543	1,536,402



ANNUAL EARNINGS REVIEW

For the Twelve Months Ended December 31, 2022

Description of TYPE I Adjustments

This report was developed in a manner consistent with the earnings review directives adopted in UM 903. The determination of the various adjustments included in this report reflect those typical and routinely developed adjustments as were also adopted in the Company's 2011 general rate filing (UG 221), 2018 general rate case filing (UG 344), 2019 general rate case filing (UG 388), and 2021 general rate case filing (UG 435), and continue to be appropriate. Adjustments arising from general rate cases have been prorated.

Weather Normalization and Gas Costs [Column 2(a)]:

This adjustment approximates the volumetric effects of weather on sales and gas costs. Core market volumes have been weather normalized; however, no industrial volumes have been adjusted. The adjustment also reflects the removal of the effects of the WARM mechanism pursuant to Order No. 03-507.

Miscellaneous Revenue Adjustment [Column 2(b)]:

This adjustment reflects the normalization of other tariffed utility fees and revenues to a historical three-year average. The adjustment also reflects the removal of the effect of the Decoupling mechanism pursuant to Order No. 03-507 and the removal of the effect of deferrals related to SB408.

UG 388/UG 435 Adjustments [Column 2(c)]:

This makes O&M and capital adjustments ordered in UG 388 and UG 435. O&M adjustments for UG 388 include salary/incentives/medical benefits, miscellaneous administrative and general expense, directors and officers insurance premiums, membership dues, and meals and entertainment. The O&M adjustments for UG 435 include: Compensation and benefits expenses, FERC 908/912 expenses, survey and focus group expenses, advertising expenses, directors and officers insurance premiums, memberships and dues, and community and government affairs expenses. Capital adjustments for both UG 388 and UG 435 are related to salary/incentives/medical benefits.

Normalization of Property Tax Expense [Column 2(d)]:

Removes the expense accruals for the year and reflects the actual cash payments made during the test period.

Uncollectible Accounts [Column 2(e)]:

This adjustment normalizes the test year accrual for Uncollectible expense to a three-year average of "actual net bad debt write-offs."

Description of TYPE II Adjustments:

The Company has no Type II adjustments for 2022.

NW Natural Gas Company
Test Year Normalizing Adjustments: TYPE I ADJUSTMENTS
2022 Oregon Earnings Review
(\$000)

Line No.	Column A from Page 1	Weather Normalization & Gas Costs Adjustment	Miscellaneous Revenue Adjustment	Rate Case Adjustment	Property Taxes Adjustment	Uncollectible Accounts Adjustment	Total Type I Adjustments	Column C from Page 1
	worksheet #:	(2a)	(2b)	(2c)	(2d)	(2e)		
Operating Revenues								
1	Sale of Gas	\$810,388	(\$49,703)				(\$49,703)	\$760,685
2	WARM Revenue	(8,288)	7,381	907			\$8,288	
3	Revenue & Technical Adjustments	43,223		0			\$0	43,223
4	Decoupling Adjustment	(16,692)		16,692			\$16,692	0
5	Transportation	18,133					\$0	18,133
6	Miscellaneous Revenues	2,514		171			\$171	2,685
7	Total Operating Revenues	849,278	(42,322)	17,770	0	0	(24,552)	824,726
Operating Revenue Deductions								
8	Gas Purchased	384,848	(24,109)				(24,109)	360,739
9	Uncollectible Accrual	811	(89)	0		0	496	1,306
10	Other Operating & Maintenance Expenses	186,459			(8,837)		(8,837)	177,622
11	Total Operating & Maintenance Exp.	572,118	(24,198)	0	(8,837)	0	(32,450)	539,667
12	Federal Income Tax	11,025	(3,250)	3,441	1,735	(390)	1,422	12,447
13	State Excise	11,083	(1,273)	1,348	680	(153)	558	11,641
14	Property Taxes	25,183				2,012	2,012	27,195
15	Other Taxes	29,034	(1,375)	35	0	0	(1,340)	27,694
16	Depreciation & Amortization	99,382					0	99,382
17	Total Operating Revenue Deductions	747,825	(30,095)	4,824	(6,422)	1,469	(29,798)	718,027
18	Net Operating Revenues	101,453	(12,227)	12,946	6,422	(1,469)	5,246	106,699
Average Rate Base								
19	Utility Plant in Service	3,534,760			(4,696)		(4,696)	3,530,064
20	Accumulated Depreciation Materials & Supplies	(1,565,600)					0	(1,565,600)
21	Net Utility Plant	1,969,160	0	0	(4,696)	0	(4,696)	1,964,464
22	Aid in Advance of Construction	(5,558)					0	(5,558)
23	Customer Deposits	(1,510)					0	(1,510)
24	Materials & Supplies	81,574					0	81,574
25	Leasehold Improvements	22,694					0	22,694
26	Accumulated Deferred Income Taxes	(435,774)					0	(435,774)
27	Total Rate Base	\$1,630,586	\$0	\$0	(\$4,696)	\$0	(\$4,696)	\$1,625,890
28	Interest Coordination		0	0	(101)	0	(101)	(101)

Northwest Natural Gas Company
Test Year Normalizing Adjustments: TYPE I ADJUSTMENTS
2022 Oregon Earnings Review
(\$000)

Income Tax Calculations

Line No.		Weather Normalization & Repricing Adjustment (2a)	Other Revenue Adjustment (2b)	UG 344 Adjustments (2c)	Property Taxes Adjustment (2d)	Uncollectible Accounts Adjustment (2e)	Total Adjustments
1	Book Revenues	(42,322)	17,770	0	0	0	(24,552)
2	Book Expenses before Deprec. & Int.	(25,572)	35	(8,837)	2,012	585	(31,778)
3	State Tax Depreciation	0	0	0	0	0	0
4	Interest Expense (Income)	0	0	(101)	0	0	(101)
5	Book/Tax Differences (Sched. M)	0	0	1	0	0	1
6	State Taxable Income	(16,750)	17,735	8,937	(2,012)	(585)	7,326
7	State Excise Tax [1]	(1,273)	1,348	679	(153)	(44)	557
8	State Tax Credit	0	0	1	0	0	1
9	Net State Income Tax	(1,273)	1,348	680	(153)	(44)	558
10	Excess Book(Tax) Deprec.	0	0	0	0	0	0
11	Other Sched. M Differences	0	0	0	0	0	0
12	Federal Taxable Income	(15,477)	16,387	8,257	(1,859)	(541)	6,768
13	Federal Income Tax [2]	(3,250)	3,441	1,734	(390)	(114)	1,421
14	ITC	0	0	1	0	0	1
15	Current Federal Tax	(3,250)	3,441	1,735	(390)	(114)	1,422
16	Deferred Income Tax - Federal	0	0	0	0	0	0
17	Deferred Income Tax - State	0	0	0	0	0	0
18	ITC Restored (Deferred)	0	0	0	0	0	0
19	Total Federal Tax	(3,250)	3,441	1,735	(390)	(114)	1,422
20	Total State Tax	(1,273)	1,348	680	(153)	(44)	558

[1] Statutory State Excise Tax Rate: 7.60%
 [2] Statutory Federal Income Tax Rate: 21.00%

NW Natural
Test Year Normalizing Adjustments: TYPE II ADJUSTMENTS
2022 Oregon Earnings Review
(\$000)

Line No.	No Adjustments	No Adjustments	No Adjustments	No Adjustments	No Adjustments	No Adjustments	No Adjustments	No Adjustments	No Adjustments	Total Type II Adjustments
<u>Operating Revenues</u>										
1										\$0
2										0
3										0
4										0
5										0
6										0
7	0	0	0	0	0	0	0	0	0	0
<u>Operating Revenue Deductions</u>										
8	0									0
9										0
10										0
11	0	0	0	0	0	0	0	0	0	0
12	0	0	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0
14										0
15	0	0	0	0	0	0	0	0	0	0
16								0	0	0
17	0	0	0	0	0	0	0	0	0	0
18	0	0	0	0	0	0	0	0	0	0
<u>Average Rate Base</u>										
19										0
20									0	0
21	0	0	0	0	0	0	0	0	0	0
22										0
23										0
24										0
25										0
26										0
27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	0	0	0	0	0	0	0	0	0	0

Northwest Natural Gas Company
Test Year Normalizing Adjustments: TYPE II ADJ Income Tax Calculations
2022 Oregon Earnings Review
(\$000)

Line No.		No Adjustments	No Adjustments	No Adjustments	No Adjustments	No Adjustments	No Adjustments	No Adjustments	No Adjustments	Total Adjustments
<hr/>										
1	Book Revenues	0	0	0	0	0	0	0	0	0
2	Book Expenses before Deprec. & Int.	0	0	0	0	0	0	0	0	0
3	State Tax Depreciation	0	0	0	0	0	0	0	0	0
4	Interest Expense (Income)	0	0	0	0	0	0	0	0	0
5	Book/Tax Differences (Sched. M)	0	0	0	0	0	0	0	0	0
<hr/>										
6	State Taxable Income	0	0	0	0	0	0	0	0	0
7	State Excise Tax [1]	0	0	0	0	0	0	0	0	0
8	State Tax Credit	0	0	0	0	0	0	0	0	0
<hr/>										
9	Net State Income Tax	0	0	0	0	0	0	0	0	0
10	Excess Book(Tax) Deprec.	0	0	0	0	0	0	0	0	0
11	Other Sched. M Differences	0	0	0	0	0	0	0	0	0
<hr/>										
12	Federal Taxable Income	0	0	0	0	0	0	0	0	0
13	Federal Income Tax [2]	0	0	0	0	0	0	0	0	0
14	ITC	0	0	0	0	0	0	0	0	0
<hr/>										
15	Current Federal Tax	0	0	0	0	0	0	0	0	0
16	Deferred Income Tax - Federal	0	0	0	0	0	0	0	0	0
17	Deferred Income Tax - State	0	0	0	0	0	0	0	0	0
18	ITC Restored (Deferred)	0	0	0	0	0	0	0	0	0
<hr/>										
19	Total Federal Tax	0	0	0	0	0	0	0	0	0
<hr/>										
20	Total State Tax	0	0	0	0	0	0	0	0	0
<hr/>										

[1] Statutory State Excise Tax Rate: 7.60%
 [2] Statutory Federal Income Tax Rate: 21.00%

**NW Natural Gas Company
Tax Provision - Historic
2022 Oregon Earnings Review
(\$000)**

Line No.	State Taxes	Federal Taxes	
1 Operating Revenues	\$849,278	\$849,278	
2 Operating Revenue Deductions	572,118	572,118	
3 Property & Other Taxes	54,217	54,217	
4 Book Depreciation	99,382	99,382	
5 Interest (Rate Base * Cost of Debt)	35,221	35,221	
6 State Tax Deduction	\$4,324	11,083	
7 Subtotal	\$84,016	\$77,257	
8 Permanent Differences	4,924	2,624	89.10% Depreciation Factor
9 Taxable Income	\$88,940	\$79,881	
10 Tax Rate	7.60%	21.00%	
11 Tax Before Credits and Adjustments	6,759	16,775	
12 Credits & Adjustments	4,324	(5,750)	
13 Total Tax	\$11,083	\$11,025	

NW Natural Gas Company
12 Months Ended December 31, 2022
Input Assumptions
Proforma Cost of Capital

