



e-FILING REPORT COVER SHEET

COMPANY NAME: NW Natural

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

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

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

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

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

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

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

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

Earnings Review, Results of Operations, ROO

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

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

VIA ELECTRONIC FILING AND MAIL

April 30, 2021

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street SE Suite 100
Post Office Box 1088
Salem, Oregon 97308-1088

RE: RG 40 – NW Natural’s Earnings Review for the 12 Months Ended December 31, 2020

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, 2020. Per order No. 15-049, please see the second page of the earnings review that incorporates the Asset Management Agreement Optimization (AMA) revenues. NW Natural’s Earnings Review return on equity results are as follows:

- **Traditional Review: 8.56%**
- **Traditional Including AMA: 8.60%**

Per the January 4, 2021 letter from Staff, two CDs of the report with supporting workpapers and schedules in Excel format will be mailed via FedEx and emailed to puc.workpapers@state.or.us.

Please feel free to call if you have any questions.

Sincerely,

/s/ Kyle Walker, CPA

Kyle Walker, CPA
Rates/Regulatory Manager
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Fax: 503-220-2579
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REPORT: RG 40

ANNUAL EARNINGS REVIEW
WITHOUT WORKPAPERS

(For the 12 months ended December 31, 2020)

NW Natural Gas Company
2020 Oregon Earnings Review
12 Months Ended December 31, 2020
(\$000's)

OREGON EARNINGS TEST REVIEW

Line No.	Test Year Results	TYPE I Adjustments	Results after Type I	Gas Reserves Adjustment ⁽²⁾	Results Excl. Gas Reserves ⁽²⁾	TYPE II Adjustments	Results after Type II	
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (c) + (f)	
Operating Revenues								
1	Sale of Gas	\$592,255	\$15,768	\$608,023		\$608,023	\$0	\$608,023
2	WARM Revenues	11,700	(11,700)	0		0	0	0
3	Revenue & Technical Adjustments	18,026	0	18,026		18,026	0	18,026
4	Decoupling Adjustments	(5,017)	5,017	0		0	0	0
5	Transportation	17,651	0	17,651		17,651	0	17,651
6	Miscellaneous Revenues	2,818	488	3,306		3,306	0	3,306
7	Total Operating Revenues	637,431	9,573	647,005	0	647,005	0	647,005
Operating Revenue Deductions								
8	Gas Purchased	237,884	6,978	244,862	2,339	247,201	0	244,862
9	Uncollectible Accrual for Gas Sales	689	(120)	569		569	0	569
10	Other Operating & Maintenance Expenses ⁽¹⁾	170,570	(8,794)	161,776		161,776	0	161,776
11	Total Operating & Maintenance Exp.	409,143	(1,935)	407,207	2,339	409,546	0	407,207
12	Federal Income Tax	8,146	1,946	10,092	(263)	9,829	0	10,092
13	State Excise	6,497	762	7,259	0	7,259	0	7,259
14	Property Taxes	21,285	1,432	22,717		22,717	0	22,717
15	Other Taxes	22,976	121	23,097		23,097	0	23,097
16	Depreciation & Amortization	85,545	0	85,545		85,545	0	85,545
17	Total Operating Revenue Deductions	553,591	2,326	555,917	2,076	557,994	0	555,917
18	Net Operating Revenues	\$83,840	\$7,247	\$91,087	(\$2,076)	\$89,011	\$0	\$91,087
Average Rate Base								
19	Utility Plant in Service	\$3,182,768	(\$2,706)	\$3,180,062	(187,307)	\$2,992,755	\$0	\$3,180,062
20	Accumulated Depreciation	(1,429,816)	0	(1,429,816)	132,444	(1,297,372)	0	(1,429,816)
21	Net Utility Plant	1,752,952	(2,706)	1,750,246	(54,863)	1,695,383	0	1,750,246
22	Aid in Advance of Construction	(5,364)	0	(5,364)		(5,364)	0	(5,364)
23	Customer Deposits	(3,696)	0	(3,696)		(3,696)	0	(3,696)
24	Materials & Supplies	55,821	0	55,821		55,821	0	55,821
25	Leasehold Improvements	24,965	0	24,965		24,965	0	24,965
26	Accumulated Deferred Income Taxes	(426,163)	0	(426,163)	23,810	(402,353)	0	(426,163)
27	Total Rate Base	\$1,398,515	(\$2,706)	\$1,395,809	(\$31,053)	\$1,364,756	\$0	\$1,395,809
28	Rate of Return	5.99%		6.53%	6.69%	6.52%		6.53%
29	Return on Common Equity	7.44%		8.56%	8.90%	8.54%		8.56%

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

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

NW Natural Gas Company
2020 Oregon Earnings Review
12 Months Ended December 31, 2020
(\$000's)

Line No.	OREGON EARNINGS TEST REVIEW						
	Test Year	TYPE I	Results	TYPE II	Results	Results	
	Results	Adjustments	after Type I	Adjustments	after Type II	AMA	after AMA
	(a)	(b)	(c) = ((a)+(b))	(d)	(e) = (c)+(d)	(f)	(g) = (e)+(f)
Operating Revenues							
1	Sale of Gas	\$592,255	\$15,768	\$608,023	\$0	\$608,023	\$608,023
2	WARM Revenues	11,700	(11,700)	0	0	0	0
3	Revenue & Technical Adjustments	18,026	0	18,026	0	18,026	18,026
4	Decoupling Adjustments	(5,017)	5,017	0	0	0	0
5	Transportation	17,651	0	17,651	0	17,651	17,651
6	Miscellaneous Revenues	2,818	488	3,306	0	3,306	3,781
7	Total Operating Revenues	637,431	9,573	647,005	0	647,005	647,480
Operating Revenue Deductions							
8	Gas Purchased	237,884	6,978	244,862	0	244,862	244,862
9	Uncollectible Accrual for Gas Sales	689	(120)	569	0	569	569
10	Other Operating & Maintenance Expenses ⁽¹⁾	170,570	(8,794)	161,776	0	161,776	161,776
11	Total Operating & Maintenance Exp.	409,143	(1,935)	407,207	0	407,207	407,207
12	Federal Income Tax	8,146	1,946	10,092	0	10,092	10,184
13	State Excise	6,497	762	7,259	0	7,259	7,295
14	Property Taxes	21,285	1,432	22,717	0	22,717	22,717
15	Other Taxes	22,976	121	23,097	0	23,097	23,097
16	Depreciation & Amortization	85,545	0	85,545	0	85,545	85,545
17	Total Operating Revenue Deductions	553,591	2,326	555,917	0	555,917	556,046
18	Net Operating Revenues	\$83,840	\$7,247	\$91,087	\$0	\$91,087	\$91,435
Average Rate Base							
19	Utility Plant in Service	\$3,182,768	(\$2,706)	\$3,180,062	\$0	\$3,180,062	\$3,180,062
20	Accumulated Depreciation	(1,429,816)	0	(1,429,816)	0	(1,429,816)	(1,429,816)
21	Net Utility Plant	1,752,952	(2,706)	1,750,246	0	1,750,246	1,750,246
22	Aid in Advance of Construction	(5,364)	0	(5,364)	0	(5,364)	(5,364)
23	Customer Deposits	(3,696)	0	(3,696)	0	(3,696)	(3,696)
24	Materials & Supplies	55,821	0	55,821	0	55,821	55,821
25	Gas Inventory	0	0	0	0	0	0
26	EDIT Adjustment to Rate Base	0	0	0	0	0	0
27	Leasehold Improvements	24,965	0	24,965	0	24,965	24,965
28	Accumulated Deferred Income Taxes	(426,163)	0	(426,163)	0	(426,163)	(426,163)
29	Total Rate Base	\$1,398,515	(\$2,706)	\$1,395,809	\$0	\$1,395,809	\$1,395,809
30	Rate of Return	5.99%		6.53%		6.53%	6.55%
31	Return on Common Equity	7.44%		8.56%		8.56%	8.60%

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

NW Natural

2020 Storage and Optimization Revenues

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Schedule 185 Revenue	96,756	108,462	104,485	204,399	228,949	226,593	315,243	324,932	258,818	266,988	231,474	170,021	2,537,120
Less: Optimization O&M (I/O 417-02230)	(2,331)	(2,650)	(2,652)	(3,120)	(3,471)	(3,702)	(4,483)	(4,369)	(3,384)	(4,479)	(4,514)	(3,755)	(42,910)
Less: OR CAT Tax	-	-	-	-	(4,235)	(1,292)	(1,797)	(1,852)	(1,475)	(1,522)	(1,319)	(969)	(14,462)
Net Schedule 185 Revenue	94,425	105,812	101,832	201,279	221,243	221,599	308,963	318,712	253,959	260,988	225,641	165,297	2,479,749
Oregon Allocation	88.529%	88.529%	88.529%	88.529%	88.529%	88.529%	88.529%	88.529%	88.529%	88.529%	88.529%	88.529%	88.529%
Schedule 185 Revenue to Oregon	83,593	93,675	90,151	178,190	195,864	196,180	273,521	282,152	224,828	231,050	199,757	146,335	2,195,297
% 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	49,017	54,928	52,862	104,485	114,849	115,034	160,385	165,445	131,832	135,481	117,132	85,807	1,287,255
NWN's Share of Revenue (10%)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
NWN's Schedule 185 Revenue	4,902	5,493	5,286	10,449	11,485	11,503	16,038	16,545	13,183	13,548	11,713	8,581	128,725
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	2,451	2,746	2,643	5,224	5,742	5,752	8,019	8,272	6,592	6,774	5,857	4,290	64,363
Gross Schedule 186 Revenue	626,636	642,123	638,410	1,040,408	969,025	930,920	902,604	925,860	1,018,870	827,095	414,841	577,894	9,514,686
Less: Optimization O&M (I/O 417-02230)	(15,098)	(15,698)	(16,210)	(15,882)	(14,680)	(15,300)	(12,368)	(11,994)	(13,417)	(14,200)	(9,862)	(12,783)	(167,491)
Less: OR CAT Tax	-	-	-	-	(22,325)	(5,306)	(5,145)	(5,277)	(5,808)	(4,714)	(2,365)	(3,294)	(54,234)
Net Schedule 186 Revenue	611,538	626,425	622,199	1,024,527	932,021	910,314	885,091	908,589	999,646	808,180	402,615	561,816	9,292,962
Oregon Allocation	88.529%	88.529%	88.529%	88.529%	88.529%	88.529%	88.529%	88.529%	88.529%	88.529%	88.529%	88.529%	88.529%
Schedule 186 Revenue to Oregon	541,389	554,568	550,827	907,003	825,108	805,892	783,562	804,365	884,977	715,474	356,431	497,370	8,226,966
NWN's Share of Revenue (10%)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
NWN's Schedule 186 Revenue	54,139	55,457	55,083	90,700	82,511	80,589	78,356	80,436	88,498	71,547	35,643	49,737	822,697
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	27,069	27,728	27,541	45,350	41,255	40,295	39,178	40,218	44,249	35,774	17,822	24,869	411,348
Total Schedule 185 & 186 Revenue for Earnings Test	29,520	30,475	30,184	50,574	46,998	46,046	47,197	48,490	50,840	42,548	23,678	29,159	475,711



ANNUAL EARNINGS REVIEW
For the 12 Months Ended December 31, 2020

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), and 2019 general rate case filing (UG 388), 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 344 and 388 Adjustments [Column 2(c)]:

This adjustment incorporates ten (10) months of O&M and capital adjustments ordered in UG 344 and two (2) months O&M and capital adjustments ordered in UG 388. O&M adjustments include: salary/incentives/medical benefits, miscellaneous administrative and general expense, directors and officers insurance premiums, membership dues, meals and entertainment, and promotions and concessions. Capital adjustments 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 2020.

