



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](mailto: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 24, 2024

**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, 2023**

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, 2023. 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: 8.67%**
- **Traditional Including AMA: 8.77%**

Per the January 2, 2024, notification from Staff, two USB flash drives of the report with supporting workpapers and schedules in Excel format will be mailed via FedEx. Workpapers will also be submitted to [puc.workpapers@puc.oregon.gov](mailto: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 Senior Manager  
(503) 610-7051  
[kyle.walker@nwnatural.com](mailto:kyle.walker@nwnatural.com)

Enclosures



REPORT: RG 40

**ANNUAL EARNINGS REVIEW**  
**WITHOUT WORKPAPERS**

(For the 12 months ended December 31, 2023)

NW Natural Gas Company  
2023 Oregon Earnings Review  
12 Months Ended December 31, 2023  
(\$000's)

**OREGON EARNINGS TEST REVIEW**

Line No.	Test Year	TYPE I	Results	Gas Reserves	Results Excl.	TYPE II	Results	
	Results	Adjustments	after Type I	Adjustment <sup>(2)</sup>	Gas Reserves <sup>(2)</sup>	Adjustments	after Type II	
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (c) + (f)	
<b>Operating Revenues</b>								
1	Sale of Gas	\$940,444	(\$13,633)	\$926,811		\$926,811	\$0	\$926,811
2	WARM Revenues	(2,774)	2,774	0		0	0	0
3	Revenue & Technical Adjustments	19,698	0	19,698		19,698	0	19,698
4	Decoupling Adjustments	(3,390)	3,390	0		0	0	0
5	Transportation	18,991	0	18,991		18,991	0	18,991
6	Miscellaneous Revenues	2,861	(161)	2,699		2,699	0	2,699
7	<b>Total Operating Revenues</b>	<b>975,830</b>	<b>(7,631)</b>	<b>968,199</b>	<b>0</b>	<b>968,199</b>	<b>0</b>	<b>968,199</b>
<b>Operating Revenue Deductions</b>								
8	Gas Purchased	444,460	(7,682)	436,778	779	437,558	0	436,778
9	Uncollectible Accrual for Gas Sales	2,514	(458)	2,056		2,056	0	2,056
10	Other Operating & Maintenance Expenses <sup>(1)</sup>	201,849	(7,677)	194,172		194,172	0	194,172
11	<b>Total Operating &amp; Maintenance Exp.</b>	<b>648,823</b>	<b>(15,817)</b>	<b>633,006</b>	<b>779</b>	<b>633,786</b>	<b>0</b>	<b>633,006</b>
12	Federal Income Tax	16,375	1,474	17,849	560	18,409	0	17,849
13	State Excise	13,384	579	13,963	0	13,963	0	13,963
14	Property Taxes	27,523	1,064	28,587		28,587	0	28,587
15	Other Taxes	34,341	(358)	33,983		33,983	0	33,983
16	Depreciation & Amortization	110,403	0	110,403		110,403	0	110,403
17	SRRM	12,340	0	12,340		12,340	0	12,340
18	<b>Total Operating Revenue Deductions</b>	<b>863,190</b>	<b>(13,058)</b>	<b>850,132</b>	<b>1,339</b>	<b>851,471</b>	<b>0</b>	<b>850,132</b>
19	<b>Net Operating Revenues</b>	<b>\$112,640</b>	<b>\$5,427</b>	<b>\$118,068</b>	<b>(\$1,339)</b>	<b>\$116,728</b>	<b>\$0</b>	<b>\$118,068</b>
<b>Average Rate Base</b>								
20	Utility Plant in Service	\$3,773,526	(\$4,500)	\$3,769,026	(187,307)	\$3,581,719	\$0	\$3,769,026
21	Accumulated Depreciation	(1,620,300)	0	(1,620,300)	162,568	(1,457,732)	0	(1,620,300)
22	<b>Net Utility Plant</b>	<b>2,153,226</b>	<b>(4,500)</b>	<b>2,148,726</b>	<b>(24,739)</b>	<b>2,123,987</b>	<b>0</b>	<b>2,148,726</b>
23	Aid in Advance of Construction	(6,486)	0	(6,486)		(6,486)	0	(6,486)
24	Customer Deposits	(1,747)	0	(1,747)		(1,747)	0	(1,747)
25	Materials & Supplies	77,271	0	77,271		77,271	0	77,271
26	Leasehold Improvements	21,306	0	21,306		21,306	0	21,306
27	Accumulated Deferred Income Taxes	(445,817)	0	(445,817)	8,055	(437,762)	0	(445,817)
28	<b>Total Rate Base</b>	<b>\$1,797,753</b>	<b>(\$4,500)</b>	<b>\$1,793,253</b>	<b>(\$16,684)</b>	<b>\$1,776,569</b>	<b>\$0</b>	<b>\$1,793,253</b>
29	<b>Rate of Return</b>	<b>6.27%</b>		<b>6.58%</b>	<b>8.03%</b>	<b>6.57%</b>		<b>6.58%</b>
30	<b>Return on Common Equity</b>	<b>8.02%</b>		<b>8.67%</b>	<b>11.70%</b>	<b>8.65%</b>		<b>8.67%</b>

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

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

NW Natural Gas Company  
2023 Oregon Earnings Review  
12 Months Ended December 31, 2023  
(\$'000's)

OREGON EARNINGS TEST REVIEW							
Line No.	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)
<b>Operating Revenues</b>							
1	Sale of Gas	\$940,444	(\$13,633)	\$926,811	\$0	\$926,811	\$926,811
2	WARM Revenues	(2,774)	2,774	0	0	0	0
3	Revenue & Technical Adjustments	19,698	0	19,698	0	19,698	19,698
4	Decoupling Adjustments	(3,390)	3,390	0	0	0	0
5	Transportation	18,991	0	18,991	0	18,991	18,991
6	Miscellaneous Revenues	2,861	(161)	2,699	0	2,699	3,810
7	Total Operating Revenues	975,830	(7,631)	968,199	0	968,199	969,310
	MARGIN (Rev less COG less FF)	531,370		531,421		531,421	447,590
<b>Operating Revenue Deductions</b>							
8	Gas Purchased	444,460	(7,682)	436,778	0	436,778	436,778
9	Uncollectible Accrual for Gas Sales	2,514	(458)	2,056	0	2,056	2,056
10	Other Operating & Maintenance Expenses <sup>(1)</sup>	201,849	(7,677)	194,172	0	194,172	194,172
11	Total Operating & Maintenance Exp.	648,823	(15,817)	633,006	0	633,006	633,006
12	Federal Income Tax	16,375	1,474	17,849	0	17,849	18,065
13	State Excise	13,384	579	13,963	0	13,963	14,047
14	Property Taxes	27,523	1,064	28,587	0	28,587	28,587
15	Other Taxes (i.e Franchise, Payroll, PUC & DOE Fee)	34,341	(358)	33,983	0	33,983	33,983
16	Depreciation & Amortization	110,403	0	110,403	0	110,403	110,403
17	SRRM	12,340	0	12,340	0	12,340	12,340
18	Total Operating Revenue Deductions	863,190	(13,058)	850,132	0	850,132	850,432
19	Net Operating Revenues	\$112,640	\$5,427	\$118,068	\$0	\$118,068	\$118,878
<b>Average Rate Base</b>							
20	Utility Plant in Service	\$3,773,526	(\$4,500)	\$3,769,026	\$0	\$3,769,026	\$3,769,026
21	Accumulated Depreciation	(1,620,300)	0	(1,620,300)	0	(1,620,300)	(1,620,300)
22	Net Utility Plant	2,153,226	(4,500)	2,148,726	0	2,148,726	2,148,726
23	Aid in Advance of Construction	(6,486)	0	(6,486)	0	(6,486)	(6,486)
24	Customer Deposits	(1,747)	0	(1,747)	0	(1,747)	(1,747)
25	Materials & Supplies	19,888	0	19,888	0	19,888	19,888
26	Gas Inventory	57,383	0	57,383	0	57,383	57,383
27	EDIT Adjustment to Rate Base	3,000	0	3,000	0	3,000	3,000
28	Leasehold Improvements	21,306	0	21,306	0	21,306	21,306
29	Accumulated Deferred Income Taxes	(448,817)	0	(448,817)	0	(448,817)	(448,817)
30	Total Rate Base	\$1,797,753	(\$4,500)	\$1,793,253	\$0	\$1,793,253	\$1,793,253
31	Rate of Return	6.27%		6.58%		6.58%	6.63%
32	Return on Common Equity	8.02%		8.67%		8.67%	8.77%