<u>Line No.</u>		13-month averages		
		% of Total Capital	Average Cost	Average Weighted Cost
		(a)	(b)	(c)
1	Long Term Debt	48.57%	4.438%	2.16%
2	Preferred Stock	0.00%	0.000%	0.00%
3	Common Stock	51.43%	9.400%	4.83%
4	Total	<u>100.00%</u>		<u>6.990%</u>
Revenue Sensitive Costs				
5	Gas Sales	92.23%		
6	Transportation	2.20%		
7	Other	5.57%		
8	Subtotal	<u>100.00%</u>		
9	O & M - Uncollectible	0.179%		
10	Franchise Taxes at	2.818%		
11	OPUC Fee	0.430%		
12	State Taxable Income	<u>96.57%</u>		
13	State Income Tax	7.34%		
14	Federal Taxable Income	89.23%		
15	Federal Income Tax	18.74%		
16	Total Income Taxes	<u>26.08%</u>		
17	Total Revenue Sensitive Costs	29.51%		
18	Utility Operating Income	<u>70.49%</u>		
19	Materials & Supplies	141.86%		
20	Interest Coordination Factor	2.16%		
21	Rate of Return	9.40%		
22	Federal tax rate	21.000%		
23	State tax rate	7.600%		
24	Franchise Fees	2.818%		
25	Uncollectible Accounts	0.179%		
26	Regulatory fees	0.430%		

NW Natural Gas Company
2022 Oregon Earnings Review
Rate Base

	2021 Dec	2022 Jan	2022 Feb	2022 Mar	2022 Apr	2022 May	2022 June	2022 July	2022 August	2022 September	2022 October	2022 November	2022 December	Dec 21 - Dec 22 13 month average
SYSTEM	System	System	System	System	System	System	System	System	System	System	System	System	System	System
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Gross Plant														
Intangible														
Software	177,438,535	177,727,509	178,302,908	176,340,709	176,366,079	176,368,622	176,399,835	177,210,677	177,316,380	249,129,359	274,072,939	248,145,478	248,470,716	200,027,927
Other	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795
Production	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198
Transmission	207,852,729	207,860,384	208,457,213	208,996,043	211,728,593	216,247,229	217,045,993	217,057,599	217,062,056	217,949,412	229,661,117	229,954,076	232,438,997	216,847,131
Distribution	2,606,701,502	2,608,348,147	2,614,047,812	2,622,763,048	2,627,507,604	2,632,762,387	2,647,892,229	2,651,625,377	2,657,213,800	2,664,988,579	2,699,439,914	2,705,143,296	2,721,579,656	2,649,656,048
General	322,820,353	323,381,116	324,242,372	323,160,414	323,729,870	323,608,422	325,485,101	326,206,792	326,504,568	342,303,360	382,243,463	374,637,325	375,588,941	337,058,954
Storage and storage transmission	386,258,607	386,344,069	386,576,099	387,991,685	388,599,664	392,768,660	394,385,222	401,174,570	403,562,064	415,362,838	419,829,452	420,310,007	420,632,120	400,029,141
CNG and LNG	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768
Gas Reserves	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385
Total Gross Plant	3,892,929,872	3,895,519,372	3,903,484,549	3,911,110,046	3,919,789,956	3,933,613,467	3,953,066,326	3,965,133,161	3,973,517,015	4,081,591,696	4,197,105,031	4,170,048,330	4,190,568,576	3,995,477,348
Accumulated Depreciation														
Intangible														
Production	(80,092,795)	(81,057,060)	(82,024,551)	(80,718,126)	(81,682,760)	(82,647,424)	(83,611,608)	(84,591,578)	(85,571,911)	(87,100,623)	(88,754,783)	(65,319,909)	(66,472,586)	(81,363,585)
Other	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)
Transmission	(51,588,811)	(51,911,604)	(52,234,877)	(52,559,033)	(52,885,754)	(53,218,216)	(53,554,593)	(53,891,791)	(54,229,003)	(54,566,988)	(54,914,748)	(55,257,021)	(55,600,237)	(53,568,179)
Distribution	(1,167,731,191)	(1,171,220,591)	(1,173,582,421)	(1,177,132,007)	(1,180,083,858)	(1,183,718,632)	(1,186,149,290)	(1,189,232,188)	(1,191,623,002)	(1,195,161,614)	(1,198,527,266)	(1,199,776,832)	(1,206,039,430)	(1,186,091,084)
General	(86,040,772)	(87,584,978)	(89,058,976)	(88,926,771)	(90,448,430)	(91,745,710)	(93,185,524)	(95,050,692)	(96,301,537)	(98,067,867)	(99,510,652)	(93,176,039)	(92,832,682)	(92,707,825)
Storage and storage transmission	(158,815,203)	(159,447,581)	(160,080,393)	(160,714,510)	(161,350,413)	(161,991,833)	(162,639,579)	(163,290,573)	(163,946,162)	(164,422,307)	(165,088,160)	(165,857,164)	(166,626,918)	(162,629,145)
CNG and LNG	(2,411,338)	(2,418,000)	(2,424,662)	(2,431,324)	(2,437,986)	(2,444,648)	(2,451,310)	(2,457,972)	(2,464,634)	(2,471,438)	(2,478,242)	(2,485,007)	(2,491,772)	(2,451,398)
Gas Reserves	(155,310,844)	(155,835,475)	(156,283,504)	(156,791,411)	(157,287,170)	(157,802,438)	(158,295,238)	(158,831,842)	(159,360,268)	(159,837,579)	(160,313,736)	(160,622,709)	(160,899,925)	(158,280,563)
Total Accumulated Depreciation	(1,702,681,990)	(1,710,166,325)	(1,716,380,420)	(1,719,964,218)	(1,726,867,407)	(1,734,259,938)	(1,740,578,177)	(1,748,037,672)	(1,754,187,553)	(1,762,319,451)	(1,770,278,621)	(1,743,185,715)	(1,751,654,586)	(1,737,782,815)
Storage Gas	60,092,670	51,037,876	40,091,113	38,220,734	34,255,894	49,490,957	67,932,487	78,249,590	93,348,417	101,839,106	110,107,179	103,912,321	88,095,352	70,214,974
Customer Advances	(8,157,679)	(8,389,845)	(8,574,827)	(8,786,834)	(9,062,747)	(8,927,405)	(8,901,781)	(9,048,102)	(9,167,570)	(9,222,901)	(9,732,787)	(9,879,448)	(10,142,617)	(9,070,367)
Customer Deposits	(1,534,781)	(1,388,063)	(1,453,036)	(1,477,473)	(1,500,524)	(1,499,207)	(1,507,992)	(2,041,500)	(2,046,393)	(2,037,489)	(2,024,413)	(2,074,286)	(1,559,067)	(1,716,442)
Materials and Supplies	18,212,515	18,880,951	19,145,468	19,651,594	20,483,337	21,574,425	21,878,631	21,519,115	21,018,976	21,034,004	22,068,205	22,270,980	23,245,841	20,854,572
Appliances	(1,160,801)	1,077,856	1,097,133	1,106,106	1,140,007	1,195,303	1,136,061	1,174,098	1,169,284	980,888	1,151,855	1,117,107	1,184,949	1,029,814
Leasehold Improvements	26,154,104	26,073,178	25,975,942	25,912,127	25,858,807	25,748,402	25,675,395	25,489,360	25,380,108	25,259,354	25,237,966	25,375,284	25,428,785	25,645,114
Total Rate Base Excluding ADIT	2,283,853,911	2,272,645,000	2,263,385,923	2,265,772,080	2,264,097,323	2,286,936,002	2,318,700,950	2,332,438,049	2,349,032,285	2,457,125,206	2,573,634,414	2,567,584,571	2,565,167,232	2,364,655,198

**NW Natural Gas Company
2022 Oregon Earnings Review
Rate Base**

OREGON		2021 Dec	2022 Jan	2022 Feb	2022 Mar	2022 Apr	2022 May	2022 June	2022 July	2022 August	2022 September	2022 October	2022 November	2022 December	Dec 21 - Dec 22 13 month average OREGON
Gross Plant		OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON
Intangible	Software	156,092,679	156,346,890	156,853,068	155,126,922	155,149,240	155,151,477	155,178,935	155,892,232	155,985,220	219,159,097	241,101,964	218,293,577	218,579,689	175,964,567
	Other	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348
Production		675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198
Transmission		204,561,129	204,568,355	204,568,662	205,099,072	207,824,108	212,342,406	213,141,171	213,152,776	213,157,234	214,044,589	225,756,295	226,049,254	228,534,174	213,020,964
Distribution		2,262,203,851	2,263,353,934	2,268,234,030	2,275,359,309	2,279,368,043	2,283,605,755	2,297,540,855	2,300,149,434	2,304,997,477	2,312,355,524	2,346,346,950	2,351,638,347	2,365,100,751	2,299,716,830
General		287,759,965	283,251,704	284,012,498	283,054,103	283,557,845	283,446,295	285,106,587	285,745,411	286,008,911	299,994,002	334,788,431	328,043,271	328,879,334	295,235,725
Storage and storage transmission CNG and LNG		347,152,880 3,355,588	347,228,881 3,355,588	347,435,225 3,355,588	348,694,106 3,355,588	349,234,781 3,355,588	352,942,270 3,355,588	354,379,878 3,355,588	360,417,645 3,355,588	362,540,844 3,355,588	373,035,272 3,355,588	377,007,432 3,355,588	377,434,789 3,355,588	377,721,244 3,355,588	359,399,015 3,355,588
Gas Reserves		187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385
Total Gross Plant		3,444,193,022	3,446,172,283	3,452,526,002	3,458,756,031	3,466,556,537	3,478,910,722	3,496,769,945	3,506,780,018	3,514,112,205	3,610,011,004	3,716,423,591	3,692,881,758	3,710,237,712	3,534,759,622
Accumulated Depreciation															
Intangible		(70,457,632)	(71,305,896)	(72,156,998)	(71,007,735)	(71,856,324)	(72,704,939)	(73,553,132)	(74,415,211)	(75,277,610)	(76,622,418)	(78,077,582)	(57,461,924)	(58,475,934)	(71,575,546)
Production		(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)
Transmission		(51,337,407)	(51,655,042)	(51,972,691)	(52,290,748)	(52,611,358)	(52,937,702)	(53,267,962)	(53,599,043)	(53,930,137)	(54,262,005)	(54,603,647)	(54,940,030)	(55,277,357)	(53,281,479)
Distribution		(1,036,965,938)	(1,039,853,563)	(1,041,787,996)	(1,044,708,899)	(1,047,142,058)	(1,050,182,948)	(1,052,255,219)	(1,054,885,717)	(1,056,849,684)	(1,059,790,984)	(1,062,635,712)	(1,063,327,947)	(1,068,795,029)	(1,052,191,768)
General		(75,781,700)	(77,144,000)	(78,444,148)	(78,322,482)	(79,664,816)	(80,808,526)	(82,078,401)	(83,724,799)	(84,827,399)	(86,386,305)	(87,658,280)	(82,045,589)	(81,736,341)	(81,655,314)
Storage and storage transmission CNG and LNG		(142,335,405) (2,134,517)	(142,902,257) (2,140,414)	(143,469,496) (2,146,311)	(144,037,896) (2,152,208)	(144,607,883) (2,158,105)	(145,182,777) (2,164,003)	(145,763,296) (2,169,900)	(146,346,704) (2,175,797)	(146,934,198) (2,181,694)	(147,362,113) (2,187,717)	(147,958,735) (2,193,739)	(148,646,564) (2,199,728)	(149,335,061) (2,205,716)	(145,753,929) (2,169,978)
Gas Reserves		(155,310,844)	(155,835,475)	(156,283,504)	(156,791,411)	(157,287,170)	(157,802,438)	(158,295,238)	(158,831,842)	(159,360,268)	(159,837,579)	(160,313,736)	(160,622,709)	(160,899,925)	(158,280,563)
Total Accumulated Depreciation		(1,535,014,477)	(1,541,527,684)	(1,546,952,179)	(1,550,002,415)	(1,556,018,749)	(1,562,474,369)	(1,568,074,183)	(1,574,670,149)	(1,580,052,026)	(1,587,140,156)	(1,594,132,467)	(1,569,935,526)	(1,577,416,399)	(1,565,599,612)
Storage Gas		53,446,421	45,387,983	35,653,027	33,989,698	30,463,766	44,012,308	60,412,361	69,587,360	83,014,747	90,565,517	97,918,314	92,409,227	78,343,196	62,442,426
Customer Advances		(5,421,491)	(5,563,545)	(5,563,545)	(5,563,545)	(5,563,545)	(5,563,545)	(5,563,545)	(5,563,545)	(5,563,545)	(5,563,545)	(5,563,545)	(5,563,545)	(5,563,545)	(5,557,626)
Customer Deposits		(1,362,037)	(1,221,079)	(1,278,235)	(1,299,733)	(1,320,011)	(1,318,853)	(1,326,581)	(1,795,908)	(1,800,212)	(1,792,379)	(1,780,876)	(1,824,750)	(1,371,511)	(1,510,449)
Materials and Supplies		15,855,816	16,386,777	16,616,352	17,055,618	17,777,488	18,724,444	18,988,464	18,676,440	18,242,369	18,255,412	19,152,995	19,328,983	20,175,066	18,101,732
Appliances		(1,160,801)	1,077,856	1,097,133	1,106,106	1,140,007	1,195,303	1,136,061	1,174,098	1,169,284	980,888	1,151,855	1,117,107	1,184,949	1,029,814
Leasehold Improvements		22,908,088	23,079,977	22,993,904	22,937,415	22,890,216	22,792,485	22,727,860	22,563,182	22,466,472	22,359,580	22,340,647	22,462,201	22,509,561	22,693,564
Total Rate Base Excluding ADIT		1,993,444,542	1,983,792,568	1,975,092,459	1,976,979,174	1,975,925,709	1,996,278,494	2,025,070,382	2,036,751,496	2,051,589,294	2,147,676,322	2,255,510,514	2,250,875,455	2,248,099,029	2,066,359,471