NW Natural Gas Company
Test Year Normalizing Adjustments: TYPE I ADJUSTMENTS
2020 Oregon Earnings Review
(\$000)

Line No.	Column A from Page 1 worksheet #:	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
Operating Revenues								
1	Sale of Gas	\$592,255	\$15,768				\$15,768	\$608,023
2	WARM Revenue	11,700	(10,190)	(1,509)			(\$11,700)	
3	Revenue & Technical Adjustments	18,026		0			\$0	18,026
4	Decoupling Adjustment	(5,017)		5,017			\$5,017	0
5	Transportation	17,651					\$0	17,651
6	Miscellaneous Revenues	2,818		488			\$488	3,306
7	Total Operating Revenues	637,431	5,578	3,996	0	0	9,573	647,005
Operating Revenue Deductions								
8	Gas Purchased	237,884	6,978				6,978	244,862
9	Uncollectible Accrual	689	14	0		0	(120)	569
10	Other Operating & Maintenance Expenses	170,570			(8,794)		(8,794)	161,776
11	Total Operating & Maintenance Exp.	409,143	6,993	0	(8,794)	0	(1,935)	407,207
12	Federal Income Tax	8,146	(303)	781	1,720	26	1,946	10,092
13	State Excise	6,497	(119)	306	674	10	762	7,259
14	Property Taxes	21,285			1,432		1,432	22,717
15	Other Taxes	22,976	149	(27)	0	0	121	23,097
16	Depreciation & Amortization	85,545					0	85,545
17	Total Operating Revenue Deductions	553,591	6,719	1,060	(6,400)	1,045	2,326	555,917
18	Net Operating Revenues	83,840	(1,142)	2,936	6,400	(1,045)	7,247	91,087
Average Rate Base								
19	Utility Plant in Service	3,182,768			(2,706)		(2,706)	3,180,062
20	Accumulated Depreciation Materials & Supplies	(1,429,816)					0	(1,429,816)
21	Net Utility Plant	1,752,952	0	0	(2,706)	0	(2,706)	1,750,246
22	Aid in Advance of Construction	(5,364)					0	(5,364)
23	Customer Deposits	(3,696)					0	(3,696)
24	Materials & Supplies	55,821					0	55,821
25	Leasehold Improvements	24,965					0	24,965
26	Accumulated Deferred Income Taxes	(426,163)					0	(426,163)
27	Total Rate Base	\$1,398,515	\$0	\$0	(\$2,706)	\$0	(\$2,706)	\$1,395,809
28	Interest Coordination		0	0	(65)	0	(65)	(65)

Northwest Natural Gas Company
Test Year Normalizing Adjustments: TYPE I ADJUSTMENTS
2020 Oregon Earnings Review
(\$000)

Income Tax Calculations

Line No.		Weather Normalization & Repricing Adjustment (2a)	Other Revenue Adjustment (2b)	UG 344 Adjustments (2c)	Property Taxes Adjustment (2d)	Uncollectible Accounts Adjustment (2e)	Total Adjustments
1	Book Revenues	5,578	3,996	0	0	0	9,573
2	Book Expenses before Deprec. & Int.	7,141	(27)	(8,794)	1,432	(134)	(382)
3	State Tax Depreciation	0	0	0	0	0	0
4	Interest Expense (Income)	0	0	(65)	0	0	(65)
5	Book/Tax Differences (Sched. M)	0	0	1	0	0	1
6	State Taxable Income	(1,564)	4,023	8,858	(1,432)	134	10,019
7	State Excise Tax [1]	(119)	306	673	(109)	10	761
8	State Tax Credit	0	0	1	0	0	1
9	Net State Income Tax	(119)	306	674	(109)	10	762
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	(1,445)	3,717	8,184	(1,323)	124	9,257
13	Federal Income Tax [2]	(303)	781	1,719	(278)	26	1,945
14	ITC	0	0	1	0	0	1
15	Current Federal Tax	(303)	781	1,720	(278)	26	1,946
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	(303)	781	1,720	(278)	26	1,946
20	Total State Tax	(119)	306	674	(109)	10	762

[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
 2020 Oregon Earnings Review
 (\$000)

Line No.		No Adjustments	No Adjustments	No Adjustments	No Adjustments	No Adjustments	No Adjustments	No Adjustments	No Adjustments	Total Adjustments
Income Tax Calculations										
1	Book Revenues	0	0	0	0	0	0	0	0	0
2	Book Expenses before Deprec. & Int.	0	0	0	0	0	0	0	0	0
3	State Tax Depreciation	0	0	0	0	0	0	0	0	0
4	Interest Expense (Income)	0	0	0	0	0	0	0	0	0
5	Book/Tax Differences (Sched. M)	0	0	0	0	0	0	0	0	0
6	State Taxable Income	0	0	0	0	0	0	0	0	0
7	State Excise Tax [1]	0	0	0	0	0	0	0	0	0
8	State Tax Credit	0	0	0	0	0	0	0	0	0
9	Net State Income Tax	0	0	0	0	0	0	0	0	0
10	Excess Book(Tax) Deprec.	0	0	0	0	0	0	0	0	0
11	Other Sched. M Differences	0	0	0	0	0	0	0	0	0
12	Federal Taxable Income	0	0	0	0	0	0	0	0	0
13	Federal Income Tax [2]	0	0	0	0	0	0	0	0	0
14	ITC	0	0	0	0	0	0	0	0	0
15	Current Federal Tax	0	0	0	0	0	0	0	0	0
16	Deferred Income Tax - Federal	0	0	0	0	0	0	0	0	0
17	Deferred Income Tax - State	0	0	0	0	0	0	0	0	0
18	ITC Restored (Deferred)	0	0	0	0	0	0	0	0	0
19	Total Federal Tax	0	0	0	0	0	0	0	0	0
20	Total State Tax	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
2020 Oregon Earnings Review
(\$000)**

Line No.	State Taxes	Federal Taxes
1 Operating Revenues	\$637,431	\$637,431
2 Operating Revenue Deductions	409,143	409,143
3 Property & Other Taxes	44,261	44,261
4 Book Depreciation	85,545	85,545
5 Interest (Rate Base * Cost of Debt)	33,844	33,844
6 State Tax Deduction	-	6,497
7 Subtotal	64,639	\$58,142
8 Permanent Differences	6,344	5,430
9 Taxable Income	70,983	\$63,572
10 Tax Rate	7.60%	21.00%
11 Tax Before Credits and Adjustments	5,395	13,350
12 Credits & Adjustments	1,102	(5,204)
13 Total Tax	\$6,497	\$8,146

NW Natural Gas Company
12 Months Ended December 31, 2020
Input Assumptions
Proforma Cost of Capital

Line No.		13-month averages		
		% of Total Capital	Average Cost	Average Weighted Cost
		(a)	(b)	(c)
1	Long Term Debt	52.00%	4.662%	2.42%
2	Preferred Stock	0.00%	0.000%	0.00%
3	Common Stock	48.00%	9.400%	4.51%
4	Total	<u>100.00%</u>		<u>6.93%</u>
Revenue Sensitive Costs				
5	Gas Sales	93.97%		
6	Transportation	2.73%		
7	Other	3.30%		
8	Subtotal	<u>100.00%</u>		
9	O & M - Uncollectible	0.091%		
10	Franchise Taxes at	2.314%		
11	OPUC Fee	0.350%		
12	State Taxable Income	<u>97.25%</u>		
13	State Income Tax	7.39%		
14	Federal Taxable Income	<u>89.85%</u>		
15	Federal Income Tax	18.87%		
16	Total Income Taxes	<u>26.26%</u>		
17	Total Revenue Sensitive Costs	<u>29.02%</u>		
18	Utility Operating Income	<u>70.98%</u>		
19	Materials & Supplies	140.87%		
20	Interest Coordination Factor	2.42%		
21	Rate of Return	9.40%		
22	Federal tax rate	21.000%		
23	State tax rate	7.600%		
24	Franchise Fees	2.314%		
25	Uncollectible Accounts	0.091%		
26	Regulatory fees	0.350%		