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

CUSTOMER ASSETS

2023

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Schedule 185 Revenue	518,924	417,005	258,801	360,764	317,934	351,721	512,107	703,616	576,951	404,534	283,271	890,616	5,596,244
Less: Optimization O&M (I/O 417-02230)	(1,362)	(1,944)	(1,743)	(3,539)	(4,662)	(5,313)	(2,407)	(4,480)	(2,218)	2,461	(1,615)	(5,077)	(31,899)
Less: OR CAT Tax	(2,958)	(2,377)	(1,475)	(2,056)	(1,812)	(2,005)	(2,919)	(4,011)	(3,289)	(13,937)	(2,832)	(10,598)	(50,268)
Net Schedule 185 Revenue	514,605	412,684	255,582	355,169	311,460	344,403	506,782	695,125	571,444	393,057	278,824	874,942	5,564,345
Oregon Allocation	87.916%	87.916%	87.916%	87.916%	87.916%	87.916%	87.916%	87.916%	87.916%	87.916%	87.916%	87.916%	87.916%
Schedule 185 Revenue to Oregon	452,417	362,814	224,697	312,248	273,822	302,783	445,540	611,123	502,388	345,558	245,130	769,210	4,847,731
% 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	265,284	212,743	131,755	183,093	160,561	177,543	261,251	358,344	294,585	202,625	143,737	451,041	2,842,561
NWN's Share of Revenue (10%)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
NWN's Schedule 185 Revenue	26,528	21,274	13,176	18,309	16,056	17,754	26,125	35,834	29,459	20,262	14,374	45,104	284,256
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	13,264	10,637	6,588	9,155	8,028	8,877	13,063	17,917	14,729	10,131	7,187	22,552	142,128
Gross Schedule 186 Revenue	5,155,704	3,192,378	3,109,046	1,321,373	944,770	898,551	2,458,323	2,478,972	850,228	1,030,913	1,392,827	407,717	23,240,801
Less: Optimization O&M (I/O 417-02230)	(13,528)	(15,956)	(17,171)	(15,060)	(14,592)	(14,115)	(16,275)	(15,280)	2,218	(2,449)	(7,939)	(2,324)	(132,473)
Less: OR CAT Tax	(29,388)	(18,197)	(15,347)	(9,907)	(5,385)	(5,122)	(14,013)	(14,130)	(4,846)	(30,310)	(307,199)	(623,110)	(1,076,952)
Net Schedule 186 Revenue	5,112,788	3,158,226	3,076,529	1,296,406	924,792	879,314	2,428,035	2,449,562	847,600	998,154	1,077,688	(217,716)	22,031,376
Oregon Allocation	87.916%	87.916%	87.916%	87.916%	87.916%	87.916%	87.916%	87.916%	87.916%	87.916%	87.916%	87.916%	87.916%
Schedule 186 Revenue to Oregon	4,494,935	2,776,572	2,704,747	1,139,743	813,036	773,054	2,134,620	2,153,546	745,172	877,532	947,456	(191,406)	19,369,005
NWN's Share of Revenue (10%)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
NWN's Schedule 186 Revenue	449,494	277,657	270,475	113,974	81,304	77,305	213,462	215,355	74,517	87,753	94,746	(19,141)	1,936,901
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	224,747	138,829	135,237	56,987	40,652	38,653	106,731	107,677	37,259	43,877	47,373	(9,570)	968,450
<b>Total Schedule 185 &amp; 186 Revenue for Earnings Test</b>	<b>238,011</b>	<b>149,466</b>	<b>141,825</b>	<b>66,142</b>	<b>48,680</b>	<b>47,530</b>	<b>119,794</b>	<b>125,594</b>	<b>51,988</b>	<b>54,008</b>	<b>54,560</b>	<b>12,982</b>	<b>1,110,578</b>



## **ANNUAL EARNINGS REVIEW** **For the Twelve Months Ended December 31, 2023**

### **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 435 Adjustments [Column 2(c)]:**

This makes O&M and capital adjustments ordered in UG 435. 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 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 2023.

NW Natural Gas Company  
Test Year Normalizing Adjustments: TYPE I ADJUSTMENTS  
2023 Oregon Earnings Review  
(\$000)

Line No.	Column A from Page 1	Weather Normalization & Gas Costs Adjustment (2a)	Miscellaneous Revenue Adjustment (2b)	Rate Case Adjustment (2c)	Property Taxes Adjustment (2d)	Uncollectible Accounts Adjustment (2e)	Total Type I Adjustments	Column C from Page 1
	worksheet #:							
<b>Operating Revenues</b>								
1	Sale of Gas	\$940,444	(\$13,633)				(\$13,633)	\$926,811
2	WARM Revenue	(2,774)	1,457	1,316			\$2,774	
3	Revenue & Technical Adjustments	19,698		0			\$0	19,698
4	Decoupling Adjustment	(3,390)		3,390			\$3,390	0
5	Transportation	18,991					\$0	18,991
6	Miscellaneous Revenues	2,861		(161)			(\$161)	2,699
7	<b>Total Operating Revenues</b>	975,830	(12,176)	4,545	0	0	<b>(7,631)</b>	968,199
<b>Operating Revenue Deductions</b>								
8	Gas Purchased	444,460	(7,682)				<b>(7,682)</b>	436,778
9	Uncollectible Accrual	2,514	(30)	0		(428)	<b>(458)</b>	2,056
10	Other Operating & Maintenance Expenses	201,849			(7,677)		<b>(7,677)</b>	194,172
11	<b>Total Operating &amp; Maintenance Exp.</b>	648,823	(7,712)	0	(7,677)	(428)	<b>(15,817)</b>	633,006
12	Federal Income Tax	16,375	(789)	875	1,511	(206)	<b>1,474</b>	17,849
13	State Excise	13,384	(309)	343	593	(81)	<b>579</b>	13,963
14	Property Taxes	27,523				1,064	<b>1,064</b>	28,587
15	Other Taxes	34,341	(395)	38	0	0	<b>(358)</b>	33,983
16	Depreciation & Amortization	110,403					<b>0</b>	110,403
17	SRRM	12,340					<b>0</b>	12,340
18	<b>Total Operating Revenue Deductions</b>	863,190	(9,205)	1,256	(5,573)	777	<b>(13,058)</b>	850,132
19	<b>Net Operating Revenues</b>	112,640	(2,970)	3,290	5,573	(777)	<b>5,427</b>	118,068
<b>Average Rate Base</b>								
20	Utility Plant in Service	3,773,526			(4,500)		<b>(4,500)</b>	3,769,026
21	Accumulated Depreciation Materials & Supplies	(1,620,300)					<b>0</b>	(1,620,300)
22	<b>Net Utility Plant</b>	2,153,226	0	0	(4,500)	0	<b>(4,500)</b>	2,148,726
23	Aid in Advance of Construction	(6,486)					<b>0</b>	(6,486)
24	Customer Deposits	(1,747)					<b>0</b>	(1,747)
25	Materials & Supplies	77,271					<b>0</b>	77,271
26	Leasehold Improvements	21,306					<b>0</b>	21,306
27	Accumulated Deferred Income Taxes	(445,817)					<b>0</b>	(445,817)
28	<b>Total Rate Base</b>	\$1,797,753	\$0	\$0	(\$4,500)	\$0	<b>(\$4,500)</b>	\$1,793,253
29	Interest Coordination		0	0	(109)	0	<b>(109)</b>	(109)



Northwest Natural Gas Company  
Test Year Normalizing Adjustments: TYPE I ADJUSTMENTS  
2023 Oregon Earnings Review  
(\$000)

Income Tax Calculations

Line No.	Income Tax Calculations	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	(12,176)	4,545	0	0	0	(7,631)
2	Book Expenses before Deprec. & Int.	(8,107)	38	(7,677)	1,064	(428)	(15,111)
3	State Tax Depreciation	0	0	0	0	0	0
4	Interest Expense (Income)	0	0	(109)	0	0	(109)
5	Book/Tax Differences (Sched. M)	0	0	1	0	0	1
6	State Taxable Income	(4,068)	4,508	7,785	(1,064)	428	7,588
7	State Excise Tax [1]	(309)	343	592	(81)	33	578
8	State Tax Credit	0	0	1	0	0	1
9	Net State Income Tax	(309)	343	593	(81)	33	579
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	(3,759)	4,165	7,192	(983)	395	7,009
13	Federal Income Tax [2]	(789)	875	1,510	(206)	83	1,473
14	ITC	0	0	1	0	0	1
15	Current Federal Tax	(789)	875	1,511	(206)	83	1,474
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	(789)	875	1,511	(206)	83	1,474
20	Total State Tax	(309)	343	593	(81)	33	579

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



Northwest Natural Gas Company  
 Test Year Normalizing Adjustments: TYPE II ADJ Income Tax Calculations  
 2023 Oregon Earnings Review  
 (\$000)

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

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

**NW Natural Gas Company**  
**Tax Provision - Historic**  
**2023 Oregon Earnings Review**  
**(\$000)**

<u>Line No.</u>	<u>State Taxes</u>	<u>Federal Taxes</u>	
<b>1 Operating Revenues</b>	\$975,830	\$975,830	
<b>2 Operating Revenue Deductions</b>	648,823	648,823	
<b>3 Property &amp; Other Taxes</b>	61,864	61,864	
<b>4 Book Depreciation</b>	110,403	110,403	
<b>5 Interest (Rate Base * Cost of Debt)</b>	43,685	43,685	
<b>6 State Tax Deduction</b>	\$4,799	13,384	
<b>7 Subtotal</b>	\$106,255	\$97,670	
<b>8 Permanent Differences</b>	6,707	4,007	88.96% Depreciation Factor
<b>9 Taxable Income</b>	\$112,962	\$101,677	
<b>10 Tax Rate</b>	7.60%	21.00%	
<b>11 Tax Before Credits and Adjustments</b>	8,585	21,352	
<b>12 Credits &amp; Adjustments</b>	4,799	(4,977)	
<b>13 Total Tax</b>	<u>\$13,384</u>	<u>\$16,375</u>	