NW Natural Gas Company
2022 Oregon Earnings Review
Rate Base

WASHINGTON		2021 Dec	2022 Jan	2022 Feb	2022 Mar	2022 Apr	2022 May	2022 June	2022 July	2022 August	2022 September	2022 October	2022 November	2022 December	Dec 21 - Dec 22 13 month average WASHINGTON
Gross Plant		WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON
Intangible	Software	21,345,856	21,380,619	21,449,840	21,213,787	21,216,839	21,217,145	21,220,900	21,318,444	21,331,161	29,970,262	32,970,975	29,851,901	29,891,027	24,063,360
	Other	447	447	447	447	447	447	447	447	447	447	447	447	447	447
Production															
Transmission		3,291,600	3,292,029	3,888,550	3,896,971	3,904,485	3,904,822	3,904,822	3,904,822	3,904,822	3,904,822	3,904,822	3,904,822	3,904,822	3,826,167
Distribution		344,497,651	344,994,213	345,813,782	347,403,739	348,139,561	349,156,633	350,351,174	351,475,943	352,216,322	352,633,055	353,092,964	353,504,949	356,478,905	349,939,218
General		40,060,388	40,129,412	40,229,873	40,106,311	40,172,025	40,162,127	40,378,514	40,461,382	40,495,657	42,309,359	47,455,032	46,594,055	46,709,607	41,823,229
Storage and storage transmission		39,105,728	39,115,188	39,140,874	39,297,580	39,364,883	39,826,391	40,005,344	40,756,925	41,021,221	42,327,566	42,822,020	42,875,218	42,910,876	40,630,126
CNG and LNG		435,180	435,180	435,180	435,180	435,180	435,180	435,180	435,180	435,180	435,180	435,180	435,180	435,180	435,180
Total Gross Plant		448,736,850	449,347,089	450,958,547	452,354,015	453,233,420	454,702,745	456,296,382	458,353,143	459,404,810	471,580,692	480,681,441	477,166,573	480,330,864	460,717,726
Accumulated Depreciation															
Intangible		(9,635,163)	(9,751,164)	(9,867,554)	(9,710,391)	(9,826,436)	(9,942,485)	(10,058,476)	(10,176,367)	(10,294,301)	(10,478,205)	(10,677,200)	(7,857,985)	(7,996,652)	(9,788,039)
Production		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transmission		(251,404)	(256,562)	(262,186)	(268,285)	(274,396)	(280,513)	(286,631)	(292,749)	(298,866)	(304,984)	(311,101)	(316,991)	(322,881)	(286,701)
Distribution		(130,765,253)	(131,367,028)	(131,794,425)	(132,423,108)	(132,941,800)	(133,535,684)	(133,894,070)	(134,346,471)	(134,773,318)	(135,370,630)	(135,891,554)	(136,448,885)	(137,244,401)	(133,899,317)
General		(10,259,073)	(10,440,977)	(10,614,828)	(10,604,289)	(10,783,614)	(10,937,185)	(11,107,123)	(11,325,893)	(11,474,138)	(11,681,561)	(11,852,372)	(11,130,450)	(11,096,341)	(11,052,511)
Storage and storage transmission		(16,479,798)	(16,545,323)	(16,610,896)	(16,676,614)	(16,742,530)	(16,809,056)	(16,876,283)	(16,943,869)	(17,011,964)	(17,060,194)	(17,129,425)	(17,210,599)	(17,291,857)	(16,875,215)
CNG and LNG		(276,822)	(277,586)	(278,351)	(279,116)	(279,881)	(280,646)	(281,410)	(282,175)	(282,940)	(283,721)	(284,502)	(285,279)	(286,055)	(281,421)
Total Accumulated Depreciation		(167,667,513)	(168,638,641)	(169,428,241)	(169,961,803)	(170,848,657)	(171,785,569)	(172,503,994)	(173,367,523)	(174,135,527)	(175,179,295)	(176,146,154)	(173,250,189)	(174,238,187)	(172,183,204)
Storage Gas		6,646,249	5,649,893	4,438,086	4,231,036	3,792,128	5,478,649	7,520,126	8,662,230	10,333,670	11,273,589	12,188,865	11,503,094	9,752,156	7,772,547
Customer Advances		(2,736,189)	(2,826,300)	(3,011,282)	(3,223,289)	(3,499,203)	(3,363,861)	(3,338,237)	(3,484,558)	(3,604,026)	(3,659,357)	(4,169,243)	(4,315,904)	(4,579,073)	(3,512,741)
Customer Deposits		(172,744)	(166,984)	(174,801)	(177,740)	(180,513)	(180,354)	(181,411)	(245,592)	(246,181)	(245,110)	(243,537)	(249,536)	(187,556)	(205,992)
Materials and Supplies		2,356,699	2,494,174	2,529,116	2,595,976	2,705,849	2,849,981	2,890,167	2,842,675	2,776,607	2,778,592	2,915,210	2,941,997	3,070,775	2,752,840
Appliances		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Leasehold Improvements		3,246,016	2,993,201	2,982,038	2,974,712	2,968,591	2,955,917	2,947,535	2,926,178	2,913,636	2,899,774	2,897,319	2,913,083	2,919,224	2,954,550
Total Rate Base Excluding ADIT		290,409,368	288,852,432	288,293,464	288,792,906	288,171,614	290,657,507	293,630,568	295,686,553	297,442,991	309,448,884	318,123,900	316,709,117	317,068,204	298,295,727

Average Rate Base Allocation Factors

	OR	WA	System
13 MONTH AVERAGES:			
Average Gross Plant	3,534,759,622	460,717,726	3,995,477,348
Gross Plant Average Factor	88.470%	11.530%	
Average Accumulated Deprec	(1,407,319,049)	(172,183,204)	(1,579,502,253)
Accumulated Deprec Average Factor	89.100%	10.900%	
Average Leasehold Improvements	22,693,564	2,954,550	25,648,114
Leasehold Improvement Average Factor	88.480%	11.520%	
Average Customer Advances	(5,557,626)	(3,512,741)	(9,070,367)
Customer Advance Average Factor	61.272%	38.728%	
Growth in Gross Plant	266,044,690	31,594,014	297,638,704
Gross Plant Growth Factor	89.390%	10.610%	
Average Materials & Supplies	81,573,973	10,525,387	92,099,360
Materials & Supplies Average Factor	88.570%	11.430%	
Average Distribution Plant	2,299,716,830	349,939,218	2,649,656,048
Distribution Plant Average Factor	86.790%	13.210%	
Average Total Rate Base	2,066,359,471	298,295,727	2,364,655,198
Rate Base Average Factor	87.385%	12.615%	

**NW Natural Gas Company
2022 Oregon Earnings Review
12 Months Ended December 31, 2022**

Deferred Income Taxes

1	WA Allocation factor: Accumulated Depreciation			10.90%	
2					
3	2021 December Balances:				
4	<hr/>				
5			SYS	Washington	Oregon
6		Federal	State	Total	Allocation
7					Allocation
8	Accumulated Deferred Income Tax - Depreciation	(374,071,067)	(82,294,887)	(456,365,954)	(40,810,329)
9					(415,479,861)
10	Accumulated Deferred Income Tax - Gas Reserves	(13,033,981)	(1,811,323)	(14,845,304)	0
11					(14,845,304)
12	Accumulated Deferred Income Tax - Other	(7,442,026)	(1,693,240)	(9,135,266)	(837,463)
13					(8,297,803)
14	2021 Balances	(394,547,074)	(85,799,450)	(480,346,524)	(41,647,792)
15					(438,622,968)
16	<hr/>				
17	2022 December Balances:				
18	<hr/>				
19			SYS	Washington	Oregon
20		Federal	State	Total	Allocation
21					Allocation
22	Accumulated Deferred Income Tax - Depreciation	(382,879,335)	(86,116,385)	(468,995,720)	(41,768,875)
23					(427,226,844)
24	Accumulated Deferred Income Tax - Gas Reserves	(10,749,787)	(1,352,726)	(12,102,513)	0
25					(12,102,513)
24	Accumulated Deferred Income Tax - Other	(8,037,905)	(2,039,481)	(10,077,386)	(923,662)
25					(9,153,724)
26	2022 Balances	(401,667,027)	(89,508,592)	(491,175,619)	(42,692,537)
27					(448,483,081)
28	<hr/>				
29	Simple Average December Balances (use for Rate Base)				
30				(42,170,165)	(443,553,025)
31					
32				EDIT Rate Base - 13 AMA	7,779,250
33				Total DIT Rate Base	(435,773,775)
34	<hr/>				
35	Gas Reserves Average December Balances				(13,473,908)