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	2019 Dec	2020 Jan	2020 Feb	2020 Mar	2020 Apr	2020 May	2020 June	2020 July	2020 August	2020 September	2020 October	2020 November	2020 December	Dec 19 - Dec 20 13 month average
SYSTEM	System	System	System	System	System	System	System	System	System	System	System	System	System	System
Gross Plant	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Intangible	126,083,551	126,361,928	126,902,292	127,269,224	128,070,084	142,483,946	142,561,912	142,850,694	143,502,504	148,078,451	168,854,488	169,803,961	171,374,549	142,955,711
Software	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795
Other	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198
Production	192,013,583	192,106,204	192,161,416	192,375,287	192,371,066	192,536,004	192,560,956	192,784,607	192,809,906	194,512,129	198,721,713	199,541,885	201,262,954	194,093,287
Transmission	2,373,283,800	2,382,356,019	2,388,897,736	2,401,160,967	2,406,620,571	2,417,848,886	2,427,637,709	2,433,654,068	2,444,067,223	2,453,023,844	2,481,652,595	2,488,310,118	2,493,115,391	2,429,869,111
Distribution	243,869,682	246,500,038	248,093,184	257,398,924	262,077,420	267,904,801	272,958,977	273,448,944	274,138,719	277,671,859	281,900,635	279,229,252	284,215,595	267,113,783
General														
Storage and storage transmission	338,708,361	338,721,539	338,714,043	339,293,940	339,301,387	341,466,981	341,483,442	341,577,205	341,578,124	341,578,135	371,967,296	372,735,136	373,302,404	347,035,217
CNG and LNG	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768
Gas Reserves	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385
Total Gross Plant	3,465,817,123	3,477,903,875	3,486,626,818	3,509,356,488	3,520,298,674	3,554,098,765	3,569,061,142	3,576,173,665	3,587,954,623	3,606,722,565	3,694,954,873	3,701,478,499	3,715,129,040	3,572,925,256
Accumulated Depreciation														
Intangible	(72,302,109)	(72,842,194)	(73,357,372)	(73,875,107)	(74,396,154)	(74,960,175)	(74,891,941)	(75,513,964)	(76,136,297)	(76,778,333)	(77,631,920)	(78,328,800)	(79,146,252)	(75,369,703)
Production	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)
Transmission	(44,166,051)	(44,464,096)	(44,762,261)	(45,060,633)	(45,359,171)	(45,657,832)	(45,956,645)	(46,255,650)	(46,554,850)	(46,855,405)	(47,160,578)	(47,469,716)	(47,780,905)	(45,960,860)
Distribution	(1,084,945,810)	(1,089,103,715)	(1,092,819,126)	(1,096,280,839)	(1,099,277,957)	(1,102,803,754)	(1,105,745,924)	(1,107,580,268)	(1,111,538,084)	(1,114,283,725)	(1,117,898,745)	(1,121,520,000)	(1,124,770,402)	(1,105,309,187)
General	(64,631,569)	(65,263,476)	(66,672,450)	(67,851,871)	(69,056,178)	(70,436,192)	(71,725,022)	(73,208,528)	(74,518,352)	(75,829,697)	(77,295,785)	(78,854,957)	(80,480,000)	(77,505,420)
Storage and storage transmission	(149,607,170)	(150,166,871)	(150,726,650)	(151,286,713)	(151,847,181)	(152,409,565)	(152,973,977)	(153,538,672)	(154,102,993)	(154,667,557)	(155,231,920)	(155,800,000)	(156,370,000)	(151,946,747)
CNG and LNG	(2,251,450)	(2,258,112)	(2,264,774)	(2,271,436)	(2,278,098)	(2,284,760)	(2,291,422)	(2,298,084)	(2,304,746)	(2,311,408)	(2,318,070)	(2,324,732)	(2,331,394)	(2,291,422)
Gas Reserves	(123,635,771)	(124,976,105)	(126,230,206)	(127,722,619)	(129,149,154)	(130,472,149)	(132,201,893)	(134,020,173)	(135,780,528)	(137,345,909)	(138,811,366)	(140,092,679)	(141,413,947)	(132,443,970)
Total Accumulated Depreciation	(1,542,230,967)	(1,549,765,605)	(1,557,523,875)	(1,565,040,254)	(1,572,054,929)	(1,579,715,464)	(1,586,477,859)	(1,593,106,374)	(1,601,626,886)	(1,608,763,070)	(1,612,058,711)	(1,616,741,338)	(1,624,460,566)	(1,585,518,344)
Storage Gas	50,185,738	47,267,622	42,218,192	40,245,855	40,495,851	44,095,697	48,133,549	48,691,284	49,354,935	49,868,413	48,898,297	52,713,344	47,414,879	46,731,945
Customer Advances	(7,367,884)	(7,532,633)	(7,655,812)	(5,635,851)	(5,756,413)	(5,848,989)	(6,008,002)	(6,138,375)	(6,309,949)	(6,434,528)	(6,527,187)	(6,701,706)	(6,253,436)	(6,446,676)
Customer Deposits	(4,855,552)	(4,844,875)	(4,785,128)	(4,718,044)	(4,625,695)	(4,429,573)	(4,220,874)	(4,007,467)	(3,868,004)	(3,687,457)	(3,593,885)	(3,351,932)	(3,213,864)	(4,180,637)
Materials and Supplies	16,428,360	16,841,808	16,978,023	16,746,423	17,421,064	18,892,408	18,193,468	17,379,772	17,303,642	17,542,547	17,346,169	17,184,848	17,608,492	17,404,050
Appliances	(944,230)	(1,041,471)	(970,845)	(984,261)	(912,366)	(886,352)	(822,874)	(888,960)	(866,963)	(915,956)	(850,480)	(1,026,477)	(968,529)	(926,949)
Leasehold Improvements	358,608	27,497,733	28,885,297	29,561,221	29,835,735	30,062,468	30,152,104	30,318,544	30,253,649	30,052,942	29,937,924	26,383,233	26,300,264	28,022,524
Total Rate Base Excluding ADIT	1,977,391,195	2,006,326,454	2,003,772,670	2,019,531,578	2,024,701,920	2,056,268,960	2,068,010,654	2,068,422,089	2,072,195,046	2,084,385,454	2,168,106,998	2,169,938,471	2,171,556,280	2,068,011,169

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OREGON	2019 Dec	2020 Jan	2020 Feb	2020 Mar	2020 Apr	2020 May	2020 June	2020 July	2020 August	2020 September	2020 October	2020 November	2020 December	Dec 19 - Dec 20 13 month average
Gross Plant	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON
Intangible	111,483,076	111,729,217	112,207,007	112,531,448	113,239,568	125,984,305	126,053,243	126,308,584	126,884,914	130,930,966	149,301,138	150,140,662	151,529,376	126,401,440
Software	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348
Other	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198
Production	190,898,582	190,991,202	191,046,214	191,260,085	191,255,864	191,420,370	191,445,322	191,668,973	191,694,272	193,396,495	197,606,079	198,426,251	200,147,320	192,977,840
Transmission	2,068,165,964	2,076,214,154	2,081,909,957	2,092,881,809	2,097,914,205	2,108,484,482	2,117,254,449	2,122,343,243	2,131,587,708	2,139,814,888	2,167,001,556	2,172,666,763	2,176,852,562	2,119,215,206
Distribution	219,156,651	221,504,113	222,926,176	231,240,090	235,416,902	240,617,805	245,083,794	245,520,948	246,138,721	249,291,795	253,067,348	250,683,042	255,142,461	239,886,691
General														
Storage and storage transmission	305,416,720	305,428,464	305,421,784	305,938,530	305,945,166	307,874,927	307,889,595	307,973,147	307,973,966	307,973,976	335,053,757	335,737,980	336,243,472	312,836,782
CNG and LNG	3,383,261	3,383,261	3,383,261	3,383,261	3,383,261	3,383,261	3,383,261	3,383,261	3,383,261	3,383,261	3,383,261	3,383,261	3,383,261	3,383,261
Gas Reserves	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385
Total Gross Plant	3,086,571,185	3,097,317,342	3,104,961,330	3,125,302,154	3,135,221,897	3,165,832,080	3,179,176,594	3,185,265,087	3,195,729,773	3,212,858,312	3,293,480,070	3,299,104,889	3,311,365,383	3,182,768,151
Accumulated Depreciation														
Intangible	(63,929,525)	(64,407,068)	(64,862,588)	(65,320,370)	(65,781,079)	(66,279,787)	(66,219,454)	(66,769,447)	(67,319,714)	(67,887,402)	(68,642,143)	(69,258,325)	(69,981,116)	(66,641,891)
Production	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)
Transmission	(43,974,492)	(44,270,790)	(44,567,208)	(44,863,833)	(45,160,623)	(45,457,537)	(45,754,602)	(46,051,859)	(46,349,312)	(46,648,119)	(46,951,544)	(47,258,934)	(47,568,375)	(45,758,816)
Distribution	(964,338,167)	(967,895,077)	(971,054,545)	(974,029,611)	(976,564,751)	(979,605,111)	(982,048,489)	(983,459,484)	(986,842,590)	(989,201,930)	(992,308,253)	(995,430,200)	(998,186,330)	(981,641,857)
General	(58,034,432)	(58,602,297)	(59,863,695)	(60,920,225)	(61,998,975)	(63,234,544)	(64,383,927)	(65,711,866)	(66,884,795)	(68,059,084)	(69,371,483)	(70,736,029)	(72,148,995)	(64,190,148)
Storage and storage transmission	(134,292,345)	(134,795,500)	(135,298,725)	(135,802,204)	(136,306,043)	(136,811,590)	(137,318,943)	(137,826,549)	(138,333,822)	(138,841,311)	(139,349,311)	(139,857,311)	(140,365,311)	(136,403,578)
CNG and LNG	(2,009,419)	(2,015,365)	(2,021,311)	(2,027,257)	(2,033,202)	(2,039,148)	(2,045,094)	(2,051,040)	(2,056,986)	(2,062,932)	(2,068,877)	(2,074,823)	(2,080,769)	(2,045,094)
Gas Reserves	(123,635,771)	(124,976,105)	(126,230,206)	(127,722,619)	(129,149,154)	(130,472,149)	(132,201,893)	(134,020,173)	(135,780,528)	(137,345,909)	(138,811,366)	(140,092,679)	(141,413,947)	(132,443,970)
Total Accumulated Depreciation	(1,390,905,187)	(1,397,653,238)	(1,404,589,314)	(1,411,377,154)	(1,417,684,863)	(1,424,590,902)	(1,430,663,438)	(1,436,581,453)	(1,444,258,782)	(1,450,737,722)	(1,453,755,013)	(1,457,995,152)	(1,464,914,149)	(1,429,816,392)
Storage Gas	44,720,511	42,120,178	37,620,631	35,863,081	36,085,852	39,293,675	42,891,806	43,388,803	43,980,182	44,437,743	43,573,272	46,972,860	42,251,399	41,642,836
Customer Advances	(6,385,597)	(6,538,018)	(6,645,731)	(4,613,528)	(4,729,878)	(4,803,239)	(4,920,147)	(5,030,004)	(5,177,085)	(5,277,480)	(5,357,678)	(5,514,272)	(5,145,257)	(5,364,374)
Customer Deposits	(4,260,346)	(4,284,323)	(4,231,489)	(4,172,166)	(4,090,502)	(3,917,071)	(3,732,519)	(3,543,803)	(3,420,476)	(3,260,818)	(3,178,073)	(2,964,113)	(2,842,020)	(3,695,545)
Materials and Supplies	12,465,639	14,689,425	14,808,232	14,606,231	15,194,652	16,477,958	15,868,343	15,158,637	15,092,237	15,300,610	15,129,329	14,988,625	15,358,127	15,102,180
Appliances	(879,463)	(1,041,471)	(970,845)	(984,261)	(912,366)	(886,352)	(822,874)	(888,960)	(866,963)	(915,956)	(850,480)	(1,026,477)	(968,529)	(924,250)
Leasehold Improvements	318,049	24,541,726	25,780,128	26,383,390	26,628,393	26,830,753	26,910,753	27,059,301	27,001,381	26,822,250	26,719,597	23,183,086	23,110,613	24,964,591
Total Rate Base Excluding ADIT	1,741,644,790	1,769,151,622	1,766,732,942	1,781,007,747	1,785,713,184	1,814,236,902	1,824,708,518	1,824,827,609	1,828,080,269	1,839,226,939	1,915,761,024	1,916,749,446	1,918,215,567	1,824,677,198