**NW Natural Gas Company**  
**12 Months Ended December 31, 2023**  
**Input Assumptions**  
**Proforma Cost of Capital**

<u>Line No.</u>		<u>13-month averages</u>		
		<u>% of Total Capital</u>	<u>Average Cost</u>	<u>Average Weighted Cost</u>
		<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
1	Long Term Debt	52.13%	4.655%	2.43%
2	Preferred Stock	0.00%	0.000%	0.00%
3	Common Stock	47.87%	9.400%	4.50%
4	<b>Total</b>	<u>100.00%</u>		<u>6.930%</u>
<b>Revenue Sensitive Costs</b>				
5	Gas Sales	95.73%		
6	Transportation	1.96%		
7	Other	2.31%		
8	<b>Subtotal</b>	<u>100.00%</u>		
9	O & M - Uncollectible	0.221%		
10	Franchise Taxes at	2.818%		
11	OPUC Fee	0.430%		
12	State Taxable Income	<u>96.53%</u>		
13	State Income Tax	7.34%		
14	Federal Taxable Income	89.19%		
15	Federal Income Tax	18.73%		
16	<b>Total Income Taxes</b>	<u>26.07%</u>		
17	<b>Total Revenue Sensitive Costs</b>	29.54%		
18	<b>Utility Operating Income</b>	<u>70.46%</u>		
19	Materials & Supplies	141.92%		
20	Interest Coordination Factor	2.43%		
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	0.221%		
26	Regulatory fees	0.430%		

NW Natural Gas Company  
2023 Oregon Earnings Review  
Rate Base

	2022 Dec	2023 Jan	2023 Feb	2023 Mar	2023 Apr	2023 May	2023 June	2023 July	2023 August	2023 September	2023 October	2023 November	2023 December	Dec 22 - Dec 23 13 month average
<b>SYSTEM</b>	<b>System</b> 1	<b>System</b> 2	<b>System</b> 3	<b>System</b> 4	<b>System</b> 5	<b>System</b> 6	<b>System</b> 7	<b>System</b> 8	<b>System</b> 9	<b>System</b> 10	<b>System</b> 11	<b>System</b> 12	<b>System</b> 13	<b>System</b> 14
<b>Gross Plant</b>														
<b>Intangible</b>	248,470,716	249,732,788	253,675,027	254,754,757	254,987,143	258,313,950	258,378,884	258,937,676	259,134,960	259,192,503	272,500,925	271,504,154	293,979,396	<b>260,194,819</b>
<b>Software</b>	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	<b>84,795</b>
<b>Other</b>	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	<b>675,198</b>
<b>Production</b>	232,570,687	232,917,889	233,369,483	234,094,448	234,906,291	235,992,539	236,690,874	237,686,351	241,704,862	242,478,667	244,303,073	243,507,193	256,881,082	<b>238,531,463</b>
<b>Transmission</b>	2,721,579,656	2,723,904,321	2,735,073,559	2,745,768,158	2,748,018,590	2,757,483,776	2,770,385,026	2,776,448,223	2,795,000,145	2,799,616,602	2,812,761,317	2,817,373,461	2,841,420,644	<b>2,771,944,444</b>
<b>Distribution</b>	375,588,941	375,793,998	375,003,042	377,732,095	378,166,381	380,166,173	380,305,321	381,044,854	384,127,709	384,882,030	369,216,578	362,964,328	381,857,486	<b>377,343,810</b>
<b>General</b>														
<b>Storage and storage transmission</b>	420,632,120	421,029,170	421,087,001	421,784,495	421,791,072	421,799,704	421,804,015	422,121,773	422,241,354	422,211,544	431,950,363	435,289,104	451,133,445	<b>424,916,031</b>
<b>CNG and LNG</b>	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	4,021,208	<b>3,800,370</b>
<b>Gas Reserves</b>	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	<b>187,307,385</b>
<b>Total Gross Plant</b>	4,190,700,266	4,195,236,314	4,210,066,258	4,225,992,100	4,229,727,622	4,245,614,289	4,259,422,268	4,268,097,024	4,294,067,176	4,300,239,493	4,322,590,402	4,322,496,388	4,417,360,639	<b>4,264,798,316</b>
<b>Accumulated Depreciation</b>														
<b>Intangible</b>	(66,472,586)	(68,097,526)	(69,099,891)	(70,783,234)	(72,471,785)	(74,172,752)	(75,885,323)	(77,600,373)	(79,320,842)	(81,038,178)	(79,978,175)	(80,259,012)	(83,348,500)	<b>(75,301,469)</b>
<b>Production</b>	(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)	<b>(691,036)</b>
<b>Transmission</b>	(55,600,237)	(55,946,736)	(56,293,841)	(56,641,834)	(56,990,986)	(57,341,569)	(57,693,498)	(58,046,804)	(58,403,991)	(58,764,792)	(59,127,453)	(59,490,790)	(59,863,243)	<b>(57,706,169)</b>
<b>Distribution</b>	(1,206,039,430)	(1,210,958,304)	(1,216,172,818)	(1,218,457,393)	(1,220,074,276)	(1,223,922,215)	(1,227,557,722)	(1,231,948,945)	(1,235,660,062)	(1,239,507,090)	(1,243,447,216)	(1,247,265,240)	(1,243,581,647)	<b>(1,228,315,152)</b>
<b>General</b>	(92,832,682)	(94,888,940)	(96,436,656)	(97,901,160)	(99,876,817)	(101,979,196)	(104,087,488)	(106,048,563)	(108,104,108)	(109,998,321)	(108,839,008)	(104,391,145)	(104,509,992)	<b>(102,601,895)</b>
<b>Storage and storage transmission</b>	(166,626,918)	(167,397,398)	(168,168,285)	(168,939,870)	(169,712,108)	(170,484,361)	(171,256,628)	(172,029,536)	(172,803,203)	(173,576,965)	(174,358,669)	(175,150,924)	(175,974,054)	<b>(171,264,869)</b>
<b>CNG and LNG</b>	(2,491,772)	(2,498,537)	(2,505,302)	(2,512,067)	(2,518,833)	(2,525,598)	(2,532,363)	(2,539,128)	(2,545,893)	(2,552,659)	(2,559,424)	(2,566,189)	(2,573,204)	<b>(2,532,373)</b>
<b>Gas Reserves</b>	(160,899,925)	(161,180,956)	(161,443,257)	(161,733,312)	(161,995,264)	(162,289,207)	(162,578,131)	(162,878,631)	(163,151,878)	(163,431,836)	(163,713,231)	(163,913,442)	(164,116,989)	<b>(162,568,133)</b>
<b>Total Accumulated Depreciation</b>	(1,751,654,586)	(1,761,659,433)	(1,770,811,085)	(1,777,659,907)	(1,784,331,103)	(1,793,405,933)	(1,802,282,189)	(1,811,783,015)	(1,820,681,013)	(1,829,560,876)	(1,832,714,211)	(1,833,727,778)	(1,834,658,663)	<b>(1,800,981,097)</b>
<b>Storage Gas</b>	88,095,352	73,906,348	57,009,949	48,411,989	49,044,951	53,257,626	58,094,839	64,109,829	69,782,432	73,188,093	74,034,776	72,949,487	71,954,945	<b>64,484,622</b>
<b>Customer Advances</b>	(10,142,617)	(10,423,545)	(10,578,843)	(10,337,861)	(10,443,809)	(11,025,519)	(11,034,350)	(10,821,263)	(10,970,476)	(10,901,551)	(10,849,395)	(10,871,261)	(11,003,712)	<b>(10,735,920)</b>
<b>Customer Deposits</b>	(1,559,067)	(1,689,022)	(1,710,080)	(1,787,844)	(1,836,279)	(1,912,225)	(2,005,607)	(2,005,797)	(2,090,952)	(2,188,744)	(2,254,075)	(2,353,542)	(2,478,170)	<b>(1,987,732)</b>
<b>Materials and Supplies</b>	23,245,841	22,221,553	22,001,104	22,483,414	22,726,734	22,558,193	22,625,260	23,380,758	23,437,388	23,964,281	23,695,865	22,478,244	22,745,292	<b>22,880,697</b>
<b>Appliances</b>														<b>0</b>
<b>Leasehold Improvements</b>	25,428,785	25,087,325	25,056,300	24,986,602	24,936,361	23,976,191	23,854,436	23,732,542	23,618,468	23,495,265	23,365,563	23,235,285	23,105,007	<b>24,134,270</b>
<b>Total Rate Base Excluding ADIT</b>	2,564,113,973	2,542,679,540	2,531,033,605	2,532,088,493	2,529,824,477	2,539,062,623	2,548,674,657	2,554,710,078	2,577,163,022	2,578,235,961	2,597,868,926	2,594,206,822	2,687,025,338	<b>2,562,593,155</b>