**NW Natural Gas Company
State Allocation Factors
As of December 31, 2022**

	System	Oregon	Washington
Customers			
Total Customers			
December 2022	794,497	698,494	96,003
December 2021	785,897	691,805	94,092
Average	790,197	695,150	95,048
% of System		87.97%	12.03%
Residential Customers			
December 2022	724,287	635,557	88,730
December 2021	714,000	629,262	84,738
Average	719,144	632,410	86,734
% of System		87.94%	12.06%
Commercial Customers			
December 2022	69,234	62,034	7,200
December 2021	68,961	61,636	7,325
Average	69,098	61,835	7,263
% of System		89.49%	10.51%
Industrial Customers			
December 2022	976	903	73
December 2021	978	907	71
Average	977	905	72
% of System		92.63%	7.37%
The Dalles			
December 2022	8,749	6,551	2,198
December 2021	8,665	6,486	2,179
Average	8,707	6,519	2,189
% of System		74.87%	25.13%

**NW Natural
State Allocation Factors**

Volumes - 12 Months Ended 12/31/22

Firm Sales Delivered (exclude Unbilled)	811,887,559	722,046,972	89,840,587
% of System		88.93%	11.07%
Sales Volumes (exclude Unbilled)	878,660,879	790,867,608	87,793,271
% of System		90.01%	9.99%
Sendout Volumes	1,259,961,618	1,148,538,222	111,423,396
% of System		91.16%	8.84%

3-factor formula (simple average)

Gross Plant Directly Assigned		87.73%	12.27%
Number of Employees Directly Assigned		89.87%	10.13%
Number of Customers		87.97%	12.03%
Average		88.52%	11.48%

Derivation of factor for 3-factor - Gross Plant Directly Assigned

December 31, 2022

	System	Oregon	Washington
Intangible - Other	84,795	84,348	447
Production	675,198	675,198	0
Transmission	232,435,660	228,530,838	3,904,822
Distribution	2,721,579,656	2,365,100,751	356,478,905

December 31, 2021

	System	Oregon	Washington
Intangible - Other	84,795	84,348	447
Production	675,198	675,198	0
Transmission	207,852,729	204,561,129	3,291,600
Distribution	2,606,701,502	2,262,203,851	344,497,651

Average

	System	Oregon	Washington
Intangible - Other	84,795	84,348	447
Production	675,198	675,198	0
Transmission	220,144,195	216,545,983	3,598,211
Distribution	2,664,140,579	2,313,652,301	350,488,278

**Gross Plant Directly Assigned
% of System**

	2,885,044,767	2,530,957,831	354,086,936
		87.73%	12.27%

**NW Natural Gas Company
State Allocation Factors
As of December 31, 2022**

Allocation Factors - Summary	Oregon	Washington
1 Customers-all	87.970%	12.030%
2 Customers-Residential	87.940%	12.060%
3 Customers-Commercial	89.490%	10.510%
4 Customers-Industrial	92.630%	7.370%
5 Customers-The Dalles	74.870%	25.130%
6 3-factor	88.520%	11.480%
7 firm sales volumes	88.930%	11.070%
8 sales volumes	90.010%	9.990%
9 sendout volumes	91.160%	8.840%
10 sales/sendout volumes	90.590%	9.410%
11 Payroll	90.961%	9.039%
12 Admin Transfer	88.241%	11.759%
13 Employee Cost	90.227%	9.773%
14 Regulatory	70.000%	30.000%
15 Telemetry	87.273%	12.727%
16 Direct-Wa	0.000%	100.000%
17 Direct-Or	100.000%	0.000%
18 Gross plant direct assign	87.730%	12.270%
19 Transmission	98.760%	1.240%
20 Accum Depreciation	89.100%	10.900%
21 Rate Base	87.385%	12.615%
22 Distribution	86.790%	13.210%
23 Perimeter	93.182%	6.818%
24 Environmental Admin Costs	96.680%	3.320%

**NW Natural Gas Company
Test Year Normalizing Adjustments
Revenues and Deliveries
2022 Oregon Earnings Review**

1	<u>Oregon Total Revenues</u>	
2		<u>Revenue</u>
3		
4	Sales Revenues	794,892,375
5	Unbilled Revenues	8,115,072
6		
7		
8	Total Sales Revenues	803,007,446
9		
10	Transportation Revenues	18,133,472
11		
12	Grand Total Revenues	<u>821,140,918</u>
13		
14		
15	<u>Gas Costs</u>	
16		
17	Demand Charges	58,250,370
18		
19	Commodity Charges	337,790,363
20		
21		
22	Oregon Deferral Activities	(11,068,509)
23		
24	Grand Total Gas Costs	<u>384,847,966</u>

Normalization Adjustments		
<u>Revenue Adjustment</u>	<u>Therms</u>	<u>Revenue</u>
<u>WARM Adjustment</u>		
WARM Revenues		6,856,059
WARM Revenues - Unbilled		524,862
		<u>7,380,921</u>
<u>Weather Normalization Adjustment</u>		
Residential	(19,599,875)	(25,623,316)
Commercial 3	(20,871,506)	(22,369,678)
Commercial 3 & 31	(2,106,567)	(1,710,345)
	<u>(42,577,948)</u>	<u>(49,703,339)</u>
TOTAL NORMALIZING MARGIN ADJUSTMENT	<u>(42,577,948)</u>	<u>(42,322,418)</u>
<u>Gas Cost Adjustment</u>		
		<u>Cost of Gas</u>
WACOG equalization		0
Weather Normalization Gas Costs		(24,108,819)
TOTAL GAS COST ADJUSTMENT	Type I	<u>(24,108,819)</u>

NW Natural
Test year Normalizing Adjustments
Revenues and Deliveries
2022 Oregon Earnings Review

Weather Normalization

	Residential			Commercial - 3			Commercial - 31		
	Volumes	Revenues	Gas Costs	Volumes	Revenues	Gas Costs	Volumes	Revenues	Gas Costs
January	(706,371)	(706,152)	(297,877)	(2,689,731)	(2,392,893)	(1,134,260)	(197,086)	(132,306)	(83,111)
February	(982,259)	(981,954)	(414,219)	(2,012,161)	(1,790,099)	(848,528)	(335,842)	(225,456)	(141,625)
March	4,846,647	4,845,145	2,043,831	77,492	68,940	32,679	(132,861)	(89,191)	(56,027)
April	(7,423,879)	(7,421,578)	(3,130,650)	(3,388,148)	(3,313,913)	(1,428,782)	(568,423)	(381,590)	(239,704)
May	(4,918,170)	(4,916,645)	(2,073,992)	(2,594,497)	(2,537,651)	(1,094,099)	(328,639)	(220,620)	(138,587)
June	(94,185)	(94,156)	(39,718)	(416,588)	(407,461)	(175,675)	96,389	64,707	40,647
July	642,931	642,732	271,124	381,409	373,052	160,840	149,619	100,441	63,094
August	1,736,074	1,735,536	732,103	578,337	565,666	243,885	194,285	130,426	81,930
September	1,136,838	1,136,485	479,404	78,663	76,940	33,172	103,037	69,170	43,451
October	7,956,459	7,953,993	3,355,239	1,949,866	1,734,679	822,259	317,855	213,381	134,039
November	(14,487,894)	(18,491,624)	(8,583,643)	(6,367,928)	(7,315,857)	(3,772,806)	(733,600)	(647,131)	(434,636)
December	(7,306,066)	(9,325,098)	(4,328,625)	(6,468,221)	(7,431,081)	(3,832,227)	(671,302)	(592,176)	(397,726)
Total	(19,599,875)	(25,623,316)	(11,987,022)	(20,871,506)	(22,369,678)	(10,993,543)	(2,106,567)	(1,710,345)	(1,128,254)

Total Revenue Change (49,703,339)
Total Gas Cost Change (24,108,819)

NW Natural Gas Company
2022 Oregon Earnings Review
Adjustments to Miscellaneous Revenues
(\$000)

Worksheet 2b

<u>Line No.</u>	<u>Actual</u>	<u>Normalized</u>	<u>Adjustment</u>	
	<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	
<u>Revenue & Technical Adjustments</u>				
1	(\$242.8)	(\$242.8)	\$0.0	
2	41,101.9	\$41,101.9	0.0	
3	6,514.9	\$6,514.9	0.0	
4	0.0	\$0.0	0.0	
5	(3,816.5)	(\$3,816.5)	0.0	
6	0.0	\$0.0	0.0	
7	0.0	\$0.0	0.0	
8	0.0	\$0.0	0.0	
9	0.0	\$0.0	0.0	
10	(2,620.9)	(\$2,620.9)	0.0	
11	782.8	\$782.8	0.0	
12	143.0	\$143.0	0.0	
13	561.6	\$561.6	0.0	
14	798.6	\$798.6	0.0	
15	<u>43,222.6</u>	<u>43,222.6</u>	<u>0.0</u>	
16	<u>(16,692.2)</u>	<u>0.0</u>	<u>16,692.2</u>	
17	<u>(907.0)</u>	<u>0.0</u>	<u>907.0</u>	
<u>Other Miscellaneous Revenues</u>				
18	19.0	\$110.7	\$91.7	[1]
19	371.9	262.5	(109.4)	[1]
20	1,646.9	1,889.2	242.3	[1]
21	74.3	80.8	6.5	[1]
22	168.6	168.9	0.2	[1]
23	232.9	167.3	(65.7)	[1]
24	0.0	5.6	5.6	[1]
25	0.0	0.0	0.0	[1]
26	<u>2,513.7</u>	<u>2,685.0</u>	<u>171.3</u>	

Notes:

[1] Normalized to 3-year average

NW Natural Gas Company
2022 Oregon Earnings Review
12 Months Ended December 31, 2022
UG 388/UG 435 Regulatory Adjustments

Line No.