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WASHINGTON		2019 Dec	2020 Jan	2020 Feb	2020 Mar	2020 Apr	2020 May	2020 June	2020 July	2020 August	2020 September	2020 October	2020 November	2020 December	Dec 19 - Dec 20 13 month average WASHINGTON
Gross Plant		WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON
Intangible		14,600,475	14,632,711	14,695,285	14,737,776	14,830,516	16,499,641	16,508,669	16,542,110	16,617,590	17,147,485	19,553,350	19,663,299	19,845,173	16,554,271
Software		447	447	447	447	447	447	447	447	447	447	447	447	447	447
Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Production		1,115,001	1,115,001	1,115,202	1,115,202	1,115,202	1,115,634	1,115,634	1,115,634	1,115,634	1,115,634	1,115,634	1,115,634	1,115,634	1,115,447
Transmission		305,117,836	306,141,865	306,987,779	308,279,157	308,706,366	309,364,405	310,383,260	311,310,825	312,479,515	313,208,956	314,651,039	315,643,355	316,262,829	310,653,905
Distribution		24,713,031	24,995,925	25,167,008	26,158,834	26,660,518	27,286,996	27,875,182	27,927,995	27,999,998	28,380,064	28,833,287	28,546,211	29,073,134	27,227,092
General															
Storage and storage transmission		33,291,640	33,293,076	33,292,259	33,355,410	33,356,221	33,592,054	33,593,847	33,604,058	33,604,158	33,604,159	36,913,539	36,997,156	37,058,932	34,198,435
CNG and LNG		407,508	407,508	407,508	407,508	407,508	407,508	407,508	407,508	407,508	407,508	407,508	407,508	407,508	407,508
Total Gross Plant		379,245,938	380,586,533	381,665,488	384,054,334	385,076,777	388,266,685	389,894,548	390,908,577	392,224,850	393,864,252	401,474,802	402,373,610	403,763,657	390,157,104
Accumulated Depreciation															
Intangible		(8,372,584)	(8,435,126)	(8,494,784)	(8,554,737)	(8,615,075)	(8,680,388)	(8,672,487)	(8,744,517)	(8,816,583)	(8,890,931)	(8,989,776)	(9,070,475)	(9,165,136)	(8,727,812)
Production		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transmission		(191,559)	(193,306)	(195,053)	(196,800)	(198,547)	(200,295)	(202,043)	(203,790)	(205,538)	(207,286)	(209,034)	(210,782)	(212,530)	(202,043)
Distribution		(120,607,643)	(121,208,638)	(121,764,581)	(122,251,228)	(122,713,206)	(123,198,644)	(123,697,435)	(124,120,785)	(124,695,494)	(125,081,795)	(125,590,492)	(126,089,800)	(126,584,072)	(123,667,330)
General		(6,597,137)	(6,661,179)	(6,808,755)	(6,931,646)	(7,057,204)	(7,201,648)	(7,341,095)	(7,496,662)	(7,633,557)	(7,770,613)	(7,924,303)	(7,722,927)	(7,870,206)	(7,315,272)
Storage and storage transmission		(15,314,825)	(15,371,371)	(15,427,924)	(15,484,509)	(15,541,138)	(15,597,976)	(15,655,034)	(15,712,123)	(15,769,172)	(15,826,246)	(15,340,900)	(15,402,292)	(15,463,849)	(15,543,169)
CNG and LNG		(242,031)	(242,747)	(243,463)	(244,179)	(244,896)	(245,612)	(246,328)	(247,044)	(247,760)	(248,476)	(249,193)	(249,909)	(250,625)	(246,328)
Total Accumulated Depreciation		(151,325,780)	(152,112,367)	(152,934,560)	(153,663,100)	(154,370,065)	(155,124,562)	(155,814,421)	(156,524,921)	(157,368,104)	(158,025,348)	(158,303,698)	(158,746,185)	(159,546,417)	(155,701,953)
Storage Gas		5,465,227	5,147,444	4,597,561	4,382,774	4,409,999	4,802,022	5,241,743	5,302,481	5,374,753	5,430,670	5,325,025	5,740,484	5,163,480	5,089,109
Customer Advances		(982,286)	(994,615)	(1,010,081)	(1,022,323)	(1,026,535)	(1,045,749)	(1,087,855)	(1,108,371)	(1,132,864)	(1,157,048)	(1,169,509)	(1,187,434)	(1,108,179)	(1,082,302)
Customer Deposits		(595,206)	(560,552)	(553,639)	(545,878)	(535,193)	(512,502)	(488,355)	(463,664)	(447,528)	(426,639)	(415,813)	(387,818)	(371,844)	(485,092)
Materials and Supplies		3,962,721	2,152,383	2,169,791	2,140,192	2,226,412	2,414,450	2,325,125	2,221,135	2,211,405	2,241,937	2,216,840	2,196,223	2,250,365	2,301,870
Appliances		(64,767)	0	0	0	0	0	0	0	0	0	0	0	0	(2,699)
Leasehold Improvements		40,559	2,956,006	3,105,169	3,177,831	3,207,341	3,231,715	3,241,351	3,259,244	3,252,267	3,230,691	3,218,327	3,200,147	3,189,652	3,057,933
Total Rate Base Excluding ADIT		235,746,405	237,174,833	237,039,728	238,523,831	238,988,735	242,032,059	243,302,136	243,594,480	244,114,778	245,158,515	252,345,974	253,189,025	253,340,713	243,333,971

Average Rate Base Allocation Factors

	OR	WA	System
13 MONTH AVERAGES:			
Average Gross Plant	3,182,768,151	390,157,104	3,572,925,256
Gross Plant Average Factor	89.080%	10.920%	
Average Accumulated Deprec	(1,297,372,421)	(155,701,953)	(1,453,074,374)
Accumulated Deprec Average Factor	89.280%	10.720%	
Average Leasehold Improvements	24,964,591	3,057,933	28,022,524
Leasehold Improvement Average Factor	89.090%	10.910%	
Average Customer Advances	(5,364,374)	(1,082,302)	(6,446,676)
Customer Advance Average Factor	83.210%	16.790%	
Growth in Gross Plant	224,794,199	24,517,719	249,311,917
Gross Plant Growth Factor	90.170%	9.830%	
Average Materials & Supplies	55,820,767	7,388,280	63,209,047
Materials & Supplies Average Factor	88.310%	11.690%	
Average Distribution Plant	2,119,215,206	310,653,905	2,429,869,111
Distribution Plant Average Factor	87.220%	12.780%	
Average Total Rate Base	1,824,677,198	243,333,971	2,068,011,169
Rate Base Average Factor	88.233%	11.767%	

NW Natural Gas Company
2020 Oregon Earnings Review
12 Months Ended December 31, 2020

Deferred Income Taxes

1 **WA Allocation factor: Accumulated Depreciation** **10.72%**

2

3 **2019 December Balances:**

4

	Federal	State	SYS Total	Washington Allocation	Oregon Allocation	
5						
6						
7						
8	Accumulated Deferred Income Tax - Depreciation	(378,044,000)	(63,305,001)	(441,349,001)	(39,733,876)	(401,615,125)
9						
10	Accumulated Deferred Income Tax - Gas Reserves	(23,236,122)	(3,046,116)	(26,282,238)	0	(26,282,238)
11						
12	Accumulated Deferred Income Tax - Other	(12,014,400)	(1,058,697)	(13,073,097)	(837,394)	(12,235,703)
13						
14	2019 Balances	(413,294,522)	(67,409,814)	(480,704,336)	(40,571,270)	(440,133,066)

15

16 **2020 December Balances:**

17

	Federal	State	SYS Total	Washington Allocation	Oregon Allocation	
18						
19						
20						
21						
22	Accumulated Deferred Income Tax - Depreciation	(368,857,960)	(78,976,848)	(447,834,808)	(40,169,106)	(407,665,701)
23						
24	Accumulated Deferred Income Tax - Gas Reserves	(18,571,714)	(2,766,868)	(21,338,582)	0	(21,338,582)
25						
26	Accumulated Deferred Income Tax - Other	(11,482,095)	(1,573,121)	(13,055,216)	(837,699)	(12,217,517)
27						
28	2020 Balances	(398,911,769)	(83,316,837)	(482,228,606)	(41,006,805)	(441,221,800)

29

30

31

32	Simple Average December Balances (use for Rate Base)			(40,789,038)	(440,677,433)
33					
34			EDIT Rate Base - 13 AMA		14,514,288
35			Total DIT Rate Base		(426,163,146)

36

37	Gas Reserves Average December Balances				(23,810,410)
----	---	--	--	--	---------------------

**NW Natural Gas Company
State Allocation Factors
As of December 31, 2020**

Allocation Factors - Summary		Oregon	Washington
1	Customers-all	88.430%	11.570%
2	Customers-Residential	88.450%	11.550%
3	Customers-Commercial	89.490%	10.510%
4	Customers-Industrial	92.310%	7.690%
5	Customers-The Dalles	74.760%	25.240%
6	3-factor	89.250%	10.750%
7	firm sales volumes	89.110%	10.890%
8	sales volumes	89.650%	10.350%
9	sendout volumes	91.420%	8.580%
10	sales/sendout volumes	90.540%	9.460%
11	Customers Portland/Vancouver	84.130%	15.870%
12	Customers Portland/Vancouver 80%	87.300%	12.700%
13	Customers Portland/Vancouver Commercial	84.380%	15.620%
14	Payroll	90.018%	9.982%
15	Admin Transfer	88.723%	11.277%
16	Employee Cost	89.518%	10.482%
17	Regulatory	70.000%	30.000%
18	Telemetry	85.714%	14.286%
19	Direct-Wa	0.000%	100.000%
20	Direct-Or	100.000%	0.000%
21	Gross plant direct assign	88.150%	11.850%
22	Transmission	98.773%	1.227%
23	Depreciation	88.440%	11.560%
24	Rate Base	88.234%	11.766%
25	Distribution	87.220%	12.780%
26	Perimeter	93.269%	6.731%
27	Environmental Admin Costs	96.680%	3.320%