**NW Natural Gas Company**  
**2023 Oregon Earnings Review**  
**Rate Base**

<b>OREGON</b>		2022	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	Dec 22 - Dec 23	
		Dec	Jan	Feb	Mar	Apr	May	June	July	August	September	October	November	December	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	13 month average
<b>Gross Plant</b>		OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON
<b>Intangible</b>	<b>Software</b>	218,579,689	219,689,934	223,157,921	224,107,760	224,312,189	227,238,781	227,295,905	227,787,474	227,961,024	228,011,645	239,473,812	238,597,851	258,349,093													<b>228,841,557</b>
	<b>Other</b>	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													<b>84,348</b>
<b>Production</b>		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													<b>675,198</b>
<b>Transmission</b>		228,665,864	229,013,067	229,464,661	230,189,626	231,001,468	232,087,717	232,786,052	233,781,528	237,799,111	238,572,916	240,397,322	239,601,442	249,455,608													<b>234,479,637</b>
<b>Distribution</b>		2,365,100,751	2,366,818,390	2,375,922,148	2,384,801,440	2,386,824,630	2,396,154,906	2,408,162,907	2,413,565,828	2,431,263,305	2,435,594,915	2,446,982,513	2,451,192,705	2,470,678,143													<b>2,409,597,761</b>
<b>General</b>		326,307,530	326,481,815	325,784,101	328,195,583	328,580,348	330,350,082	330,473,651	331,128,286	333,854,402	334,516,555	318,992,211	313,473,350	332,358,220													<b>327,596,938</b>
<b>Storage and storage transmission</b>		377,721,244	378,074,341	378,125,770	378,746,051	378,751,900	378,759,577	378,763,411	379,045,993	379,152,336	379,125,826	388,025,928	390,997,074	405,096,952													<b>381,581,442</b>
<b>CNG and LNG</b>		3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,346,111	3,346,111	3,549,520													<b>3,362,089</b>
<b>Gas Reserves</b>		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													<b>187,307,385</b>
<b>Total Gross Plant</b>		3,707,797,598	3,711,500,066	3,723,877,121	3,737,462,980	3,740,893,056	3,756,013,583	3,768,904,444	3,776,731,628	3,801,452,698	3,807,244,377	3,825,284,829	3,825,275,464	3,907,554,468													<b>3,773,526,357</b>
<b>Accumulated Depreciation</b>																											
<b>Intangible</b>		(58,475,934)	(59,905,394)	(60,787,174)	(62,268,011)	(63,753,429)	(65,249,770)	(66,756,319)	(68,265,048)	(69,778,545)	(71,289,285)	(70,284,820)	(70,531,620)	(73,246,662)													<b>(66,227,559)</b>
<b>Production</b>		(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)													<b>(691,036)</b>
<b>Transmission</b>		(55,277,357)	(55,617,966)	(55,959,181)	(56,301,284)	(56,644,546)	(56,989,239)	(57,335,278)	(57,682,695)	(58,033,991)	(58,388,901)	(58,745,671)	(59,103,117)	(59,467,024)													<b>(57,347,838)</b>
<b>Distribution</b>		(1,068,795,029)	(1,073,024,580)	(1,077,511,295)	(1,079,122,203)	(1,080,464,821)	(1,084,015,545)	(1,087,149,838)	(1,090,962,301)	(1,094,123,262)	(1,097,450,368)	(1,100,884,038)	(1,104,155,211)	(1,099,860,793)													<b>(1,087,765,948)</b>
<b>General</b>		(81,380,083)	(83,190,460)	(84,550,672)	(85,837,224)	(87,576,244)	(89,427,439)	(91,283,868)	(93,009,980)	(94,819,716)	(96,486,632)	(95,062,356)	(91,125,071)	(92,801,648)													<b>(89,955,044)</b>
<b>Storage and storage transmission</b>		(149,335,061)	(150,024,203)	(150,713,707)	(151,403,832)	(152,094,538)	(152,785,257)	(153,475,988)	(154,167,289)	(154,859,266)	(155,551,327)	(156,348,598)	(157,057,558)	(157,793,994)													<b>(153,503,841)</b>
<b>CNG and LNG</b>		(2,205,716)	(2,211,705)	(2,217,694)	(2,223,682)	(2,229,671)	(2,235,659)	(2,241,648)	(2,247,636)	(2,253,625)	(2,259,613)	(2,259,203)	(2,265,175)	(2,271,367)													<b>(2,240,321)</b>
<b>Gas Reserves</b>		(160,899,925)	(161,180,956)	(161,443,257)	(161,733,312)	(161,995,264)	(162,289,207)	(162,578,131)	(162,878,631)	(163,151,878)	(163,431,836)	(163,713,231)	(163,913,442)	(164,116,989)													<b>(162,568,133)</b>
<b>Total Accumulated Depreciation</b>		(1,577,060,141)	(1,585,846,300)	(1,593,874,016)	(1,599,580,584)	(1,605,449,548)	(1,613,683,151)	(1,621,512,105)	(1,629,904,616)	(1,637,711,317)	(1,645,548,998)	(1,647,988,952)	(1,648,842,230)	(1,650,249,513)													<b>(1,620,299,720)</b>
<b>Storage Gas</b>		78,343,196	65,769,259	50,733,154	43,081,829	43,645,102	47,393,961	51,698,597	57,051,337	62,099,386	65,130,084	65,883,548	64,917,749	64,032,706													<b>57,382,663</b>
<b>Customer Advances</b>		(5,563,545)	(6,394,938)	(6,514,788)	(6,274,212)	(6,333,554)	(6,904,848)	(6,742,515)	(6,540,685)	(6,625,523)	(6,498,574)	(6,446,418)	(6,468,284)	(6,600,735)													<b>(6,485,540)</b>
<b>Customer Deposits</b>		(1,371,511)	(1,484,313)	(1,502,818)	(1,571,158)	(1,613,722)	(1,680,463)	(1,762,528)	(1,762,694)	(1,837,529)	(1,923,468)	(1,980,881)	(2,068,293)	(2,177,815)													<b>(1,746,878)</b>
<b>Materials and Supplies</b>		20,175,066	19,317,196	19,125,560	19,544,831	19,756,350	19,609,837	19,668,139	20,324,893	20,374,121	20,832,149	20,598,816	19,540,338	19,772,483													<b>19,888,834</b>
<b>Appliances</b>		0	0	0	0	0	0	0	0	0	0	0	0	0													<b>0</b>
<b>Leasehold Improvements</b>		22,509,561	22,144,582	22,117,196	22,055,674	22,011,326	21,163,783	21,056,311	20,948,715	20,848,022	20,739,271	20,624,782	20,509,786	20,394,790													<b>21,305,969</b>
<b>Total Rate Base Excluding ADIT</b>		2,244,830,224	2,225,005,552	2,213,961,409	2,214,719,360	2,212,909,010	2,221,912,701	2,231,310,343	2,236,848,579	2,258,599,858	2,259,974,841	2,275,975,724	2,272,864,530	2,352,726,383													<b>2,243,571,684</b>