Adjustments:

	UG 388
1	
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O&M Adjustments:

Salary/Incentives/Medical Ben.	7,169,000
Misc. A&G	750,000
D&O Insurance Premiums	251,000
Membership Dues	258,200
Meals and Entertainment	641,000

Jan - Oct 0.83

TOTAL **\$ 7,557,667**

Capital Adjustments:

Salary/Incentives/Medical Ben. \$ 4,735,000

Jan - Oct 0.83

TOTAL **\$ 3,945,833**

TOTAL Disallowance **\$ 11,503,500**

Adjustments:

	UG 435
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O&M Adjustments:

Comp and Bens	5,101,000
FERC 908/912	292,000
Survey and Focus Group	26,000
Advertising	827,107
D&O/Other	632,000
Membership and Dues	443,000
Community and Gov Affairs Exp	356,000

Nov - Dec 0.17

TOTAL **\$ 1,279,518**

Capital Adjustments:

Comp and Bens \$ 4,500,000

Nov - Dec 0.17

TOTAL **\$ 750,000**

TOTAL Disallowance **\$ 2,029,518**

**NW Natural Gas Company
2022 Oregon Earnings Review
Property Tax Adjustment
(\$000)**

Worksheet 2d

<u>Line No.</u>	<u>Amount (a)</u>
1 Property Tax Accrual - Oregon	\$25,183
2 Property Taxes Paid - Oregon	<u>27,195</u>
3 Property Tax Adjustment	<u><u>\$2,012</u></u>

**NW Natural Gas Company
2022 Oregon Earnings Review
Uncollectible Accounts Adjustments
(\$000)**

Worksheet 2e

<u>Line No.</u>		<u>2020-2022 Total</u>	<u>2022 Actual</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
		(a)	(b)	(c)	(d)
Gas Revenues					
1	Residential	\$1,508,259	\$572,746	\$484,611	\$450,902
2	Commercial	682,506	274,398	214,853	193,255
3	Industrial	68,389	26,499	21,740	20,151
4	Interruptible	45,912	3,407	23,927	18,578
5	Total	\$2,305,067	877,050	745,131	682,886
Net Write-Offs					
6	Residential	3,418	1,503	1,476	438
7	Commercial	741	291	276	174
8	Industrial	(25)	(28)	(4)	7
9	Interruptible	-	-	-	-
10	Total	4,134	1,766	1,748	620
Write-Off Percentage					
11	Residential	0.227%	0.262%	0.305%	0.097%
12	Commercial	0.109%	0.106%	0.128%	0.090%
13	Industrial	-0.037%	-0.107%	-0.020%	0.037%
14	Interruptible	0.000%	0.000%	0.000%	0.000%
15	Weighted Total [1]	0.179%	0.201%	0.235%	0.091%
Normalized Uncollectible					
16	Residential	\$1,298			
17	Commercial	298			
18	Industrial	(10)			
19	Interruptible	-			
20	Total	\$1,586			
21	Materials & Supplies Allocation Factor (Total Customers)	87.97%			
22	Oregon Normalized Amount	1,395			
23	Oregon Allocation of Accrued Amount	811			
24	Adjustment (Normalized less Accrued)	585			

[1] Weighted uncollectible rate of : 0.1790% is used on page 1, column (b).

NW Natural
Schedule of Regulatory Assets and Liabilities
Balances as of December 31, 2022

FERC Account	GL Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance as of 12/31/2022
REGULATORY ASSETS							
186	121405	FAS 133 Short-term Regulatory Losses - Financial	This account is used for recording the mark-to-market adjustment for the difference between the fixed price and the fair value of a financial derivative (losses in this case) at a point in time. As required by GAAP, this account captures the adjustment for financial derivatives that will settle within 12 months. Since this relates to hedges on gas costs for sales customers, it is included in the regulatory deferrals classification. The offsetting account is 260205. (Note: since it is a valuation at a point in time, the mark-to-market adjustments are not included in customer rates.)	Oregon - UM 1496 (last Order was 22-430) Washington - UG-220697	No	No	26,115,267
186	121410	FAS 133 Short-term Regulatory Losses - Physical	This account is used to record the fair value of the index adjuster (to be paid out) on existing commodity deals within the next 12 months. Since this relates to physical gas purchases for sales customers, it is included in the regulatory deferrals classification. The offsetting account is 260210. (Note: since it is a valuation at a point in time, the mark-to-market adjustments are not included in customer rates.)	Oregon - UM 1496 (last Order was 22-430) Washington - UG-220697	No	No	2,612,260
186	121415	FAS 133 Short-term Regulatory Losses - Physical Options	This account captures the fair value of existing physical commodity options (losses in this case) for potential gas flows within the next 12 months using a Black 76 model calculation. Since this relates to gas costs for sales customers, it is included in the regulatory deferrals classification. The offsetting account is 260215. (Note: since it is a valuation at a point in time, the mark-to-market adjustments are not included in customer rates.)	Oregon - UM 1496 (last Order was 22-430) Washington - UG-220697	No	No	-
186	151105	FAS 133 Long-term Regulatory Losses - Financial	This account is used for recording the mark-to-market adjustment for the difference between the fixed price and the fair value of a financial derivative (losses in this case) at a point in time. As required by GAAP, this account captures the adjustment for financial derivatives that will settle beyond 12 months. Since this relates to hedges on gas costs for sales customers, it is included in the regulatory deferrals classification. The offsetting liability account is 232405. (Note: since it is a valuation at a point in time, the mark-to-market adjustments are not included in customer rates.)	Oregon - UM 1496 (last Order was 22-430) Washington - UG-220697	No	No	20,838,212
186	151110	FAS 133 Long-term Regulatory Losses - Physical	This account is used to record the fair value of the index adjuster (to be paid out) on existing commodity purchase deals beyond 12 months. Since this relates to physical gas purchases for sales customers, it is included in the regulatory deferrals classification. The offsetting liability account is 232410. (Note: since it is a valuation at a point in time, the mark-to-market adjustments are not included in customer rates.)	Oregon - UM 1496 (last Order was 22-430) Washington - UG-220697	No	No	-
186	151115	FAS 133 Long-term Regulatory Losses - Physical Options	This account captures the fair value of existing physical commodity options (losses in this case) for potential gas flows beyond the next 12 months using a Black 76 model calculation. Since this relates to gas costs for sales customers, it is included in the regulatory deferrals classification. The offsetting liability account is 232415. (Note: since it is a valuation at a point in time, the mark-to-market adjustments are not included in customer rates.)	Oregon - UM 1496 (last Order was 22-430) Washington - UG-220697	No	No	-
189	151010	Unamortized Loss 9.75% Bonds	Represents the unamortized balance of the discount at which the bond was issued. The balance is being amortized over the life of the bonds.	This is included in the embedded cost of debt which is considered in a rate case. Most recently: Oregon - UG 435, Order 22-388 Washington - UG-200994, Order 05	No	No	662,500
189	151015	Unamortized Loss 5.62% Bonds	Represents the unamortized balance of the discount at which the bond was issued. The balance is being amortized over the life of the bonds.	This is included in the embedded cost of debt which is considered in a rate case. Most recently: Oregon - UG 435, Order 22-388 Washington - UG-200994, Order 05	No	No	123,040
182.3	121205	Current Regulatory Asset - Pension Balancing	Represents the recovery of the PBA balance over the next 12 months via a tariff rate. The PBA balance is to be amortized over 10 years beginning April 2019.	Oregon - UG 344, Order 19-105	No	No	7,131,059
182.3	121010	Current Regulatory Asset - Income Tax	Balance represents the current portion of future rate recovery of deferred tax assets, resulting from differences in utility plant financial statement and tax bases and utility plant removal costs, which were previously flowed through for rate making purposes and to account for the additional future taxes (i.e., gross up) and will be generated by that recovery.	Utility deferred tax assets and liabilities have been included and approved in rate base in our most recent general rate cases. Oregon - UG 435, Order 22-388 Washington - UG 200994, Order 05	Yes	No	2,208,426
186	151205	FAS 109 Deferred Tax Asset	Balance represents the non-current portion of future rate recovery of deferred tax liabilities, resulting from differences in utility plant financial statement and tax bases and utility plant removal costs, which were previously flowed through for rate making purposes and to account for the additional future taxes (i.e., gross up) and will be generated by that recovery.	Included in rate base in our last general rate cases: Oregon - UG 435, Order 22-388 Washington - UG 200994, Order 05	Yes	No	8,014,829
186	151210	Tax - AFUDC Equity Recovery	Balance represents the book-tax difference in accrued AFUDC equity interest.	N/A	Yes	No	1,608,211
186	151215	Tax - AFUDC Equity Recovery - N. Mist	Balance represents the book-tax difference in accrued AFUDC equity interest for N. Mist.	N/A	Yes - calculation of PGE rate base	No	1,320,290
186	151310	Environmental site deferral - Gasco - Oregon	Includes 96.68% of pre-prudence reviewed costs incurred pertaining to remediation of Gasco Upland, Source Control, Sediments, and Siltronic beginning in 2017 forward. Also includes 100% of estimated future costs to complete remediation of which a portion will be allocated to Washington once the costs are incurred. Interest is charged only on the actual spend amounts.	Oregon - UM 1078 (last Order was 22-032)	No	No	120,115,943