**NW Natural Gas Company
State Allocation Factors
As of December 31, 2020**

	System	Oregon	Washington
Customers			
Total Customers			
December 2020	774,954	684,153	90,323
December 2019	762,884	675,380	87,504
Average	768,919	679,767	88,914
% of System		88.41%	11.59%
Residential Customers			
December 2020	703,442	621,692	81,029
December 2019	692,012	611,896	80,116
Average	697,727	616,794	80,573
% of System		88.40%	11.60%
Commercial Customers			
December 2020	68,559	61,546	7,266
December 2019	69,858	62,550	7,308
Average	69,209	62,048	7,287
% of System		89.65%	10.35%
Industrial Customers			
December 2020	995	915	74
December 2019	1,014	934	80
Average	1,005	925	77
% of System		92.04%	7.96%
The Dalles			
December 2020	8,608	6,430	2,174
December 2019	8,460	6,327	2,133
Average	8,534	6,379	2,154
% of System		74.74%	25.26%
Portland / Vancouver			
December 2020	551,161	462,581	88,149
December 2019	542,524	457,153	85,371
Average	546,843	459,867	86,760
% of System		84.09%	15.91%
Portland / Vancouver Commercial			
December 2020	44,612	37,745	7,052
December 2019	45,728	38,640	7,088
Average	45,170	38,193	7,070
% of System		84.55%	15.45%

**NW Natural
State Allocation Factors**

Volumes - 12 Months Ended 12/31/20

Firm Sales Delivered (exclude Unbilled)	713,160,152	635,526,413	77,633,739
% of System		89.11%	10.89%
Sales Volumes (exclude Unbilled)	762,017,556	683,185,500	78,832,056
% of System		89.65%	10.35%
Sendout Volumes	1,142,896,790	1,044,809,802	98,086,988
% of System		91.42%	8.58%

3-factor formula (simple average)

Gross Plant Directly Assigned		88.15%	11.85%
Number of Employees Directly Assigned		91.17%	8.83%
Number of Customers		88.41%	11.59%
Average		89.24%	10.76%

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

December 31, 2020

	System	Oregon	Washington
Intangible - Other	84,795	84,348	447
Production	675,198	675,198	0
Transmission	201,262,954	200,147,320	1,115,634
Distribution	2,493,115,391	2,176,852,562	316,262,829

December 31, 2019

	System	Oregon	Washington
Intangible - Other	84,795	84,348	447
Production	675,198	675,198	0
Transmission	192,013,583	190,898,582	1,115,001
Distribution	2,373,283,800	2,068,165,964	305,117,836

Average

	System	Oregon	Washington
Intangible - Other	84,795	84,348	447
Production	675,198	675,198	0
Transmission	196,638,269	195,522,951	1,115,318
Distribution	2,433,199,595	2,122,509,263	310,690,333

**Gross Plant Directly Assigned
% of System**

	2,630,597,857	2,318,791,760	311,806,097
		88.15%	11.85%

NW Natural Gas Company
 Test Year Normalizing Adjustments
 Revenues and Deliveries
 2020 Oregon Earnings Review

1	<u>Oregon Total Revenues</u>	
2		<u>Revenue</u>
3		
4	Sales Revenues	598,034,336
5	Unbilled Revenues	4,410,662
6		
7		
8	Total Sales Revenues	602,444,999
9		
10	Transportation Revenues	<u>17,650,893</u>
11		
12	Grand Total Revenues	<u><u>620,095,892</u></u>
13		
14		
15	<u>Gas Costs</u>	
16		
17	Demand Charges	68,542,214
18		
19	Commodity Charges	156,058,261
20		
21		
22	Oregon Deferral Activities	<u>13,283,077</u>
23		
24	Grand Total Gas Costs	<u><u>237,883,552</u></u>
25		

Normalization Adjustments		
<u>Revenue Adjustment</u>	<u>Therms</u>	<u>Revenue</u>
<u>WARM Adjustment</u>		
WARM Revenues		(9,428,203)
WARM Revenues - Unbilled		<u>(762,248)</u>
		(10,190,451)
<u>Weather Normalization Adjustment</u>		
Residential	8,411,363	7,258,965
Commercial 3	9,661,762	7,306,080
Commercial 3 & 31	<u>2,092,304</u>	<u>1,203,038</u>
	20,165,429	15,768,083
TOTAL NORMALIZING MARGIN ADJUSTMENT	<u>20,165,429</u>	<u>5,577,632</u>
<u>Gas Cost Adjustment</u>		<u>Cost of Gas</u>
WACOG equalization		0
Weather Normalization Gas Costs		<u>6,978,493</u>
TOTAL GAS COST ADJUSTMENT		<u>6,978,493</u>

Type I

1 **Weather Normalization**

	Residential			Commercial - 3			Commercial - 31		
	Volumes	Revenues	Gas Costs	Volumes	Revenues	Gas Costs	Volumes	Revenues	Gas Costs
7 January	7,107,584	5,915,926	2,430,438	1,652,227	1,202,077	564,979	249,558	142,429	85,336
8 February	(1,909,453)	(1,589,315)	(652,938)	(2,053,932)	(1,494,338)	(702,342)	(273,543)	(156,118)	(93,538)
9 March	(4,353,456)	(3,623,555)	(1,488,664)	(1,628,848)	(1,185,068)	(556,985)	(265,251)	(151,386)	(90,703)
10 April	6,022,851	5,013,060	2,059,514	3,910,463	2,845,057	1,337,183	559,908	319,554	191,461
11 May	2,127,673	1,770,948	727,558	2,258,660	1,643,288	772,349	504,883	288,150	172,645
12 June	(1,236,638)	(1,029,303)	(422,868)	725,526	527,856	248,094	430,533	245,716	147,221
13 July	(1,061,510)	(883,537)	(362,983)	916,138	666,536	313,273	201,157	114,806	68,786
14 August	(197,170)	(164,113)	(67,422)	412,313	299,978	140,990	159,868	91,241	54,667
15 September	28,939	24,087	9,896	740,820	538,983	253,323	158,559	90,493	54,219
16 October	(636,518)	(529,799)	(217,657)	(120,883)	(87,949)	(41,336)	116,796	66,658	39,938
17 November	(3,121,953)	(2,918,089)	(1,113,632)	(379,585)	(313,025)	(135,402)	(59,243)	(35,923)	(21,132)
18 December	5,641,014	5,272,656	2,012,206	3,228,864	2,662,683	1,151,768	309,079	187,417	110,252
20 Total	8,411,363	7,258,965	2,913,447	9,661,762	7,306,080	3,345,895	2,092,304	1,203,038	719,151

26 **Total Revenue Change** **15,768,083**
 27 **Total Gas Cost Change** **6,978,493**

NW Natural Gas Company
2020 Oregon Earnings Review
Adjustments to Miscellaneous Revenues
(\$000)

Worksheet 2b

Line No.	Actual (a)	Normalized (b)	Adjustment (c)	
<u>Revenue & Technical Adjustments</u>				
1	(\$298.7)	(\$298.7)	\$0.0	
2	16,970.3	\$16,970.3	0.0	
3	0.0	\$0.0	0.0	
4	(1,331.9)	(\$1,331.9)	0.0	
5	0.0	\$0.0	0.0	
6	3,031.1	\$3,031.1	0.0	
7	0.0	\$0.0	0.0	
8	0.0	\$0.0	0.0	
9	(569.6)	(\$569.6)	0.0	
10	0.0	\$0.0	0.0	
11	0.0	\$0.0	0.0	
12	0.0	\$0.0	0.0	
13	224.4	\$224.4	0.0	
14	18,025.6	18,025.6	0.0	
15	(5,017.3)	0.0	5,017.3	
16	1,509.1	0.0	(1,509.1)	
<u>Other Miscellaneous Revenues</u>				
17	274.5	\$662.3	\$387.8	[1]
18	142.0	120.5	(21.6)	[1]
19	2,015.4	1,975.9	(39.6)	[1]
20	88.5	232.0	143.6	[1]
21	169.8	168.9	(0.9)	[1]
22	110.9	118.7	7.9	[1]
23	16.8	27.2	10.5	[1]
24	0.0	0.0	0.0	[1]
25	2,818.0	3,305.6	487.6	

Notes:

[1] Normalized to 3-year average

**NW Natural Gas Company
2020 Oregon Earnings Review
12 Months Ended December 31, 2020
UG 344 & 388 Regulatory Adjustments**

Worksheet 2c

Line No.	Adjustments:	10 Months of UG 344 2 Months of UG 388		
		UG 344	UG 388	TOTAL
1				
2	<u>O&M Adjustments:</u>			
3	Salary/Incentives/Medical Ben.	\$ 5,791,000	7,169,000	6,020,667
4	Misc. A&G	\$ 3,306,000	750,000	2,880,000
5	D&O Insurance Premiums	\$ 196,000	251,000	205,167
6	Membership Dues	\$ 191,000	258,200	202,200
7	Meals and Entertainment	\$ 910,000	641,000	865,167
8	Promotions and Concessions Adj.	\$ (1,655,232)		-1,379,360
9	TOTAL	\$ 8,738,768	\$ 9,069,200	\$ 8,793,840
10				
11	<u>Capital Adjustments:</u>			
12	Salary/Incentives/Medical Ben.	\$ 2,300,000	\$ 4,735,000	\$ 2,705,833
13	TOTAL	\$ 2,300,000	\$ 4,735,000	\$ 2,705,833
14				
15	TOTAL Disallowance	\$ 11,038,768	\$ 13,804,200	\$ 11,499,673

**NW Natural Gas Company
2020 Oregon Earnings Review
Property Tax Adjustment
(\$000)**

Worksheet 2d

<u>Line No.</u>	<u>Amount (a)</u>
1 Property Tax Accrual - Oregon	\$21,285
2 Property Taxes Paid - Oregon	<u>22,717</u>
3 Property Tax Adjustment	<u><u>\$1,432</u></u>

NW Natural Gas Company
2020 Oregon Earnings Review
Uncollectible Accounts Adjustments
(\$000)

Worksheet 2e

Line No.		2018-2020 Total (a)	2020 Actual (b)	2019 Actual (c)	2018 Actual (d)
Gas Revenues					
1	Residential	\$1,304,425	\$450,902	\$438,515	\$415,008
2	Commercial	613,355	193,255	215,042	205,058
3	Industrial	61,938	20,151	20,843	20,943
4	Interruptible	55,146	18,578	17,033	19,535
5	Total	<u>\$2,034,865</u>	<u>682,886</u>	<u>691,434</u>	<u>660,545</u>
Net Write-Offs					
6	Residential	1,413	438	518	457
7	Commercial	395	174	112	109
8	Industrial	25	7	16	1
9	Interruptible	20	-	20	-
10	Total	<u>1,853</u>	<u>620</u>	<u>666</u>	<u>568</u>
Write-Off Percentage					
11	Residential	0.108%	0.097%	0.118%	0.110%
12	Commercial	0.064%	0.090%	0.052%	0.053%
13	Industrial	0.040%	0.037%	0.076%	0.006%
14	Interruptible	0.036%	0.000%	0.117%	0.000%
15	Weighted Total [1]	<u>0.091%</u>	<u>0.091%</u>	<u>0.096%</u>	<u>0.086%</u>
Normalized Uncollectible					
16	Residential	\$488			
17	Commercial	124			
18	Industrial	8			
19	Interruptible	7			
20	Total	<u>\$628</u>			
21	Materials & Supplies Allocation Factor (Total Customers)	<u>88.41%</u>			
22	Oregon Normalized Amount	555			
23	Oregon Allocation of Accrued Amount	<u>689</u>			
24	Adjustment (Normalized less Accrued)	<u>(134)</u>			

[1] Weighted uncollectible rate of : 0.0910% is used on page 1, column (b).