**NW Natural Gas Company**  
**2023 Oregon Earnings Review**  
**Rate Base**

<b>WASHINGTON</b>		2022 Dec	2023 Jan	2023 Feb	2023 Mar	2023 Apr	2023 May	2023 June	2023 July	2023 August	2023 September	2023 October	2023 November	2023 December	<b>Dec 22 - Dec 23 13 month average WASHINGTON</b>
<b>Gross Plant</b>		WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	
<b>Intangible</b>	<b>Software</b>	32,047,947	32,200,910	32,678,709	32,809,573	32,837,738	33,240,947	33,248,817	33,316,542	33,340,453	33,347,427	33,027,112	32,906,303	35,630,303	<b>33,066,138</b>
	<b>Other</b>	447	447	447	447	447	447	447	447	447	447	447	447	447	<b>447</b>
<b>Production</b>		3,904,822	3,904,822	3,904,822	3,904,822	3,904,822	3,904,822	3,904,822	3,904,822	3,905,751	3,905,751	3,905,751	3,905,751	7,425,474	<b>4,051,826</b>
<b>Transmission</b>		356,478,905	357,085,931	359,151,410	360,966,718	361,193,960	361,328,870	362,222,119	362,882,395	363,736,840	364,021,687	365,778,804	366,180,757	370,742,501	<b>362,346,683</b>
<b>Distribution</b>		49,081,945	49,114,193	49,018,649	49,343,611	49,394,173	49,629,296	49,645,170	49,731,917	50,096,739	50,191,535	50,224,367	49,490,978	49,499,266	<b>49,597,603</b>
<b>General</b>															
<b>Storage and storage transmission</b>		42,678,296	42,722,012	42,728,379	42,805,173	42,805,897	42,806,847	42,807,322	42,842,307	42,855,473	42,852,191	43,924,435	44,292,030	46,036,492	<b>43,149,955</b>
<b>CNG and LNG</b>		444,657	444,657	444,657	444,657	444,657	444,657	444,657	444,657	444,657	444,657	444,657	444,657	471,688	<b>445,783</b>
<b>Total Gross Plant</b>		484,637,020	485,472,972	487,927,073	490,275,002	490,581,694	491,355,887	492,273,355	493,123,089	494,380,361	494,763,696	497,305,573	497,220,923	509,806,171	<b>492,658,435</b>
<b>Accumulated Depreciation</b>															
<b>Intangible</b>		(8,095,276)	(8,305,317)	(8,439,902)	(8,657,021)	(8,874,771)	(9,094,026)	(9,314,688)	(9,535,650)	(9,757,269)	(9,978,508)	(9,693,355)	(9,727,392)	(10,101,838)	<b>(9,206,371)</b>
<b>Production</b>		0	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Transmission</b>		(322,881)	(328,771)	(334,660)	(340,550)	(346,440)	(352,330)	(358,219)	(364,109)	(370,000)	(375,891)	(381,782)	(387,673)	(396,219)	<b>(358,331)</b>
<b>Distribution</b>		(137,244,401)	(137,933,724)	(138,661,523)	(139,335,191)	(139,609,455)	(139,906,670)	(140,407,884)	(140,986,644)	(141,536,800)	(142,056,721)	(142,563,178)	(143,110,029)	(141,949,573)	<b>(140,475,400)</b>
<b>General</b>		(11,694,135)	(11,915,280)	(12,076,778)	(12,228,517)	(12,440,217)	(12,666,783)	(12,894,042)	(13,104,032)	(13,325,107)	(13,527,265)	(13,776,652)	(13,266,074)	(13,479,624)	<b>(12,817,302)</b>
<b>Storage and storage transmission</b>		(17,198,134)	(17,279,031)	(17,359,973)	(17,440,992)	(17,522,082)	(17,603,174)	(17,684,268)	(17,765,432)	(17,846,680)	(17,927,939)	(18,010,071)	(18,093,366)	(18,180,059)	<b>(17,685,175)</b>
<b>CNG and LNG</b>		(292,285)	(293,078)	(293,872)	(294,666)	(295,459)	(296,253)	(297,046)	(297,840)	(298,633)	(299,427)	(300,220)	(301,014)	(301,837)	<b>(297,047)</b>
<b>Total Accumulated Depreciation</b>		(174,847,112)	(176,055,201)	(177,166,707)	(178,296,935)	(179,088,425)	(179,919,236)	(180,956,148)	(182,053,708)	(183,134,489)	(184,165,751)	(184,725,259)	(184,885,548)	(184,409,150)	<b>(180,839,628)</b>
<b>Storage Gas</b>		9,752,156	8,137,089	6,276,795	5,330,160	5,399,849	5,863,665	6,396,242	7,058,492	7,683,046	8,058,009	8,151,228	8,031,738	7,922,239	<b>7,101,959</b>
<b>Customer Advances</b>		(4,579,073)	(4,028,607)	(4,064,055)	(4,063,649)	(4,110,255)	(4,120,671)	(4,291,836)	(4,280,579)	(4,344,954)	(4,402,977)	(4,402,977)	(4,402,977)	(4,402,977)	<b>(4,250,380)</b>
<b>Customer Deposits</b>		(187,556)	(204,709)	(207,262)	(216,686)	(222,557)	(231,762)	(243,079)	(243,103)	(253,423)	(265,276)	(273,194)	(285,249)	(300,355)	<b>(240,855)</b>
<b>Materials and Supplies</b>		3,070,775	2,904,357	2,875,544	2,938,583	2,970,384	2,948,356	2,957,121	3,055,865	3,063,267	3,132,132	3,097,049	2,937,906	2,972,809	<b>2,991,863</b>
<b>Appliances</b>		0	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Leasehold Improvements</b>		2,919,224	2,942,743	2,939,104	2,930,928	2,925,035	2,812,408	2,798,125	2,783,827	2,770,446	2,755,994	2,740,781	2,725,499	2,710,217	<b>2,828,301</b>
<b>Total Rate Base Excluding ADIT</b>		320,765,434	319,168,645	318,580,494	318,897,403	318,455,726	318,708,648	318,933,781	319,443,883	320,164,253	319,875,827	321,893,202	321,342,293	334,298,955	<b>320,249,696</b>

**Average Rate Base Allocation Factors**

	OR	WA	System
<b>13 MONTH AVERAGES:</b>			
<b>Average Gross Plant</b>	3,773,526,357	492,658,435	4,266,184,792
<b>Gross Plant Average Factor</b>	88.450%	11.550%	
<b>Average Accumulated Deprec</b>	(1,457,731,587)	(180,839,628)	(1,638,571,215)
<b>Accumulated Deprec Average Factor</b>	88.960%	11.040%	
<b>Average Leasehold Improvements</b>	21,305,969	2,828,301	24,134,270
<b>Leasehold Improvement Average Factor</b>	88.280%	11.720%	
<b>Average Customer Advances</b>	(6,485,540)	(4,250,380)	(10,735,920)
<b>Customer Advance Average Factor</b>	60.410%	39.590%	
<b>Growth in Gross Plant</b>	199,756,870	25,169,151	224,926,022
<b>Gross Plant Growth Factor</b>	88.810%	11.190%	
<b>Average Materials &amp; Supplies</b>	77,271,497	10,093,822	87,365,319
<b>Materials &amp; Supplies Average Factor</b>	88.450%	11.550%	
<b>Average Distribution Plant</b>	2,409,597,761	362,346,683	2,771,944,444
<b>Distribution Plant Average Factor</b>	86.930%	13.070%	
<b>Average Total Rate Base</b>	2,243,571,684	320,249,696	2,563,821,380
<b>Rate Base Average Factor</b>	87.509%	12.491%	



**NW Natural Gas Company**  
**2023 Oregon Earnings Review**  
**12 Months Ended December 31, 2023**

**Deferred Income Taxes**

1	WA Allocation factor: Accumulated Depreciation			11.04%		
2						
3	<b>2022 December Balances:</b>					
4						
5			SYS	Washington	Oregon	
6		Federal	State	Allocation	Allocation	
7			Total			
8	Accumulated Deferred Income Tax - Depreciation	(382,879,335)	(86,116,385)	(468,995,720)	(41,768,875)	(427,226,844)
9	Accumulated Deferred Income Tax - Gas Reserves	(10,749,787)	(1,352,726)	(12,102,513)	0	(12,102,513)
10	Accumulated Deferred Income Tax - Other	(8,037,905)	(2,039,481)	(10,077,386)	(923,662)	(9,153,724)
11						
12	<b>2022 Balances</b>	<b>(401,667,027)</b>	<b>(89,508,592)</b>	<b>(491,175,619)</b>	<b>(42,692,537)</b>	<b>(448,483,081)</b>
13						
14	<b>2023 December Balances:</b>					
15						
16			SYS	Washington	Oregon	
17		Federal	State	Allocation	Allocation	
18			Total			
19	Accumulated Deferred Income Tax - Depreciation	(390,753,876)	(90,847,401)	(481,601,277)	(43,936,830)	(437,664,447)
20	Accumulated Deferred Income Tax - Gas Reserves	(2,959,064)	(1,049,004)	(4,008,068)	0	(4,008,068)
21	Accumulated Deferred Income Tax - Other	(6,607,780)	(1,667,494)	(8,275,274)	(768,158)	(7,507,116)
22						
23	<b>2023 Balances</b>	<b>(400,320,720)</b>	<b>(93,563,899)</b>	<b>(493,884,619)</b>	<b>(44,733,424)</b>	<b>(449,151,195)</b>
24						
25						
26						
27						
28						
29						
30	<b>Simple Average December Balances (use for Rate Base)</b>			<b>(43,712,981)</b>	<b>(448,817,138)</b>	
31						
32				<b>EDIT Rate Base - 13 AMA</b>	<b>3,000,000</b>	
33				<b>Total DIT Rate Base</b>	<b>(445,817,138)</b>	
34						
35	<b>Gas Reserves Average December Balances</b>				<b>(8,055,290)</b>	

**NW Natural Gas Company  
State Allocation Factors  
As of December 31, 2023**

	<b>System</b>	<b>Oregon</b>	<b>Washington</b>
<b>Customers</b>			
<b>Total Customers</b>			
December 2023	799,249	702,114	97,135
December 2022	794,497	698,494	96,003
<b>Average</b>	<b>796,873</b>	<b>700,304</b>	<b>96,569</b>
<b>% of System</b>		<b>87.88%</b>	<b>12.12%</b>
<b>Residential Customers</b>			
December 2023	728,915	639,060	89,855
December 2022	724,287	635,557	88,730
<b>Average</b>	<b>726,601</b>	<b>637,309</b>	<b>89,293</b>
<b>% of System</b>		<b>87.71%</b>	<b>12.29%</b>
<b>Commercial Customers</b>			
December 2023	69,369	62,162	7,207
December 2022	69,234	62,034	7,200
<b>Average</b>	<b>69,302</b>	<b>62,098</b>	<b>7,204</b>
<b>% of System</b>		<b>89.61%</b>	<b>10.39%</b>
<b>Industrial Customers</b>			
December 2023	965	892	73
December 2022	976	903	73
<b>Average</b>	<b>971</b>	<b>898</b>	<b>73</b>
<b>% of System</b>		<b>92.48%</b>	<b>7.52%</b>
<b>The Dalles</b>			
December 2023	8,802	6,585	2,217
December 2022	8,747	6,549	2,198
<b>Average</b>	<b>8,775</b>	<b>6,567</b>	<b>2,208</b>
<b>% of System</b>		<b>74.84%</b>	<b>25.16%</b>