FERC Account	GL Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance as of 12/31/2022
186	151312	Environmental site deferral - Siltronic - Oregon	This account captured pre-prudence reviewed costs; however, all costs have since been approved as prudent. From 2017 forward remediation activities are included in the Gasco site.	Oregon - UM 1078 (last Order was 22-032)	No	No	0
186	151315	Environmental site deferral - Harbor - Oregon	Includes 96.68% of pre-prudence reviewed costs incurred pertaining to the Portland Harbor. Also includes 100% of estimated future costs to complete remediation of which a portion will be allocated to Washington once the costs are incurred. Interest is charged only on the actual spend amounts.	Oregon - UM 1078 (last Order was 22-032)	No	No	15,808,731
186	151320	Environmental site deferral - PGM - Oregon	Includes 96.68% of pre-prudence reviewed costs incurred pertaining to the Portland Harbor. Also includes 96.68% of estimated future costs to complete remediation. Interest is charged only on the actual spend amounts.	Oregon - UM 1078 (last Order was 22-032)	No	No	1,747,155
186	151322	Environmental site deferral - Tar - Oregon	This account captured pre-prudence reviewed pertaining to an early action to clean up a tar body at the Gasco site as required by the EPA. All costs have since been approved as prudent.	Oregon - UM 1078 (last Order was 22-032)	No	No	-
186	151325	Environmental site deferral - Oregon Steel - Oregon	This account captured 96.68% of pre-prudence reviewed costs incurred pertaining to the Oregon Steel site. These costs have since been deemed prudent. It also includes 96.68% of estimated future costs. Interest is charged only on the actual spend amounts.	Oregon - UM 1078 (last Order was 22-032)	No	No	179,077
186	151330	Environmental site deferral - Central - Oregon	Includes 96.68% of pre-prudence reviewed costs incurred pertaining to the Central Service Center site. Also includes 100% of estimated future costs to complete remediation of which a portion will be allocated to Washington once the costs are incurred. Interest is charged only on the actual spend amounts.	Oregon - UM 1078 (last Order was 22-032)	No	No	0
186	151335	Insurance and Third Party Recoveries - Oregon	Includes 96.68% of insurance proceeds and third party recoveries received that have yet to be applied towards pre-prudence spend and future costs.	Oregon: UM 1078 (last Order was 22-032) UM 1635, Orders 16-029 and 15-049	No	No	(53,426,810)
186	151340	Environmental Base Rate Deferral - Oregon	Represents the accumulation of \$5M collected annually in Oregon customers' base rates. This is applied to costs once deemed prudent.	Oregon - UM 1635, Orders 16-029 and 15-049	No	No	(5,000,000)
186	151345	Environmental site deferral - Gasco - Washington	Includes 3.32% of costs incurred pertaining to remediation of Gasco Upland, Source Control, Sediments, and Siltronic beginning in 2017 forward.	Washington - UG-110199, Order 01	No	No	557,085
186	151350	Environmental site deferral - Central - Washington	Includes 3.32% of costs incurred pertaining to remediation of the Central Service Center site.	Washington - UG-110199, Order 01	No	No	-
186	151355	Environmental site deferral - Tar - Washington	Includes 3.32% of costs incurred pertaining to the early action to clean up of a tar body as required by the EPA.	Washington - UG-110199, Order 01	No	No	-
186	151360	Environmental site deferral - Harbor - Washington	Includes 3.32% of costs incurred pertaining to the Portland Harbor.	Washington - UG-110199, Order 01	No	No	69,045
186	151365	Environmental site deferral - Siltronic - Washington	Includes 3.32% of costs incurred pertaining to the Siltronic site until remediation efforts to clean up Siltronic were combined with the Gasco site.	Washington - UG-110199, Order 01	No	No	-
186	151370	Insurance and Third Party Recoveries - Washington	Includes 3.32% of insurance proceeds and third party recoveries received for environmental remediation efforts.	Washington - UG-110199, Order 01	No	No	(1,357,031)
186	151375	Environmental SRRM Post Prudence - Oregon	Balance represents costs deemed prudent that will be recovered on a rolling 5 year basis.	Oregon: UG 221, Orders 12-408 and 12-437 UM 1635, Orders 16-029 and 15-049	No	No	27,478,706
186	151380	Environmental SRRM Amortization - Oregon	Represents costs currently being amortized through customer rates.	Oregon - UG 351, Order 18-398	No	No	5,241,440
186	151385	Environmental Cost Recovery Mechanism (ECRM) Costs Amortization - Washington	Represents costs currently being amortized through customer rates.	Washington - UG-220541	No	No	231,684
186	151405	DBP Pension Costs	Represents the accumulated gains/losses on the pension plan due to changes in actuarial assumptions (mortality rates, discount rate, expected returns, etc.) as well as prior service cost adjustments. These amounts are generally amortized over the remaining service period of active employees.	Amortization of these accounts are included in pension expense in NW Natural's general rate cases. Oregon - UG 435, Order 22-388 Washington - UG 200994, Order 05	No	No	99,407,166
186	151410	FAS 106 Costs	Represents the accumulated gains/losses on post retirement medical plan due to changes in actuarial assumptions (mortality rates, discount rate, expected returns, etc.) as well as prior service cost adjustments. These amounts are generally amortized over the remaining service period of active employees.	Amortization of these accounts are included in pension expense in NW Natural's general rate cases. Oregon - UG 435, Order 22-388 Washington - UG 200994, Order 05	No	No	5,408,241
191	151505	Commodity Cost Deferral - Oregon	Represents 90% of the difference between estimated commodity costs embedded in current Oregon customer rates and actual commodity costs.	Oregon - UM 1496 (last Order was 22-430)	No	No	25,637,524
191	151510	Commodity Cost Amortization - Oregon	Represents the prior PGA year's commodity deferrals currently being amortized in customer's rates.	Oregon - UG 457, Order 22-421	No	No	31,369,183
191	151520	Demand Cost Deferral - Oregon	Represents the difference between estimated pipeline capacity costs embedded in current Oregon customer rates and actual pipeline capacity costs.	Oregon - UM 1496 (last Order was 22-430)	No	No	(13,551,085)
191	151525	Demand Cost Amortization - Oregon	Represents the prior PGA year's demand deferrals currently being amortized in customer's rates.	Oregon - UG 457, Order 22-421	No	No	1,296,414
191	151535	Coos County Demand Cost Deferral - Oregon	Represents the Coos County pipeline demand charge in excess of the surcharge collected from Coos Bay customers.	Oregon - UG 152, Order 03-236	No	No	79,625
191	151540	Commodity Cost Deferral - Washington	Represents the difference between estimated commodity costs embedded in current Washington customer rates and actual commodity costs.	Washington - UG-220734	No	No	3,957,485
191	151545	Commodity Cost Amortization - Washington	Represents the prior PGA year's commodity deferrals currently being amortized in customer's rates.	Washington - UG-220734	No	No	8,206,366
191	151550	Demand Cost Deferral - Washington	Represents the difference between the pipeline capacity costs collected from Washington customers and actual pipeline capacity costs.	Washington - UG-220734	No	No	(1,749,554)
191	151555	Demand Cost Amortization - Washington	Represents the prior PGA year's demand deferrals currently being amortized in customer's rates.	Washington - UG-220734	No	No	1,002,668
191	151560	Seasonalized Demand Cost Deferral - Oregon	Represents the difference between the pipeline capacity costs collected from Oregon customers and estimated pipeline capacity costs on a seasonalized basis.	Oregon - UM 1496 (last Order was 20-430)	No	No	(1,464,058)

FERC Account	GL Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance as of 12/31/2022
191	151565	WACOG Equalization - Oregon	Tracks the monthly difference between the annual PGA Rate in Oregon and the monthly estimated commodity costs used to develop that rate. For the PGA year, the activity nets to \$0.	Oregon - UM 1496 (last Order was 20-430)	No	No	524,290
186	151810	Estimated Unbilled Revenues - estimated amortizations	Whereas the other amortization accounts calculate the amortization of deferrals based on customer billings, this account tracks the amortization of other deferrals based on estimated unbilled volumes for a month. This estimate is reversed the following month and the amortizations are recorded in their respective accounts based on billed volumes.	n/a - for GAAP reporting purposes only as we report on an accrual basis	No	No	(79,977)
186	151812	250 Taylor Lease Deferral	Represents the difference between lease expense calculated in accordance with GAAP and the lease payments used for cost recovery purposes. This account will build and then reduce such that at the end of the lease the balance will equal \$0. Please note that this account does not accrue interest.	Oregon - UM 2034, Order 19-407	No	Yes	6,921,040
186	151818	Oregon Industrial DSM Deferral	Represents the payments made to Energy Trust of Oregon for administering a DSM program on NWN's behalf. The cost is then passed on to Oregon industrial customers.	Oregon - UM 1420 (last Order was 22-395)	No	No	6,213,941
186	151820	Oregon Industrial DSM Amortization	Represents the prior Program Year's Industrial DSM deferrals currently being amortized in customer's rates.	Oregon - UG 449, Order 22-407	No	No	4,318,108
186	151822	Washington GREAT Program Deferral	Represents the deferral of costs for the bill pay assistance program offered to Washington residential customers that qualify for the program.	Washington - UG-011230 and UG-011231	No	No	28,325
186	151824	Washington GREAT Program Amortization	Represents the prior year's deferrals currently being amortized in customer's rates.	Washington - UG-220694	No	No	704,711
186	151826	Oregon Regulatory Fee Deferral	Deferral of the difference between the PUC fee rate embedded in rates and the actual PUC fee rate.	Oregon - UM 1766 (last Order was 22-392)	No	No	-
186	151828	Oregon Regulatory Fee Amortization	Represents the prior PGA year's PUC deferral currently being amortized in customer's rates.	Oregon - UG 447, Order 22-409	No	No	447,394
186	151830	Oregon Residential WARM Deferral	Represents the portion of WARM adjustments to Oregon Residential customer bills that exceed or fall below thresholds on a bill-by-bill basis. This deferral is then amortized in all Oregon Residential rates the following PGA year.	Oregon - UM 1798 (last Order was 22-391)	No	No	(399,546)
186	151832	Oregon Residential WARM Amortization	Represents the prior PGA year's Residential WARM deferral currently being amortized in customer's rates.	Oregon - UG 451, Order 22-405	No	No	330,941
186	151834	Oregon Commercial WARM Deferral	Represents the portion of WARM adjustments to Oregon Commercial 3 customer bills that exceed or fall below thresholds on a bill-by-bill basis. This deferral is then amortized in all Oregon Commercial 3 rates the following PGA year.	Oregon - UM 1798 (last Order was 22-391)	No	No	(384,404)
186	151836	Oregon Commercial WARM Amortization	Represents the prior PGA year's Commercial WARM deferral currently being amortized in customer's rates.	Oregon - UG 451, Order 22-405	No	No	292,150
186	151838	Western States Pension Regulatory Asset - Oregon	In 2013, NWN withdrew from a multi-employer retirement plan which resulted in a one-time charge to exit the plan. This account, approved by an OPUC accounting order, captures the deferral of the one-time charge (representing the PV of 20 years of payments) allocated to Oregon and is being amortized over the 20 years of payments to the plan for withdrawing. The offset is included in liability account 253201. In particular, this account includes the payments to be made beyond 12 months whereas account 151840 represents the payments to be made within 12 months.	Oregon - UM 1680, Order 14-041	No	No	4,459,696
186	151840	Curr. Portion of West States Pension Asset - Oregon	See explanation in account 151838. This account represents the payments to be made in the next 12 months.	Oregon - UM 1680, Order 14-041	No	No	353,684
186	151842	Western States Pension Regulatory Asset - Washington	In 2013, NWN withdrew from a multi-employer retirement plan which resulted in a one-time charge to exit the plan. This account, approved by a WUTC accounting order, captures the deferral of the one-time charge (representing the PV of 20 years of payments) allocated to Washington and is being amortized over the 20 years of payments to the plan for withdrawing. The offset is included in liability account 253201. In particular, this account includes the payments to be made beyond 12 months whereas account 151844 represents the payments to be made within 12 months.	Most recent docket approving the retirement plan expense in rates Washington Docket UG-200994, Order 05	No	No	514,869
186	151844	Curr. Portion of West States Pension Asset - Washington	See explanation in account 151842. This account represents the payments to be made in the next 12 months.	Most recent docket approving the retirement plan expense in rates Washington Docket UG-200994, Order 05	No	No	40,831
186	151846	Oregon Commercial 31 Decoupling Deferral	Represents deferral of the margin difference caused by the differences between actual Oregon Commercial 31 customer volumes (normalized for weather) and baseline volumes set in the most recent rate case.	Oregon - UM 1027 (last Order was 22-503)	No	No	(157,870)
186	151848	Oregon Commercial 31 Decoupling Amortization	Represents the prior PGA year's Commercial 31 decoupling deferral currently being amortized in customer's rates.	Oregon - UG 450, Order 22-406	No	No	(430,290)
186	151852	Oregon Commercial 3 Decoupling Amortization	Represents the prior PGA year's Commercial 3 decoupling deferral currently being amortized in customer's rates.	Oregon - UG 450, Order 22-406	No	No	(5,134,127)
186	151854	Oregon Commercial 3 Decoupling Deferral	Represents deferral of the margin difference caused by the differences between actual Oregon Commercial 3 customer volumes (normalized for weather) and baseline volumes set in the most recent rate case.	Oregon - UM 1027 (last Order was 22-503)	No	No	(3,578,204)
186	151864	Oregon Residential Decoupling Deferral	Represents deferral of the margin difference caused by the differences between actual Oregon Residential customer volumes (normalized for weather) and baseline volumes set in the most recent rate case.	Oregon - UM 1027 (last Order was 22-503)	No	No	(1,321,399)
186	151866	Oregon CUB Intervenor Funding Deferral	Represents the payments made to the Citizens Utility Board as ordered by the OPUC. The cost is then passed on to Oregon residential customers via rates each PGA year.	Oregon - UM 1101 (last Order was 22-398)	No	No	-
186	151868	Oregon Residential Decoupling Amortization	Represents the prior PGA year's Residential decoupling deferral currently being amortized in customer's rates.	Oregon - UG 450, Order 22-406	No	No	(7,218,829)

FERC Account	GL Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance as of 12/31/2022
186	151870	Oregon NWIGU/AWEC Intervenor Funding Deferral	Represents the payments made to the industrial user intervenor group as ordered by the OPUC. The cost is then passed on to Oregon industrial customers via rates each PGA year.	Oregon - UM 1101 (last Order was 22-398)	No	No	31,031
186	151878	Oregon Intervenor Funding Deferral - Issue Specific	Includes payments made to intervenor groups for the work performed in specific dockets. The cost is then passed on to the appropriate customer classes through rates each PGA year.	Oregon - UM 1101 (last Order was 22-398)	No	No	113,142
186	151880	Oregon CUB Intervenor Funding Amortization	Represents the prior PGA year's deferral of payments to CUB currently being amortized in customer's rates.	Oregon - UG 446, Order 22-410	No	No	83,373
186	151882	Oregon NWIGU/AWEC Intervenor Funding Amortization	Represents the prior PGA year's deferral of payments to industrial intervenors being amortized in customer's rates.	Oregon - UG 446, Order 22-410	No	No	52,702
186	151890	Washington Low Income Energy Efficiency Deferral	Includes the costs incurred (administrative, program funding, etc.) for the WA-LIEE program offered to qualifying Residential customers.	Washington - UG-091044	No	No	10,031
186	151892	Washington Low Income Energy Efficiency Amortization	Represents the prior PGA year's deferral of costs for the WA-LIEE program currently being amortized in rates.	Washington - UG-220694	No	No	(279,711)
186	151894	Washington Residential and Commercial EE Amortization	Represents the prior PGA year's deferral of costs for the Washington Residential and Commercial DSM programs currently being amortized in rates.	Washington - UG-220693	No	No	(569,096)
186	151896	Washington Residential and Commercial EE Deferral - Historical	Represents the balance in the historical energy efficiency deferral as of Oct. 2018 that is to be amortized over a four year period.	Washington - UG-181053, Order 06	No	No	1,392,045
186	151898	Washington Residential and Commercial EE Deferral - True Up	Represents the PGA year-to-date difference between the amount collected in rates in the current year for the Res. and Comm. energy efficiency program and the actual expenses. Any amount remaining at the end of the PGA year will be amortized in the following year's PGA.	Washington - UG-181053, Order 06	No	No	155,108
186	151904	Oregon Pension Balancing Account	Represents the recovery balance of the PBA balance minus the amounts included in account 121205. The PBA balance is to be amortized over 10 years beginning April 2019 through a tariff rate.	Oregon - UM 1475, Order 11-051	No	Yes	32,997,345
186	151908	Oregon Multi-family Tariffs	Deferral of expenditures associated with Schedule 405 and Schedule 4 multi-family tariffs (e.g. incentive payments to developers and cost of shut-off valves).	Oregon - UM 1850, Order 17-285	Yes (for multi-family customers only)	No	333,533
186	151910	Oregon Multi-family Tariffs Amortization	Represents the portion of account 151908 recovered from multi-family customers. For GAAP purposes, the recovery is treated as a contra-asset account much like accumulated depreciation is a contra-asset account for plant.	Oregon - UM 1850, Order 17-285	No	No	(40,305)
186	151888	Oregon Residual Amortization	Represents residual amortization balances of various one-time deferrals.	Oregon - UG 455, Order 22-401	No	No	(24,900)
186	151702	Oregon COVID Uncollectibles Deferral	Represents the difference between actual uncollectible expense and the amount embedded in the last general rate case. The deferral was filed in response to the COVID19 pandemic.	Oregon - UM 2068, (last Order was 22-093)	No	No	2,622,516
186	151704	Oregon COVID Late Fees Deferral	Represents the difference between actual late fee revenue and the amount embedded in the last general rate case. In response to the COVID19 pandemic, beginning in April 2020 Oregon utilities were prohibited from charging late fees on delinquent accounts until a date as determined by the OPUC.	Oregon - UM 2068, (last Order was 22-093)	No	No	2,174,650
186	151706	Oregon COVID Other Expenses Deferral	Represents Oregon's allocation of direct expenses incurred as a result of the COVID19 pandemic.	Oregon - UM 2068, (last Order was 22-093)	No	No	1,843,566
186	151708	Washington COVID Uncollectibles Deferral	Represents the difference between actual uncollectible expense and the amount embedded in the last general rate case. The deferral was filed in response to the COVID19 pandemic.	Washington - UG-200264, Order 01	No	No	434,299
186	151710	Washington COVID Late Fees Deferral	Represents the difference between actual late fee revenue and the amount embedded in the last general rate case. In response to the COVID19 pandemic, beginning in April 2020 Oregon utilities were prohibited from charging late fees on delinquent accounts until a date as determined by the WUTC.	Washington - UG-200264, Order 01	No	No	211,551
186	151712	Washington COVID Other Expenses Deferral	Represents Washington's allocation of direct expenses incurred as a result of the COVID19 pandemic.	Washington - UG-200264, Order 01	No	No	426,779
186	151722	Oregon COVID Cost Savings Deferral	Represents Oregon's allocation of cost savings as as result of the COVID19 pandemic.	Oregon - UM 2068, (last Order was 22-093)	No	No	(534,448)
186	151724	Washington COVID Cost Savings Deferral	Represents Washington's allocation of cost savings as as result of the COVID19 pandemic.	Washington - UG-200264, Order 01	No	No	(307,150)
186	151726	Oregon COVID Late Fees Deferral Reserve	This is a contra asset account to account 151704 as GAAP rules do not allow the recognition of forgone revenues until the Commission approves amortization of the amounts. This is a timing issue for accounting purposes as NWN's deferral request was approved.	Oregon - UM 2068, (last Order was 22-093)	No	No	(2,174,650)
186	151728	Washington COVID Late Fees Deferral Reserve	This is a contra asset account to account 151710 as GAAP rules do not allow the recognition of forgone revenues until the Commission approves amortization of the amounts. This is a timing issue for accounting purposes as NWN's deferral request was approved.	Washington - UG-200264, Order 01	No	No	(211,551)
186	151730	Oregon COVID AMP Deferral	Represents costs of Arrearage Management Program for Oregon customers, which helps customers to pay past due balances to avoid losing service.	Oregon - UM 2068, (last Order was 22-093)	No	No	7,384,782
186	151732	Washington COVID AMP Deferral	Represents costs of Arrearage Management Program for Washington customers, which helps customers to pay past due balances to avoid losing service.	Washington - UG-210193	No	No	263,871
186	151802	Oregon TSA Security Directive 2 Deferral	Represents Oregon's allocation of start-up O&M incurred to comply with the Department of Homeland Security's Transportation Security Administration Security Directive 2.	Oregon - UG 435, Order 22-18	No	No	1,586,879
186	151806	Washington TSA Security Directive 2 Deferral	Represents Washington's allocation of start-up O&M incurred to comply with the Department of Homeland Security's Transportation Security Administration Security Directive 2.	Washington - UG-210900	No	No	425,685

FERC Account	GL Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance as of 12/31/2022
186	151605	Oregon Horizon O&M Deferral	Represents Oregon's allocation of start-up costs associated with developing and implementing the first phase of a major information technology and services project known as Horizon. The costs are currently amortizing over 10 years beginning 11/1/2022.	Oregon - UG 435, Order 22-388	No	No	8,318,796
186	151615	Washington Horizon O&M Deferral	Represents Washington's allocation of start-up costs associated with developing and implementing the first phase of a major information technology and services project known as Horizon.	Washington - UG-200996, Order 04	No	No	1,047,995
186	151734	Oregon COVID-19 Deferral Amortization	Represents deferred COVID-19 expenses authorized for amortization.	Oregon - UG 435, Order 22-18	No	No	4,193,957
186	151803	Oregon TSA Security Directive O&M Amortization	Represents deferred start-up costs to comply with the TSA security directive approved for amortization.	Oregon - UG 458, Order 22-399	No	No	1,597,488
186	151804	Oregon TSA Security Directive Cost of Service Deferral	Represents the cost of service on Oregon's allocation of rate base and ongoing O&M stemming from implementation of measures to comply with Department of Homeland Security's Transportation Security Administration Security Directive 2.	Oregon - UG 435, Order 22-18	No	No	1,880,577
186	151805	Oregon TSA Security Directive Cost of Service Amortization	Represents the deferred cost of service related to the TSA security directive authorized for amortization.	Oregon - UG 435, Order 22-18	No	No	418,681
186	151808	Washington TSA Security Directive Cost of Service Deferral	Represents the cost of service on Washington's allocation of rate base and ongoing O&M stemming from implementation of measures to comply with Department of Homeland Security's Transportation Security Administration Security Directive 2.	Washington - UG-210900	No	No	357,134
186	151817	Washington Rate Mitigation Deferral	Represents deferral of revenue from temporary Washington bill credits applied by NWN from November 2022 through March 2023 to offset the effect of increases in the PGA.	Washington - UG-220735	No	No	768,429
186	151819	Oregon Rate Mitigation Deferral	Represents deferral of revenue from temporary Oregon bill credits applied by NWN from November 1, 2022 through March 15, 2023 to offset the effect of increases in the PGA.	Oregon - UM 2256, Order 22-497	No	No	10,769,946
186	151876	Oregon Equity & Env. Intervenor Fund Deferral	Includes payments made to fund low-income and environmental justice intervenor groups.	Oregon - UM 2211, Order 22-043	No	No	-
186	151884	Washington Participatory Fund Deferral	Deferral of costs incurred under the Washington Interim Participatory Funding Agreement to be later recovered from customers.	Washington - UG 220752	No	No	-
186	151919	Oregon HB 2475 Low- Income Bill Discount Deferral	Includes the costs deferred for the implementation of HB 2475 - Low Income Bill Discounts.	Oregon UM 2233, Order 22-113	No	No	407,404
186	151930	Oregon RNG Adjustment Mechanism Deferral	Includes the difference between the costs embedded in customer rates for investments in RNG under the RNG Adjustment Mechanism and the actual costs incurred.	Oregon - UG 435, Order 22-388	No	No	(133,821)
186	151932	Oregon CPP Compliance Deferral - Transportation Customers	Represents the difference between actual CPP compliance costs incurred that are allocated to Transportation customers and the amounts collected from those customers.	Oregon - UM 2252, Order 22-377	No	No	(1,417,378)
186	151934	Oregon CPP Compliance Amortization - Transportation Customers	Includes previously deferred costs of CPP compliance allocated to Transportation customers that have been authorized for amortization.	Oregon - UG 456, Order 22-400	No	No	(562,865)
186	151936	Oregon CPP Compliance Deferral - Special Contract Customers	Represents the deferral of CPP costs incurred that are allocated to Special Contract customers for future amortization.	Oregon - UM 2252, Order 22-377	No	No	(291,765)