**NW Natural  
State Allocation Factors**

**Volumes - 12 Months Ended 12/31/23**

<b>Firm Sales Delivered (exclude Unbilled)</b>	787,539,839	700,813,147	86,726,692
<b>% of System</b>		88.99%	11.01%
<b>Sales Volumes (exclude Unbilled)</b>	848,428,698	760,514,214	87,914,484
<b>% of System</b>		89.64%	10.36%
<b>Sendout Volumes</b>	1,217,022,268	1,110,681,524	106,340,744
<b>% of System</b>		91.26%	8.74%

**3-factor formula (simple average)**

<b>Gross Plant Directly Assigned</b>		87.80%	12.20%
<b>Number of Employees Directly Assigned</b>		89.12%	10.88%
<b>Number of Customers</b>		87.88%	12.12%
<b>Average</b>		88.27%	11.73%

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

**December 31, 2023**

	<b>System</b>	<b>Oregon</b>	<b>Washington</b>
<b>Intangible - Other</b>	84,795	84,348	447
<b>Production</b>	675,198	675,198	0
<b>Transmission</b>	256,881,082	249,455,608	7,425,474
<b>Distribution</b>	2,841,420,644	2,470,678,143	370,742,501

**December 31, 2022**

	<b>System</b>	<b>Oregon</b>	<b>Washington</b>
<b>Intangible - Other</b>	84,795	84,348	447
<b>Production</b>	675,198	675,198	0
<b>Transmission</b>	232,438,997	228,534,174	3,904,822
<b>Distribution</b>	2,721,579,656	2,365,100,751	356,478,905

**Average**

	<b>System</b>	<b>Oregon</b>	<b>Washington</b>
<b>Intangible - Other</b>	84,795	84,348	447
<b>Production</b>	675,198	675,198	0
<b>Transmission</b>	244,660,039	238,994,891	5,665,148
<b>Distribution</b>	2,781,500,150	2,417,889,447	363,610,703

**Gross Plant Directly Assigned  
% of System**

3,026,920,183	2,657,643,884	369,276,298
	87.80%	12.20%

**NW Natural Gas Company  
State Allocation Factors  
As of December 31, 2023**

<b>Allocation Factors - Summary</b>		Oregon	Washington
<b>1</b>	<b>Customers-all</b>	87.880%	12.120%
<b>2</b>	<b>Customers-Residential</b>	87.710%	12.290%
<b>3</b>	<b>Customers-Commercial</b>	89.610%	10.390%
<b>4</b>	<b>Customers-Industrial</b>	92.480%	7.520%
<b>5</b>	<b>Customers-The Dalles</b>	74.840%	25.160%
<b>6</b>	<b>3-factor</b>	88.270%	11.730%
<b>7</b>	<b>firm sales volumes</b>	88.990%	11.010%
<b>8</b>	<b>sales volumes</b>	89.640%	10.360%
<b>9</b>	<b>sendout volumes</b>	91.260%	8.740%
<b>10</b>	<b>sales/sendout volumes</b>	90.450%	9.550%
<b>11</b>	<b>Payroll</b>	88.324%	11.676%
<b>12</b>	<b>Admin Transfer</b>	88.044%	11.956%
<b>13</b>	<b>Employee Cost</b>	88.322%	11.678%
<b>14</b>	<b>Regulatory</b>	70.000%	30.000%
<b>15</b>	<b>Telemetry</b>	88.462%	11.538%
<b>16</b>	<b>Direct-Wa</b>	0.000%	100.000%
<b>17</b>	<b>Direct-Or</b>	100.000%	0.000%
<b>18</b>	<b>Gross plant direct assign</b>	87.800%	12.200%
<b>19</b>	<b>Transmission</b>	98.764%	1.236%
<b>20</b>	<b>Accum Depreciation</b>	88.960%	11.040%
<b>21</b>	<b>Rate Base</b>	87.509%	12.491%
<b>22</b>	<b>Distribution</b>	85.386%	14.614%
<b>23</b>	<b>Perimeter</b>	93.421%	6.579%
<b>24</b>	<b>Environmental Admin Costs</b>	96.680%	3.320%

**NW Natural Gas Company  
Test Year Normalizing Adjustments  
Revenues and Deliveries  
2023 Oregon Earnings Review**

1	<b><u>Oregon Total Revenues</u></b>	
2		<b><u>Revenue</u></b>
3		
4	<b>Sales Revenues</b>	944,229,603
5	<b>Unbilled Revenues</b>	(5,242,788)
6		
7		
8	<b>Total Sales Revenues</b>	938,986,815
9		
10	<b>Transportation Revenues</b>	<u>18,990,814</u>
11		
12	<b>Grand Total Revenues</b>	<u><u>957,977,629</u></u>
13		
14		
15	<b><u>Gas Costs</u></b>	
16		
17	<b>Demand Charges</b>	69,963,196
18		
19	<b>Commodity Charges</b>	324,206,940
20		
21		
22	<b>Oregon Deferral Activities</b>	<u>51,592,805</u>
23		
24	<b>Grand Total Gas Costs (less RNG Investment COG)</b>	<u><u>444,460,159</u></u>
25		

<b>Normalization Adjustments</b>		
<b><u>Revenue Adjustment</u></b>	<b><u>Therms</u></b>	<b><u>Revenue</u></b>
<u>WARM Adjustment</u>		
WARM Revenues		8,026,244
WARM Revenues - Unbilled		<u>(6,568,830)</u>
		1,457,414
<u>Weather Normalization Adjustment</u>		
Residential	3,743,417	4,245,242
Commercial 3	(14,854,429)	(17,056,168)
Commercial 3 & 31	<u>(925,070)</u>	<u>(822,279)</u>
	(12,036,082)	(13,633,206)
<b>TOTAL NORMALIZING MARGIN ADJUSTMENT</b>	<b><u>(12,036,082)</u></b>	<b><u>(12,175,792)</u></b>
<b><u>Gas Cost Adjustment</u></b>		<b><u>Cost of Gas</u></b>
WACOG equalization		0
Weather Normalization Gas Costs		<u>(7,681,717)</u>
<b>TOTAL GAS COST ADJUSTMENT</b>	<b>Type I</b>	<b><u>(7,681,717)</u></b>

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**Weather Normalization**

	Residential			Commercial - 3			Commercial - 31		
	Volumes	Revenues	Gas Costs	Volumes	Revenues	Gas Costs	Volumes	Revenues	Gas Costs
January	2,310,682	2,944,710	1,369,010	(1,779,499)	(2,040,908)	(1,054,300)	(159,582)	(140,809)	(94,548)
February	(7,561,664)	(9,636,509)	(4,480,059)	(4,898,586)	(5,618,189)	(2,902,266)	(562,372)	(496,214)	(333,188)
March	(8,362,435)	(10,657,003)	(4,954,492)	(5,667,165)	(6,499,671)	(3,357,625)	(569,918)	(502,873)	(337,659)
April	(5,352,147)	(6,820,723)	(3,170,987)	(3,825,561)	(4,387,536)	(2,266,530)	(364,450)	(321,576)	(215,926)
May	6,221,732	7,928,913	3,686,190	1,188,984	1,363,646	704,437	292,093	257,731	173,056
June	2,560,039	3,262,488	1,516,746	457,254	524,425	270,909	189,661	167,349	112,368
July	1,458,852	1,859,146	864,326	700,894	803,855	415,259	176,235	155,503	104,414
August	648,633	826,611	384,296	31,721	36,381	18,794	85,908	75,802	50,898
September	(16,736)	(21,328)	(9,915)	(471,138)	(540,348)	(279,135)	20,532	18,116	12,164
October	136,424	173,857	80,827	(1,028,385)	(1,179,454)	(609,287)	(161,117)	(142,163)	(95,457)
November	374,449	460,381	205,037	(1,320,855)	(1,455,582)	(723,261)	(162,006)	(135,306)	(88,710)
December	11,325,589	13,924,699	6,201,553	1,757,906	1,937,213	962,577	289,946	242,160	158,766
<b>Total</b>	<b>3,743,417</b>	<b>4,245,242</b>	<b>1,692,531</b>	<b>(14,854,429)</b>	<b>(17,056,168)</b>	<b>(8,820,427)</b>	<b>(925,070)</b>	<b>(822,279)</b>	<b>(553,821)</b>

**Total Revenue Change (13,633,206)**  
**Total Gas Cost Change (7,681,717)**

NW Natural Gas Company  
2023 Oregon Earnings Review  
Adjustments to Miscellaneous Revenues  
(\$000)