REGULATORY LIABILITIES

254	260205	FAS 133 Short-term Regulatory Gains - Financial	This account is used for recording the mark-to-market adjustment for the difference between the fixed price and the fair value of a financial derivative (gains in this case) at a point in time. As required by GAAP, this account captures the adjustment for financial derivatives that will settle within 12 months. Since this relates to hedges on gas costs for sales customers, it is included in the regulatory deferrals classification. (Note: since it is a valuation at a point in time, the mark-to-market adjustments are not included in customer rates.)	Oregon - UM 1496 (last Order was 22-430) Washington - UG-220697	No	No	(4,890,476)
254	260210	FAS 133 Short-term Regulatory Gains - Physical	This account is used to record the fair value of the index adjuster (to be received) on existing commodity deals within the next 12 months. Since this relates to physical gas purchases for sales customers, it is included in the regulatory deferrals classification. (Note: since it is a valuation at a point in time, the mark-to-market adjustments are not included in customer rates.)	Oregon - UM 1496 (last Order was 22-430) Washington - UG-220697	No	No	-
254	260215	FAS 133 Short-term Regulatory Gains - Physical Options	This account captures the fair value of existing physical commodity options (gains in this case) for potential gas flows within the next 12 months using a Black 76 model calculation. Since this relates to gas costs for sales customers, it is included in the regulatory deferrals classification. (Note: since it is a valuation at a point in time, the mark-to-market adjustments are not included in customer rates.)	Oregon - UM 1496 (last Order was 22-430) Washington - UG-220697	No	No	(154,555)
254	232405	FAS 133 Long-term Regulatory Gains - Financial	This account is used for recording the mark-to-market adjustment for the difference between the fixed price and the fair value of a financial derivative (gains in this case) at a point in time. As required by GAAP, this account captures the adjustment for financial derivatives that will settle beyond 12 months. Since this relates to hedges on gas costs for sales customers, it is included in the regulatory deferrals classification. (Note: since it is a valuation at a point in time, the mark-to-market adjustments are not included in customer rates.)	Oregon - UM 1496 (last Order was 22-430) Washington - UG-220697	No	No	(192,557,126)
254	232410	FAS 133 Long-term Regulatory Gains - Physical	This account is used to record the fair value of the index adjuster (to be received) on existing commodity purchase deals beyond 12 months. Since this relates to physical gas purchases for sales customers, it is included in the regulatory deferrals classification. (Note: since it is a valuation at a point in time, the mark-to-market adjustments are not included in customer rates.)	Oregon - UM 1496 (last Order was 22-430) Washington - UG-220697	No	No	(1,264,521)

FERC Account	GL Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance as of 12/31/2022
254	232415	FAS 133 Long-term Regulatory Gains - Physical Options	This account captures the fair value of existing physical commodity options (gains in this case) for potential gas flows beyond the next 12 months using a Black 76 model calculation. Since this relates to gas costs for sales customers, it is included in the regulatory deferrals classification. (Note: since it is a valuation at a point in time, the mark-to-market adjustments are not included in customer rates.)	Oregon - UM 1496 (last Order was 22-430) Washington - UG-220697	No	No	(414,825)
254	260620	Tax Reform Regulatory Liability - EDIT - Plant - Oregon	Represents the grossed-up benefit from the remeasurement of excess deferred income taxes (EDIT) related to plant that is deferred for the benefit of customers. The balance is reduced for the amounts to be credited to customers over the next 12 months which is captured in account 232010.	Oregon - UG 435, Order 22-388 Washington - UG 200994, Order 05	Yes	No	(115,154,365)
254	260625	Tax Reform Regulatory Liability - EDIT - Plant LT - Washington	Represents the grossed-up benefit from the remeasurement of excess deferred income taxes (EDIT) related to plant that is deferred for the benefit of customers. The balance is reduced for the amounts to be credited to customers over the next 12 months which is captured in account 232015.	Washington - UG 200994, Order 05	Yes	No	(12,936,920)
254	260630	Tax Reform Regulatory Liability - EDIT - Gross Up LT	Represents the grossed-up benefit from the remeasurement of excess deferred income taxes (EDIT) related to non-plant items that is deferred for the benefit of customers. The balance is reduced for the amounts to be credited to customers over the next 12 months which is captured in account 232020.	Oregon - UG 435, Order 22-388 Washington - UG 200994, Order 05	No	No	(46,120,349)
254	260635	Tax Reform Regulatory Liability - EDIT - Gas Reserves	Represents the grossed-up benefit from the remeasurement of excess deferred income taxes (EDIT) related to gas reserves that is deferred for the benefit of customers. The balance is reduced for the amount that is to be credited to customers over the next 12 months which is included in account 232025.	Oregon - UG 435, Order 22-388	No	No	-
254	232010	Tax Reform Regulatory Liability - EDIT - Plant ST - Oregon	Represents the grossed-up benefit from the remeasurement of excess deferred income taxes (EDIT) related to plant that is to be credited to customers over the next 12 months.	Oregon - UG 435, Order 22-388	Yes	No	(3,100,000)
254	232015	Tax Reform Regulatory Liability - EDIT - Plant ST - Washington	Represents the ST grossed-up benefit from the remeasurement of excess deferred income taxes (EDIT) related to plant that is to be credited to customers over the next 12 months.	Oregon - UG 435, Order 22-388 Washington - UG 200994, Order 05	Yes	No	(375,000)
254	232020	Tax Reform Regulatory Liability - EDIT - Gross Up ST	Represents the grossed-up benefit from the remeasurement of excess deferred income taxes (EDIT) related to non-plant items that is to be credited to customers over the next 12 months.	Oregon - UG 435, Order 22-388 Washington - UG 200994, Order 05	No	No	(1,897,230)
254	232025	Tax Reform Regulatory Liability - EDIT - Gas Reserves ST	Represents the grossed-up benefit from the remeasurement of excess deferred income taxes (EDIT) related to gas reserves that is to be credited to customers over the next 12 months.	Oregon - UG 435, Order 22-388	No	No	(1,794,228)
108	260005	Asset Retirement Obligation - Utility	Includes the estimated future cost to remove utility plant when it is retired, offset by the estimated salvage value of those assets.	Oregon - UG 435, Order 22-388	Yes	No	(463,559,290)
108	260010	Asset Retirement Obligation - North Mist	Includes the estimated future cost to remove utility plant when it is retired, offset by the estimated salvage value of those assets.	Oregon - UG 435, Order 22-388	Yes	No	(2,532,234)
122	260015	Asset Retirement Obligation - Non-Utility	Includes the estimated future cost to remove utility plant when it is retired, offset by the estimated salvage value of those assets. These assets primarily relate to NWN's storage business that is regulated by FERC.	FERC - PR19-4	No	No	(1,650,496)
252	260405	CIAC - Residential New Construction - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: UG 435, Order 22-388	Yes	No	(1,942,764)
252	260410	CIAC - Residential New Construction - Washington	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Washington - UG 200994, Order 05	Yes	No	(2,860,426)
252	260415	CIAC - Residential Conversion - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: UG 435, Order 22-388	Yes	No	(2,614,530)
252	260420	CIAC - Residential Conversion - Washington	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Washington - UG 200994, Order 05	Yes	No	(715,836)
252	260425	CIAC - Multi-Family New Construction - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: UG 435, Order 22-388	Yes	No	(140,236)
252	260430	CIAC - Multi-Family New Construction - Washington	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Washington - UG 200994, Order 05	Yes	No	(135,174)
252	260435	CIAC - Multi-Family Conversion - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: UG 435, Order 22-388	Yes	No	(33,613)
252	260440	CIAC - Multi-Family Conversion - Washington	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Washington - UG 200994, Order 05	Yes	No	(4,282)
252	260445	CIAC - Commercial New Construction - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: UG 435, Order 22-388	Yes	No	(1,123,007)
252	260450	CIAC - Commercial New Construction - Washington	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Washington - UG 200994, Order 05	Yes	No	(156,292)
252	260455	CIAC - Commercial Conversion - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: UG 435, Order 22-388	Yes	No	(369,286)
252	260460	CIAC - Commercial Conversion - Washington	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Washington - UG 200994, Order 05	Yes	No	(8,951)
252	260465	CIAC - Industrial New Construction - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: UG 435, Order 22-388	Yes	No	(22,315)
252	260470	CIAC - Industrial Conversion - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: UG 435, Order 22-388	Yes	No	(15,905)
254	232030	Oregon - ISS/Optimization Revenue Sharing (Current Portion)	Includes interstate storage and optimization net revenues shared with Oregon utility customers. This account represents the portion that will be credited to customers within the next 12 months. The amount to be credited to customers beyond 12 months is included in account 260640.	Oregon - UG 344, Order 18-419	No	No	(23,540,606)

FERC Account	GL Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance as of 12/31/2022
254	232035	Washington - ISS/Optimization Revenue Sharing	Includes interstate storage and optimization revenues shared with Washington utility customers.	Washington - UG-011090	No	No	(2,827,159)
254	232040	FAS 133 Gains/Losses on Optimization Contracts	This account is used to record the fair value of the optimization contracts using the same sharing inputs from the Oregon and Washington utility customer revenue sharing. As with the other FAS 133 regulatory assets and liabilities the amount represents a valuation at a point in time and is not added to or deducted from the revenues credited to utility customers.	Oregon - UG 344 (Order 18-419) Washington - UG-011090	No	No	0
254	260640	Oregon - ISS/Optimization Revenue Sharing (Long-term Portion)	Represent's Oregon utility customers' share of revenues that will be credited beyond 12 months.	Oregon - UG 344, Order 19-105	No	No	(8,401,200)
254	232095	Oregon - North Mist Deferral for Gain on Sales Type lease - ST	Represents the portion of the gain calculated in accordance with GAAP for the N. Mist sales-type lease that will be amortized in the next 12 months. Since the N. Mist assets are being recovered through tariffs, the gain calculated on a GAAP basis is deferred and will reduce over the life of the lease.	n/a - for GAAP reporting purposes only	No	No	(665,890)
254	260645	Oregon - North Mist Deferral for Gain on Sales Type lease - LT	Represents the portion of the regulatory liability for the N. Mist gain on sales-type lease that will be amortized beyond one year.	n/a - for GAAP reporting purposes only	No	No	(3,333,885)
254	232045	Oregon Deferral of Gain on Sale of Property	Includes Oregon's portion of the net gain on sale of utility property that is to be credited to customers.	No deferred balances at this time.	No	No	0
254	232070	Oregon Amortization of Gain on Sale of Property	Amortization of the net gain on sale of utility property to be credited to customers.	No deferred balances at this time.	No	No	-
254	232075	Washington Deferral of Gain on Sale of Property	Includes Washington's portion of the net gain on sale of utility property that is to be credited to customers.	No deferred balances at this time.	No	No	(0)
254	232080	Deferral of Sales of OPS Leasehold Improvements	Represents the deferral of proceeds from sales of OPS Leasehold Improvements such as artwork. These amounts will be credited to customers as decided in a future proceeding.	No docket; however as customers paid for the OPS leasehold improvements, we will include the proceeds as a credit to customers in the 2023-24 PGA.	No	No	(32,000)
254	232085	Oregon - Amortize Gas Reserves EDIT true-up	Amortization of the Gas Reserves portion of the EDIT true-up amount that was included in the 260635 deferral account.	Oregon - UG 435, Order 22-388	No	No	-
254	232050	Washington Deferral of Gain on Sale of Property	Includes Washington's portion of the net gain on sale of utility property that is to be credited to customers.	Washington - UG 200120 and UG-200994, Order 05	No	No	(351,478)
254	232060	Oregon Curtailment/Entitlement Revenue Deferral	Represents curtailment revenue received when an interruptible customer does not follow the order to curtail service; and entitlement revenue received when a transportation service customer does not follow the order to control gas usage to be within a specified threshold percentage per its Tariff.	Oregon - UM 2123, Order 22-498	No	No	(571,730)
254	232065	Oregon Amortization of Curtailment/Entitlement Revenue Deferral	Represents the prior PGA year's deferral of curtailment and entitlement revenue currently being amortized in rates.	Oregon - UG 453, Order 22-403	No	No	(110,608)