Worksheet 2b

<u>Line No.</u>	<u>Actual</u> (a)	<u>Normalized</u> (b)	<u>Adjustment</u> (c)		
<b><u>Revenue &amp; Technical Adjustments</u></b>					
1	Intervenor Funding Amortization	(\$215.0)	(\$215.0)	\$0.0	
2	Interstate Storage Credit	10,005.2	\$10,005.2	0.0	
3	Decoupling Amortization	15,389.9	\$15,389.9	0.0	
4	Washington Amortizations	0.0	\$0.0	0.0	
5	Oregon Amortizations	(5,243.9)	(\$5,243.9)	0.0	
6	WA Great Program	0.0	\$0.0	0.0	
7	Earnings Test Adjustment	0.0	\$0.0	0.0	
8	WA Energy Efficiency Deferral	0.0	\$0.0	0.0	
9	OR Revenue Requirement True-up	0.0	\$0.0	0.0	
10	WARM Amortization	(237.8)	(\$237.8)	0.0	
11	COVID Amort	0.0	\$0.0	0.0	
12	Horizon Amort	0.0	\$0.0	0.0	
13	TSA O&M Amort	0.0	\$0.0	0.0	
14	CPP Deferral (Transport)	0.0	\$0.0	0.0	
15	<b>Subtotal</b>	<u>19,698.3</u>	<u>19,698.3</u>	<u>0.0</u>	
16	<b>Decoupling Deferral</b>	<u>(3,390.5)</u>	<u>0.0</u>	<u>3,390.5</u>	
17	<b>WARM Deferrals</b>	<u>(1,316.3)</u>	<u>0.0</u>	<u>1,316.3</u>	
<b><u>Other Miscellaneous Revenues</u></b>					
18	Reconnection / Field Collection Charges	310.7	\$122.8	(\$187.9)	[1]
19	Returned Check Charge	443.7	363.1	(80.6)	[1]
20	Late Payment Fee	1,697.6	1,783.3	85.7	[1]
21	Gas Property Rental	76.3	76.8	0.5	[1]
22	Meter Rental	164.1	166.9	2.9	[1]
23	Oregon Other Revenues	168.4	186.4	18.0	[1]
24	Automated Payment Charge	0.0	0.0	0.0	[1]
25	Curtailement Unauthorized Take Charge	0.0	0.0	0.0	[1]
26	<b>Total</b>	<u>2,860.7</u>	<u>2,699.3</u>	<u>(161.5)</u>	

**Notes:**

[1] Normalized to 3-year average

**NW Natural Gas Company  
 2023 Oregon Earnings Review  
 12 Months Ended December 31, 2023  
 UG 435 Regulatory Adjustments**

**Line No.**

1 **Adjustments:**

2

3

4

5

**UG 435**

6 O&M Adjustments:

*Reference*

7 Comp and Bens

5,101,000 Staff/700 Dlouhy/2

8 FERC 908/912

292,000 Staff/600 Cohen/20-23

9 Survey and Focus Group

26,000 CUB/100 Jenks/20

10 Advertising

827,107 See Advertising Table

11 D&O/Other

632,000 CUB/100 Jent/26

12 Membership and Dues

443,000 Staff/1000 Rossow/2

13 Community and Gov Affairs Exp

356,000 Order No. 22-388, Page 22

14

15 Jan - Dec

1.00

16 **TOTAL**

**\$ 7,677,107**

17

18 Capital Adjustments:

19 Comp and Bens

\$ 4,500,000

20

21 Jan - Dec

1.00

22 **TOTAL**

**\$ 4,500,000**

23

24 **TOTAL Disallowance**

**\$ 12,177,107**



**NW Natural Gas Company  
2023 Oregon Earnings Review  
Property Tax Adjustment  
(\$000)**

**Worksheet 2d**

<b><u>Line No.</u></b>	<b><u>Amount (a)</u></b>
<b>1 Property Tax Accrual - Oregon</b>	\$27,523
<b>2 Property Taxes Paid - Oregon</b>	<u>28,587</u>
<b>3 Property Tax Adjustment</b>	<u><u>\$1,064</u></u>

NW Natural Gas Company  
2023 Oregon Earnings Review  
Uncollectible Accounts Adjustments  
(\$000)

Worksheet 2e

Line No.		2021-2023 Total (a)	2023 Actual (b)	2022 Actual (c)	2021 Actual (d)
<b>Gas Revenues</b>					
1	Residential	\$1,741,195	\$680,109	\$576,475	\$484,611
2	Commercial	811,416	322,257	274,306	214,853
3	Industrial	85,577	36,939	26,898	21,740
4	Interruptible	98,555	39,497	35,130	23,927
5	<b>Total</b>	<b>\$2,736,742</b>	<b>1,078,802</b>	<b>912,809</b>	<b>745,131</b>
<b>Net Write-Offs</b>					
6	Residential	5,039	2,501	1,062	1,476
7	Commercial	953	353	324	276
8	Industrial	62	1	65	(4)
9	Interruptible	-	-	-	-
10	<b>Total</b>	<b>6,055</b>	<b>2,856</b>	<b>1,451</b>	<b>1,748</b>
<b>Write-Off Percentage</b>					
11	Residential	0.289%	0.368%	0.184%	0.305%
12	Commercial	0.118%	0.110%	0.118%	0.128%
13	Industrial	0.073%	0.004%	0.242%	-0.020%
14	Interruptible	0.000%	0.000%	0.000%	0.000%
15	<b>Weighted Total</b> [1]	<b>0.221%</b>	<b>0.265%</b>	<b>0.159%</b>	<b>0.235%</b>
<b>Normalized Uncollectible</b>					
16	Residential	\$1,968			
17	Commercial	379			
18	Industrial	27			
19	Interruptible	-			
20	<b>Total</b>	<b>\$2,374</b>			
<b>Materials &amp; Supplies</b>					
21	<b>Allocation Factor (Total Custo</b>	<b>87.88%</b>			
22	<b>Oregon Normalized Amount</b>	<b>2,086</b>			
23	<b>Oregon Allocation of Accrued</b>	<b>2,514</b>			
24	<b>Adjustment (Normalized less</b>	<b>(428)</b>			

[1] Weighted uncollectible rate of 0.2210% is used on page 1, column (b).

NW Natural  
Schedule of Regulatory Assets and Liabilities  
Balances as of December 31, 2023

FERC Account	GL Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance as of 12/31/2023
<b>REGULATORY ASSETS</b>							
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-230763	No	No	93,980,235
186	124015	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 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-230763	No	No	29,042
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-230763	No	No	4,681,079
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-230763	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-230763	No	No	26,321,225
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-230763	No	No	1,288,092
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-230763	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	576,087
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	-
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

FERC Account	GL Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance as of 12/31/2023
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	5,806,403
186	151210	Tax - AFUDC Equity Recovery	Balance represents the book-tax difference in accrued AFUDC equity interest.	N/A	Yes	No	3,632,432
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	1,292,152
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	130,542,852
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	15,346,311
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	2,013,528
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	This account captured 96.68% of pre-prudence reviewed costs incurred pertaining to the Oregon Steel site. These costs have since been deemed prudent. At this time, no future acosts are expected. 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	(49,600,952)
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	839,797
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	39,705
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	(1,163,202)
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	27,640,193
186	151380	Environmental SRRM Amortization - Oregon	Represents costs currently being amortized through customer rates.	Oregon - UG 351, Order 18-398	No	No	7,712,444
186	151385	Environmental Cost Recovery Mechanism (ECRM) Costs Amortization - Washington	Represents costs currently being amortized through customer rates.	Washington - UG-230611	No	No	18,835

FERC Account	GL Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance as of 12/31/2023
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	102,239,693
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	(826,198)
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	(10,188,345)
191	151510	Commodity Cost Amortization - Oregon	Represents the prior PGA year's commodity deferrals currently being amortized in customer's rates.	Oregon - UG 486, Order 23-387	No	No	2,148,072
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	(325,293)
191	151525	Demand Cost Amortization - Oregon	Represents the prior PGA year's demand deferrals currently being amortized in customer's rates.	Oregon - UG 486, Order 23-387	No	No	(2,177,918)
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	101,909
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-230763	No	No	(865,902)
191	151545	Commodity Cost Amortization - Washington	Represents the prior PGA year's commodity deferrals currently being amortized in customer's rates.	Washington - UG-230763	No	No	289,638
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-230763	No	No	186,373
191	151555	Demand Cost Amortization - Washington	Represents the prior PGA year's demand deferrals currently being amortized in customer's rates.	Washington - UG-230763	No	No	(1,373,927)
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 22-430)	No	No	2,263,716
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 22-430)	No	No	882,130
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	(1,871,327)
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	8,024,939
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	7,409,792
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	5,131,481
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	148,161
186	151824	Washington GREAT Program Amortization	Represents the prior year's deferrals currently being amortized in customer's rates.	Washington - UG-230758	No	No	397,275
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 23-413)	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 473, Order 23-396	No	No	305,836
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	449,671
186	151832	Oregon Residential WARM Amortization	Represents the prior PGA year's Residential WARM deferral currently being amortized in customer's rates.	Oregon - UG 477, Order 23-400	No	No	(1,114,033)
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	1,433
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	(1,175,734)

FERC Account	GL Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance as of 12/31/2023
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	4,093,107
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	366,590
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	472,547
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	42,321
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	(89,126)
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 476, Order 23-399	No	No	(285,958)
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 476, Order 23-399	No	No	(6,626,655)
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	(2,728,322)
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	1,360,559
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 23-372)	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 476, Order 23-399	No	No	1,952,323
186	151870	Oregon 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 23-372)	No	No	35,452
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 23-372)	No	No	133,000
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 472, Order 23-395	No	No	264,329
186	151882	Oregon AWEC Intervenor Funding Amortization	Represents the prior PGA year's deferral of payments to industrial intervenors being amortized in customer's rates.	Oregon - UG 472, Order 23-395	No	No	123,680
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	92,756
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-230758	No	No	23,770
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-230760	No	No	1,543,195
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	-
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	431,191
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	27,460,391
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	588,533

FERC Account	GL Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance as of 12/31/2023
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	(67,965)
186	151888	Oregon Residual Amortization	Represents residual amortization balances of various one-time deferrals.	Oregon - UG 480, Order 23-403	No	No	(8,082)
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	-
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	-
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	-
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	697,299
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	283,027
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	-
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	-
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	(283,027)
186	151730	Oregon COVID AMP Deferral	Represents costs of Arrearage Management Program for Oregon customers, which helps customers to pay past due balances.	Oregon - UM 2068, (last Order was 22-093)	No	No	(28)
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	263,514
186	151802	Oregon TSA Security Directive 2B O&M 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	-
186	151806	Washington TSA Security Directive 2B O&M 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	468,519
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	7,514,377
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	943,655
186	151734	Oregon COVID-19 Deferral Amortization	Represents deferred COVID-19 expenses authorized for amortization.	Oregon - UG 435, Order 22-18	No	No	11,473,757
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 484, Order 23-407	No	No	1,339,320
186	151804	Oregon TSA Security Directive 2B 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	1,213,066
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 484, Order 23-407	No	No	564,735
186	151808	Washington TSA Security Directive 2B 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	888,696
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	-



FERC Account	GL Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance as of 12/31/2023
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	2
186	151876	Oregon Equity & Env. Intervenor Fund Deferral	Includes payments made to fund low-income and environmental justice intervenor groups.	Oregon - UM 1101 (last Order was 23-372)	No	No	62,554
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	Balance includes credits issued to qualifying low-income customers offset by collections from all other customers to cover the credits. Any remaining balances at the end of a PGA year will be included in the estimate to collect from customers the following year.	Oregon UM 2233, Order 22-113	No	No	3,414,381
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 - UM 2266, Order 23-328	No	No	(15,031)
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 23-415	No	No	477,441
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 482, Order 23-416	No	No	(2,329,226)
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 23-415	No	No	-
186	151917	Oregon HB 2475 Low Income Bill Admin Costs Deferral	Includes the costs deferred for the implementation of HB 2475 - Low Income Bill Discounts.	Oregon UM 2233, Order 22-113	No	No	140,087
182	151933	Washington CCA Compliance Cost Deferral	Deferral of the obligation recorded to complying with the Washington Climate Commitment Act.	Washington - UG 220926	No	No	20,537,185
186	151928	Oregon Lexington Initial RTC Cost Deferral	Includes the cost of Lexington RTCs between the time the facility went into service date and when the investment was first embedded in customer rates.	Oregon - UG 435, Order 22-18	No	No	619,678
186	151931	Oregon Lexington RNG Investment Sharing	Includes the amount to RNG Investment costs NWN is responsible for under the Lexington-specific RNG recovery mechanism authorized by the OPUC.	Oregon - UI 451, Order 22-211	No	No	(213,836)
186	151912	Oregon Rate Mitigation Amortization	Represents amortization of deferral related to temporary bill credit authorized during the 2022-2023 winter on residential customer bills.	Oregon - UG 481, Order 23-405	No	No	4,861,351
186	151914	Washington Rate Mitigation Amortization	Represents amortization of deferral related to temporary bill credit on residential customer billing.	Washington - UG-230764	No	No	486,893
186	151827	Washington UTC Fee Deferral	Deferral of the difference between the WUTC fee rate embedded in rates and the actual WUTC fee rate.	Washington - UG-230759	No	No	-
186	151887	Washington Energy Efficiency Audit Expense Deferral	Deferral of costs incurred for the Energy Efficiency audit.	Washington - UG 220512	No	No	-
186	151811	Washington TSA Security Directive 2C O&M 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 2C.	Washington - UG-210900	No	No	7,706
186	151807	Oregon TSA Security Directive 2C O&M Deferral	Represents Oregon's allocation of O&M incurred to comply with the Department of Homeland Security's Transportation Security Administration Security Directive 2C.	Oregon - UG 435, Order 22-18	No	No	56,353
186	151929	Oregon RNG Investment Deferral - Sharing	Includes the amount to RNG Investment costs NWN is responsible for under the RNG Investment Recovery Mechanism authorized by the OPUC.	Oregon - UG 435, Order 22-18	No	No	(38,591)
186	151938	Oregon CPP Cost Deferral	Includes the costs incurred to comply with CPP excluding purchase of RNG and RTCs which are incorporated in WACOG (sales customers) or Tariff 171 (transportation customers).	Oregon UM 2252, Order 23-415	No	No	287,118
186	151809	Oregon TSA Security Directive 2C 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 2C.	Oregon - UG 435, Order 22-18	No	No	3,420
186	151813	Oregon TSA Security Directive 2C 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 2C.	Washington - UG-210900	No	No	455
186	151829	Washington Regulatory Fee Amortization	Represents the prior PGA year's UTC deferral currently being amortized in customer's rates.	Washington - UG-230759	No	No	184,031
186	151889	Washington Energy Efficiency Audit Amortization	Amortization of deferred costs incurred associated with the WA Energy Efficiency audit.	Washington - UG-230759	No	No	14,428
186	151942	Oregon RNG Adjustment Mechanism Amortization	Includes previously deferred costs of the RNG recovery mechanism that have been authorized for amortization.	Oregon UG 487, Order 23-408	No	No	311,297
186	151943	Oregon Lexington Initial Cost Amortization	Includes a portion of previously deferred costs authorized for amortization. The deferral is to be amortized over a 3-year period beginning Nov. 2023.	Oregon UG 487, Order 23-408	No	No	257,810
186	151944	Oregon Lexington Sharing Amortization	Represents the sharing under the Lexington-specific recovery mechanism currently in amortization.	Oregon UG 487, Order 23-408	No	No	(126,636)
186	151921	Washington Low- Income Bill Discount Deferral	Includes the costs deferred for the implementation of the Washington Low Income Bill Discounts and amounts on customers bills.	Washington - UG 230739	No	No	4,861



FERC Account	GL Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance as of 12/31/2023
186	151935	Oregon AWEC Deferral - Schedule 171 CPP - From Transportation	Deferral of Tariff Schedule 171 credit included in Transportation customer rates for potential collection from Transportation customers in a future rate proceeding.	Oregon - UM 2309	No	No	3,780
186	151937	Oregon AWEC Deferral - Schedule 198 - To Sales (SB98)	Deferral of Tariff Schedule 198 collection included in Transportation customer rates for potential collection from Sales customers in a future rate proceeding.	Oregon - UM 2309	No	No	20,746
<b>REGULATORY LIABILITIES</b>							
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-230763	No	No	(372,527)
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-230763	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-230763	No	No	-
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-230763	No	No	(4,558,907)
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-230763	No	No	(6,596,193)
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-230763	No	No	(29,042)
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	(112,054,364)
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	(12,561,921)
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	(44,869,147)
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)

FERC Account	GL Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance as of 12/31/2023
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	(1,251,203)
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	-
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	(491,656,019)
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 - Tariff Advice 14-7	Yes	No	(2,890,665)
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	(1,688,060)
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	(1,976,892)
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	(3,704,030)
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	(2,606,053)
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	(475,077)
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	(163,924)
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	(170,881)
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	(32,801)
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	(5,489)
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	(767,895)
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	(188,018)
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	(286,214)
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	(9,991)
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	(751,052)
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	(29,168,194)
254	232035	Washington - ISS/Optimization Revenue Sharing	Includes interstate storage and optimization revenues shared with Washington utility customers.	Washington - UG-011090	No	No	(2,414,846)
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	(2,325,471)
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	(615,043)
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	(2,718,842)
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	1
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.	Immaterial deferred balances at this time.	No	No	-

FERC Account	GL Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance as of 12/31/2023
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	-
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 Amortization of Gain on Sale of Property	Amortization of the net gain on sale of utility property to be credited to customers.	Washington - UG 230762	No	No	45,404
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	(5,328)
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 479, Order 23-402	No	No	(676,396)
254	232055	Washington CCA Proceeds Balancing Account	Includes proceeds from auction of CCA allowances net of customer credits.	Washington - UG 230819	No	No	(17,198,669)
254	232092	Oregon AWEC Deferral - Schedule 171 CPP - To Sales (SB98)	Deferral of Tariff Schedule 171 credit included in Transportation customer rates for potential credit to Sales customers in a future rate proceeding.	Oregon - UM 2309	No	No	(3,780)
254	232093	Oregon AWEC Deferral - Schedule 198 - From Transportation	Deferral of Tariff Schedule 198 collection included in Transportation customer rates for potential refund from Transportation customers in a future rate proceeding.	Oregon - UM 2309	No	No	(20,746)