NW Natural
Schedule of Regulatory Assets and Liabilities
Balances as of December 31, 2020

Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance at 12/31/2020
REGULATORY ASSETS						
192640	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 262640. (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 20-350) Washington - UG-200799	No	No	2,779,378
192645	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 262645. (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 20-350) Washington - UG-200799	No	No	728,781
192647	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 262648. (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 20-350) Washington - UG-200799	No	No	689,470
192630	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 262630. (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 20-350) Washington - UG-200799	No	No	2,851,643
192635	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 262635. (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 20-350) Washington - UG-200799	No	No	-
192637	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 262638. (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 20-350) Washington - UG-200799	No	No	-
189008	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 388, Order 20-364 Washington - UG-181053, Order 06	No	No	843,180
189013	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 344, Order 18-419 Washington - UG-080546, Order 04	No	No	418,336
182300	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

Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance at 12/31/2020
182302	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 388, Order 20-364 Washington - UG-181053, Order 06	Yes	No	2,208,426
186016	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 388, Order 20-364 Washington - UG-181053, Order 06	Yes	No	12,431,681
186020	Tax - AFUDC Equity Recovery	Balance represents the book-tax difference in accrued AFUDC equity interest.	N/A	Yes	No	1,087,384
186033	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	1,376,296
186145	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 20-046)	No	No	124,242,128
186147	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 20-046)	No	No	0
186148	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 20-046)	No	No	10,035,613
186149	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 20-046)	No	No	14,542,986
186151	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 20-046)	No	No	-
186152	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 20-046)	No	No	179,077
186153	Environmental site deferral - Central - Oregon	Includes 96.68% of pre-prudence reviewed costs incurred pertaining to the Central Service Center site. Also includes 100% of estimated future costs to complete remediation of which a portion will be allocated to Washington once the costs are incurred. Interest is charged only on the actual spend amounts.	Oregon - UM 1078 (last Order was 20-046)	No	No	0.03
186160	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 20-046) UM 1635, Orders 16-029 and 15-049	No	No	(63,959,446)
186282	Insurance Carryforward - Oregon	Balance represents the excess of offsets (insurance proceeds and third party recoveries) to costs deemed prudent in prior years which will be applied to be towards future year costs.	Oregon - UM 1635, Orders 16-029 and 15-049	No	No	(3,546,873)
186161	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)
186175	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	592,189
186176	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	-
186177	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	-
186178	Environmental site deferral - Harbor - Washington	Includes 3.32% of costs incurred pertaining to the Portland Harbor.	Washington - UG-110199, Order 01	No	No	42,476

Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance at 12/31/2020
186179	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	-
186180	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	(1,746,357)
186182	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	16,771,334
186183	Environmental SRRM Amortization - Oregon	Represents costs currently being amortized through customer rates.	Oregon - UG 351, Order 18-398	No	No	3,281,476
186184	Environmental Cost Recovery Mechanism (ECRM) Costs Amortization - Washington	Represents costs currently being amortized through customer rates.	Washington - UG-181053, Order 06	No	No	181,238
186404	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 388, Order 20-364 Washington - UG-181053, Order 06	No	No	164,446,111
186406	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 388, Order 20-364 Washington - UG-181053, Order 06	No	No	6,366,015
191400	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 20-350)	No	No	4,122,669
191401	Commodity Cost Amortization - Oregon	Represents the prior PGA year's commodity deferrals currently being amortized in customer's rates.	Oregon - UG 410, Order 20-360	No	No	(476,528)
191410	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 20-350)	No	No	(283,194)
191411	Demand Cost Amortization - Oregon	Represents the prior PGA year's demand deferrals currently being amortized in customer's rates.	Oregon - UG 410, Order 20-360	No	No	(285,208)
191417	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	24,140
191420	Commodity Cost Deferral - Washington	Represents the difference between estimated commodity costs embedded in current Washington customer rates and actual commodity costs.	Washington - UG-200799	No	No	378,250
191421	Commodity Cost Amortization - Washington	Represents the prior PGA year's commodity deferrals currently being amortized in customer's rates.	Washington - UG-200799	No	No	387,357
191430	Demand Cost Deferral - Washington	Represents the difference between the pipeline capacity costs collected from Washington customers and actual pipeline capacity costs.	Washington - UG-200799	No	No	(140,878)
191431	Demand Cost Amortization - Washington	Represents the prior PGA year's demand deferrals currently being amortized in customer's rates.	Washington - UG-200799	No	No	(246,441)
191450	Seasonalized Demand Cost Deferral - Oregon	Represents the difference between the pipeline capacity costs collected from Oregon customers and estimated pipeline capacity costs on a seasonalized basis.	Oregon - UM 1496 (last Order was 20-350)	No	No	787,807
191451	WACOG Equalization - Oregon	Tracks the monthly difference between the annual PGA Rate in Oregon and the monthly estimated commodity costs used to develop that rate. For the PGA year, the activity nets to \$0.	Oregon - UM 1496 (last Order was 20-350)	No	No	217,670
186203	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	1,044,506
186225	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	4,247,325

Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance at 12/31/2020
186227	Oregon Corporate Activity Tax (CAT) Deferral	Deferral of the Corporate Activity Tax incurred between the 1/1/20 effective date and the 11/1/20 date in which the CAT was embedded in customer rates.	Oregon - UM 2044, Order 20-373	No	No	472,358
186228	Oregon CAT Amortization	Represents the CAT deferral currently being amortized through customer rates.	Oregon - UM 2044, Order 20-373	No	No	1,275,989
186232	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 20-103)	No	No	2,854,808
186233	Oregon Industrial DSM Amortization	Represents the prior Program Year's Industrial DSM deferrals currently being amortized in customer's rates.	Oregon - UG 405, Order 20-345	No	No	2,851,486
186234	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	101,401
186235	Washington GREAT Program Amortization	Represents the prior year's deferrals currently being amortized in customer's rates.	Washington - UG-180784	No	No	295,745
186236	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 20-332)	No	No	-
186237	Oregon Regulatory Fee Amortization	Represents the prior PGA year's PUC deferral currently being amortized in customer's rates.	Oregon - UG 403, Order 20-343	No	No	267,385
186238	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 20-383)	No	No	23,435
186239	Oregon Residential WARM Amortization	Represents the prior PGA year's Residential WARM deferral currently being amortized in customer's rates.	Oregon - UG 407, Order 20-347	No	No	543,015
186310	Washington Res and Comm EE Deferral - ETO	Represents the payments made to Energy Trust of Oregon to deliver and administer the Washington Residential and Commercial DSM program. The cost is then passed on to Washington Residential and Commercial customers via rates each PGA year.	Washington - UG-011230 and UG-011231	No	No	605
186312	Washington Res and Comm EE Deferral - NWN costs	Represents NWN's incremental costs to administer the Washington Residential and Commercial DSM program. The cost is then passed on to Washington Residential and Commercial customers via rates each PGA year.	Washington - UG-011230 and UG-011231	No	No	-
186244	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 20-383)	No	No	32,642
186245	Oregon Commercial WARM Amortization	Represents the prior PGA year's Commercial WARM deferral currently being amortized in customer's rates.	Oregon - UG 407, Order 20-347	No	No	613,249
186250	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 186251 represents the payments to be made within 12 months.	Oregon - UM 1680, Order 14-041	No	No	5,154,614
186251	Curr. Portion of West States Pension Asset - Oregon	See explanation in account 186250. This account represents the payments to be made in the next 12 months.	Oregon - UM 1680, Order 14-041	No	No	329,218
186254	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 186251 represents the payments to be made within 12 months.	Most recent docket approving the retirement plan expense in rates Washington Docket UG-181053, Order 06	No	No	595,095

Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance at 12/31/2020
186257	Curr. Portion of West States Pension Asset - Washington	See explanation in account 186254. 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-181053, Order 06	No	No	38,007
186265	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 20-442)	No	No	138,045
186266	Oregon Commercial 31 Decoupling Amortization	Represents the prior PGA year's Commercial 31 decoupling deferral currently being amortized in customer's rates.	Oregon - UG 406, Order 20-346	No	No	(29,688)
186269	Oregon Commercial 3 Decoupling Amortization	Represents the prior PGA year's Commercial 3 decoupling deferral currently being amortized in customer's rates.	Oregon - UG 406, Order 20-346	No	No	(2,762,801)
186270	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 20-442)	No	No	1,258,207
186271	Oregon Commercial 3 Decoupling Amortization	Represents the prior PGA year's Commercial 3 decoupling deferral currently being amortized in customer's rates.	Oregon - UG 406, Order 20-346	No	No	(394,441)
186275	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 20-442)	No	No	(2,326,291)
186276	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 20-258)	No	No	-
186277	Oregon Residential Decoupling Amortization	Represents the prior PGA year's Residential decoupling deferral currently being amortized in customer's rates.	Oregon - UG 406, Order 20-346	No	No	(8,002,817)
186278	Oregon NWIGU/AWEC Intervenor Funding Deferral	Represents the payments made to the industrial user intervenor group as ordered by the OPUC. The cost is then passed on to Oregon industrial customers via rates each PGA year.	Oregon - UM 1101 (last Order was 20-258)	No	No	-
186284	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 20-258)	No	No	136,124
186285	Oregon SB 844 Deferral	Balance captures the deferral of costs incurred related to projects submitted (or to be submitted) under Oregon Senate Bill 844.	Oregon - UM 1714 (last Order was 19-065)	No	No	-
186286	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 402, Order 20-342	No	No	79,483
186288	Oregon NWIGU/AWEC Intervenor Funding Amortization	Represents the prior PGA year's deferral of payments to industrial intervenors being amortized in customer's rates.	Oregon - UG 402, Order 20-342	No	No	25,597
186314	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	61,110
186315	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-200796	No	No	254,929
186316	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-200796	No	No	1,336,196
186317	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	2,701,825
186318	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	(788,639)
186370	Oregon Pension Balancing Account	Represents the recovery balance of the PBA balance minus the amounts included in account 182300. 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	43,383,122
186380	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	72,533

Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance at 12/31/2020
186381	Oregon Multi-family Tariffs Amortization	Represents the portion of account 186380 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	(4,422)
186421	Oregon ISS/Optimization Study Amortization	Represents the amortization of the approved deferral of the third-party study of NWN's interstate/intrastate storage and optimization activities as ordered by the OPUC.	Oregon - UM 1807, Order 19-360	No	No	-
186311	Oregon Residual Amortization	Represents residual amortization balances of various one-time deferrals. For the 2020-21 PGA year, this was not included in customer rates as the balance was too small (would not create a rate increment within 5 decimal places).	Oregon - Last amortization authorization given in Docket UG 328, Order 17-404	No	No	4,899
186430	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, Order 20-380	No	No	2,093,761
186431	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, Order 20-380	No	No	1,254,487
186432	Oregon COVID Other Expenses Deferral	Represents Oregon's allocation of direct expenses incurred as a result of the COVID19 pandemic.	Oregon - UM 2068, Order 20-380	No	No	2,517,469
186434	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	261,934
186435	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	57,728
186436	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	318,238
186442	Oregon COVID Cost Savings Deferral	Represents Oregon's allocation of cost savings as as result of the COVID19 pandemic.	Oregon - UM 2068, Order 20-380	No	No	(237,839)
186443	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	(132,771)
186444	Oregon COVID Late Fees Deferral Reserve	This is a contra asset account to account 186431 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, Order 20-380	No	No	(1,254,487)
186445	Washington COVID Late Fees Deferral Reserve	This is a contra asset account to account 186435 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	(57,728)
186446	Oregon Hood River Outage Deferral	Represents the costs incurred to restore service to customers in the Hood River area after damage occurred at NWPL's district regulator station.	UM 2139, Order pending	No	No	552,403
186447	Washington White Salmon Outage Deferral	Represents the costs incurred to restore service to customers in the White Salmon area after damage occurred at NWPL's district regulator station.	UG-200999, Order pending	No	No	188,625

REGULATORY LIABILITIES

254630	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 20-350) Washington - UG-200799	No	No	(6,126,534)
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Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance at 12/31/2020
254635	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 20-350) Washington - UG-200799	No	No	-
254637	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 20-350) Washington - UG-200799	No	No	(8,190)
254640	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 20-350) Washington - UG-200799	No	No	(12,635,448)
254645	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 20-350) Washington - UG-200799	No	No	(919,244)
254647	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 20-350) Washington - UG-200799	No	No	(97,160)
254100	Tax Reform Regulatory Liability - EDIT - Plant	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.	Oregon - UG 388, Order 20-364 Washington - UG -181053	Yes	No	(121,280,365)
254101	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 254200.	Washington - UG-181053, Order 06	Yes	No	(13,680,172)
254102	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 254202.	Oregon - UG 388, Order 20-364 Washington - UG -181053, Order 06	No	No	(50,190,803)
254110	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 254210.	Oregon - UG 388, Order 20-364	No	No	(4,435,742)
254121	Washington - Interim Period Tax Amortization	Represents the amortization of the one-time interim period tax deferral that was a result of lower income tax rates as a result of tax reform and the amount embedded in rates for Jan. 2018 through Oct. 2018.	Washington - UG-200795	No	No	33,960
254200	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 388, Order 20-364	Yes	No	(3,000,000)
254201	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.	Washington - UG-181053, Order 06	Yes	No	(400,000)

Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance at 12/31/2020
254202	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 388, Order 20-364 Washington - UG -181053, Order 06	No	No	(2,175,298)
254210	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 388, Order 20-364	No	No	(2,641,514)
108102	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 388, Order 20-364	Yes	No	(425,266,253)
108103	Asset Retirement Obligation - North Mist	Includes the estimated future cost to remove utility plant when it is retired, offset by the estimated salvage value of those assets.	Oregon - UG 388, Order 20-364	Yes	No	(1,159,655)
122102	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	(1,534,572)
252011	CIAC - Residential New Construction - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Oregon - UG 388, Order 20-364	Yes	No	(1,240,534)
252012	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-181053, Order 06	Yes	No	(279,987)
252013	CIAC - Residential Conversion - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Oregon - UG 388, Order 20-364	Yes	No	(2,194,298)
252014	CIAC - Residential Conversion - Washington	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Washington - UG-181053, Order 06	Yes	No	(683,192)
252021	CIAC - Multi-Family New Construction - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Oregon - UG 388, Order 20-364	Yes	No	(77,439)
252022	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-181053, Order 06	Yes	No	(19,403)
252023	CIAC - Multi-Family Conversion - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Oregon - UG 388, Order 20-364	Yes	No	(28,161)
252024	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-181053, Order 06	Yes	No	(7,111)
252031	CIAC - Commercial New Construction - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Oregon - UG 388, Order 20-364	Yes	No	(1,168,195)
252032	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-181053, Order 06	Yes	No	(105,832)
252033	CIAC - Commercial Conversion - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Oregon - UG 388, Order 20-364	Yes	No	(375,516)
252034	CIAC - Commercial Conversion - Washington	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Washington - UG-181053, Order 06	Yes	No	(12,654)
252041	CIAC - Industrial New Construction - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Oregon - UG 388, Order 20-364	Yes	No	(4,353)
252043	CIAC - Industrial Conversion - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Oregon - UG 388, Order 20-364	Yes	No	(56,761)
254301	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 254311.	Oregon - UG 344, Order 18-419	No	No	(9,116,493)
254302	Washington - ISS/Optimization Revenue Sharing	Includes interstate storage and optimization revenues shared with Washington utility customers.	Washington - UG-011090	No	No	(1,181,567)
254304	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	(22,563)
254310	Oregon - Revenue Requirement True-up	Deferral of revenue requirement true-up for change in customer rate amortization period of EDIT and will be refunded back to customers.	Oregon - UG 344, Order 19-105	No	No	-
254311	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	(1,230,840)

Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance at 12/31/2020
254003	1% North Mist Construction Overhead Amortization	Represents 1% of the construction overhead incurred for the North Mist service to PGE currently being credited to customers through rates.	Oregon - UG 387, Order 19-375	No	No	-
254400	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	(805,593)
254401	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	(4,729,434)
254305	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.	Current balance represents legal fees incurred for the sale of the Astoria property (UP 410, Order 20-495). Once the transaction closes, the gain will offset these costs.	No	No	12,880
254315	Oregon Amortization of Gain on Sale of Property	Amortization of the net gain on sale of utility property to be credited to customers.	Oregon - UG 408, Order 20-348	No	No	(2,815,548)
254317	Washington Deferral of Gain on Sale of Property	Includes Washington's portion of the net gain on sale of utility property that is to be credited to customers.	Washington - UG-190457, Order 01	No	No	(837,953)
254318	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 2021-22 PGA.	No	No	(22,269)
254320	Oregon - Amortize Gas Reserves EDIT true-up	Amortization of the Gas Reserves portion of the EDIT true-up amount that was included in the 254310 deferral account.	Oregon - UG 388, Order 20-364	No	No	(298,901)
254321	Oregon - Amortize Plant EDIT true-up	Amortization of the Plant related portion of the EDIT true-up amount that was included in the 254310 deferral account.	Oregon - UG 388, Order 20-364	No	No	(552,637)

NW Natural
Schedule of Regulatory Assets and Liabilities
Balances as of December 31, 2020

Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance at 12/31/2020
REGULATORY ASSETS						
192640	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 262640. (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 20-350) Washington - UG-200799	No	No	2,779,378
192645	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 262645. (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 20-350) Washington - UG-200799	No	No	728,781
192647	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 262648. (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 20-350) Washington - UG-200799	No	No	689,470
192630	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 262630. (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 20-350) Washington - UG-200799	No	No	2,851,643
192635	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 262635. (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 20-350) Washington - UG-200799	No	No	-
192637	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 262638. (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 20-350) Washington - UG-200799	No	No	-
189008	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 388, Order 20-364 Washington - UG-181053, Order 06	No	No	843,180
189013	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 344, Order 18-419 Washington - UG-080546, Order 04	No	No	418,336
182300	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

Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance at 12/31/2020
182302	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 388, Order 20-364 Washington - UG-181053, Order 06	Yes	No	2,208,426
186016	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 388, Order 20-364 Washington - UG-181053, Order 06	Yes	No	12,431,681
186020	Tax - AFUDC Equity Recovery	Balance represents the book-tax difference in accrued AFUDC equity interest.	N/A	Yes	No	1,087,384
186033	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	1,376,296
186145	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 20-046)	No	No	124,242,128
186147	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 20-046)	No	No	0
186148	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 20-046)	No	No	10,035,613
186149	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 20-046)	No	No	14,542,986
186151	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 20-046)	No	No	-
186152	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 20-046)	No	No	179,077
186153	Environmental site deferral - Central - Oregon	Includes 96.68% of pre-prudence reviewed costs incurred pertaining to the Central Service Center site. Also includes 100% of estimated future costs to complete remediation of which a portion will be allocated to Washington once the costs are incurred. Interest is charged only on the actual spend amounts.	Oregon - UM 1078 (last Order was 20-046)	No	No	0.03
186160	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 20-046) UM 1635, Orders 16-029 and 15-049	No	No	(63,959,446)
186282	Insurance Carryforward - Oregon	Balance represents the excess of offsets (insurance proceeds and third party recoveries) to costs deemed prudent in prior years which will be applied to be towards future year costs.	Oregon - UM 1635, Orders 16-029 and 15-049	No	No	(3,546,873)
186161	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)
186175	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	592,189
186176	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	-
186177	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	-
186178	Environmental site deferral - Harbor - Washington	Includes 3.32% of costs incurred pertaining to the Portland Harbor.	Washington - UG-110199, Order 01	No	No	42,476

Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance at 12/31/2020
186179	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	-
186180	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	(1,746,357)
186182	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	16,771,334
186183	Environmental SRRM Amortization - Oregon	Represents costs currently being amortized through customer rates.	Oregon - UG 351, Order 18-398	No	No	3,281,476
186184	Environmental Cost Recovery Mechanism (ECRM) Costs Amortization - Washington	Represents costs currently being amortized through customer rates.	Washington - UG-181053, Order 06	No	No	181,238
186404	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 388, Order 20-364 Washington - UG-181053, Order 06	No	No	164,446,111
186406	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 388, Order 20-364 Washington - UG-181053, Order 06	No	No	6,366,015
191400	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 20-350)	No	No	4,122,669
191401	Commodity Cost Amortization - Oregon	Represents the prior PGA year's commodity deferrals currently being amortized in customer's rates.	Oregon - UG 410, Order 20-360	No	No	(476,528)
191410	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 20-350)	No	No	(283,194)
191411	Demand Cost Amortization - Oregon	Represents the prior PGA year's demand deferrals currently being amortized in customer's rates.	Oregon - UG 410, Order 20-360	No	No	(285,208)
191417	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	24,140
191420	Commodity Cost Deferral - Washington	Represents the difference between estimated commodity costs embedded in current Washington customer rates and actual commodity costs.	Washington - UG-200799	No	No	378,250
191421	Commodity Cost Amortization - Washington	Represents the prior PGA year's commodity deferrals currently being amortized in customer's rates.	Washington - UG-200799	No	No	387,357
191430	Demand Cost Deferral - Washington	Represents the difference between the pipeline capacity costs collected from Washington customers and actual pipeline capacity costs.	Washington - UG-200799	No	No	(140,878)
191431	Demand Cost Amortization - Washington	Represents the prior PGA year's demand deferrals currently being amortized in customer's rates.	Washington - UG-200799	No	No	(246,441)
191450	Seasonalized Demand Cost Deferral - Oregon	Represents the difference between the pipeline capacity costs collected from Oregon customers and estimated pipeline capacity costs on a seasonalized basis.	Oregon - UM 1496 (last Order was 20-350)	No	No	787,807
191451	WACOG Equalization - Oregon	Tracks the monthly difference between the annual PGA Rate in Oregon and the monthly estimated commodity costs used to develop that rate. For the PGA year, the activity nets to \$0.	Oregon - UM 1496 (last Order was 20-350)	No	No	217,670
186203	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	1,044,506
186225	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	4,247,325

Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance at 12/31/2020
186227	Oregon Corporate Activity Tax (CAT) Deferral	Deferral of the Corporate Activity Tax incurred between the 1/1/20 effective date and the 11/1/20 date in which the CAT was embedded in customer rates.	Oregon - UM 2044, Order 20-373	No	No	472,358
186228	Oregon CAT Amortization	Represents the CAT deferral currently being amortized through customer rates.	Oregon - UM 2044, Order 20-373	No	No	1,275,989
186232	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 20-103)	No	No	2,854,808
186233	Oregon Industrial DSM Amortization	Represents the prior Program Year's Industrial DSM deferrals currently being amortized in customer's rates.	Oregon - UG 405, Order 20-345	No	No	2,851,486
186234	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	101,401
186235	Washington GREAT Program Amortization	Represents the prior year's deferrals currently being amortized in customer's rates.	Washington - UG-180784	No	No	295,745
186236	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 20-332)	No	No	-
186237	Oregon Regulatory Fee Amortization	Represents the prior PGA year's PUC deferral currently being amortized in customer's rates.	Oregon - UG 403, Order 20-343	No	No	267,385
186238	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 20-383)	No	No	23,435
186239	Oregon Residential WARM Amortization	Represents the prior PGA year's Residential WARM deferral currently being amortized in customer's rates.	Oregon - UG 407, Order 20-347	No	No	543,015
186310	Washington Res and Comm EE Deferral - ETO	Represents the payments made to Energy Trust of Oregon to deliver and administer the Washington Residential and Commercial DSM program. The cost is then passed on to Washington Residential and Commercial customers via rates each PGA year.	Washington - UG-011230 and UG-011231	No	No	605
186312	Washington Res and Comm EE Deferral - NWN costs	Represents NWN's incremental costs to administer the Washington Residential and Commercial DSM program. The cost is then passed on to Washington Residential and Commercial customers via rates each PGA year.	Washington - UG-011230 and UG-011231	No	No	-
186244	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 20-383)	No	No	32,642
186245	Oregon Commercial WARM Amortization	Represents the prior PGA year's Commercial WARM deferral currently being amortized in customer's rates.	Oregon - UG 407, Order 20-347	No	No	613,249
186250	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 186251 represents the payments to be made within 12 months.	Oregon - UM 1680, Order 14-041	No	No	5,154,614
186251	Curr. Portion of West States Pension Asset - Oregon	See explanation in account 186250. This account represents the payments to be made in the next 12 months.	Oregon - UM 1680, Order 14-041	No	No	329,218
186254	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 186251 represents the payments to be made within 12 months.	Most recent docket approving the retirement plan expense in rates Washington Docket UG-181053, Order 06	No	No	595,095

Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance at 12/31/2020
186257	Curr. Portion of West States Pension Asset - Washington	See explanation in account 186254. 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-181053, Order 06	No	No	38,007
186265	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 20-442)	No	No	138,045
186266	Oregon Commercial 31 Decoupling Amortization	Represents the prior PGA year's Commercial 31 decoupling deferral currently being amortized in customer's rates.	Oregon - UG 406, Order 20-346	No	No	(29,688)
186269	Oregon Commercial 3 Decoupling Amortization	Represents the prior PGA year's Commercial 3 decoupling deferral currently being amortized in customer's rates.	Oregon - UG 406, Order 20-346	No	No	(2,762,801)
186270	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 20-442)	No	No	1,258,207
186271	Oregon Commercial 3 Decoupling Amortization	Represents the prior PGA year's Commercial 3 decoupling deferral currently being amortized in customer's rates.	Oregon - UG 406, Order 20-346	No	No	(394,441)
186275	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 20-442)	No	No	(2,326,291)
186276	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 20-258)	No	No	-
186277	Oregon Residential Decoupling Amortization	Represents the prior PGA year's Residential decoupling deferral currently being amortized in customer's rates.	Oregon - UG 406, Order 20-346	No	No	(8,002,817)
186278	Oregon NWIGU/AWEC Intervenor Funding Deferral	Represents the payments made to the industrial user intervenor group as ordered by the OPUC. The cost is then passed on to Oregon industrial customers via rates each PGA year.	Oregon - UM 1101 (last Order was 20-258)	No	No	-
186284	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 20-258)	No	No	136,124
186285	Oregon SB 844 Deferral	Balance captures the deferral of costs incurred related to projects submitted (or to be submitted) under Oregon Senate Bill 844.	Oregon - UM 1714 (last Order was 19-065)	No	No	-
186286	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 402, Order 20-342	No	No	79,483
186288	Oregon NWIGU/AWEC Intervenor Funding Amortization	Represents the prior PGA year's deferral of payments to industrial intervenors being amortized in customer's rates.	Oregon - UG 402, Order 20-342	No	No	25,597
186314	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	61,110
186315	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-200796	No	No	254,929
186316	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-200796	No	No	1,336,196
186317	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	2,701,825
186318	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	(788,639)
186370	Oregon Pension Balancing Account	Represents the recovery balance of the PBA balance minus the amounts included in account 182300. 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	43,383,122
186380	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	72,533

Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance at 12/31/2020
186381	Oregon Multi-family Tariffs Amortization	Represents the portion of account 186380 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	(4,422)
186421	Oregon ISS/Optimization Study Amortization	Represents the amortization of the approved deferral of the third-party study of NWN's interstate/intrastate storage and optimization activities as ordered by the OPUC.	Oregon - UM 1807, Order 19-360	No	No	-
186311	Oregon Residual Amortization	Represents residual amortization balances of various one-time deferrals. For the 2020-21 PGA year, this was not included in customer rates as the balance was too small (would not create a rate increment within 5 decimal places).	Oregon - Last amortization authorization given in Docket UG 328, Order 17-404	No	No	4,899
186430	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, Order 20-380	No	No	2,093,761
186431	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, Order 20-380	No	No	1,254,487
186432	Oregon COVID Other Expenses Deferral	Represents Oregon's allocation of direct expenses incurred as a result of the COVID19 pandemic.	Oregon - UM 2068, Order 20-380	No	No	2,517,469
186434	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	261,934
186435	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	57,728
186436	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	318,238
186442	Oregon COVID Cost Savings Deferral	Represents Oregon's allocation of cost savings as as result of the COVID19 pandemic.	Oregon - UM 2068, Order 20-380	No	No	(237,839)
186443	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	(132,771)
186444	Oregon COVID Late Fees Deferral Reserve	This is a contra asset account to account 186431 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, Order 20-380	No	No	(1,254,487)
186445	Washington COVID Late Fees Deferral Reserve	This is a contra asset account to account 186435 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	(57,728)
186446	Oregon Hood River Outage Deferral	Represents the costs incurred to restore service to customers in the Hood River area after damage occurred at NWPL's district regulator station.	UM 2139, Order pending	No	No	552,403
186447	Washington White Salmon Outage Deferral	Represents the costs incurred to restore service to customers in the White Salmon area after damage occurred at NWPL's district regulator station.	UG-200999, Order pending	No	No	188,625

REGULATORY LIABILITIES

254630	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 20-350) Washington - UG-200799	No	No	(6,126,534)
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Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance at 12/31/2020
254635	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 20-350) Washington - UG-200799	No	No	-
254637	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 20-350) Washington - UG-200799	No	No	(8,190)
254640	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 20-350) Washington - UG-200799	No	No	(12,635,448)
254645	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 20-350) Washington - UG-200799	No	No	(919,244)
254647	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 20-350) Washington - UG-200799	No	No	(97,160)
254100	Tax Reform Regulatory Liability - EDIT - Plant	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.	Oregon - UG 388, Order 20-364 Washington - UG -181053	Yes	No	(121,280,365)
254101	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 254200.	Washington - UG-181053, Order 06	Yes	No	(13,680,172)
254102	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 254202.	Oregon - UG 388, Order 20-364 Washington - UG -181053, Order 06	No	No	(50,190,803)
254110	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 254210.	Oregon - UG 388, Order 20-364	No	No	(4,435,742)
254121	Washington - Interim Period Tax Amortization	Represents the amortization of the one-time interim period tax deferral that was a result of lower income tax rates as a result of tax reform and the amount embedded in rates for Jan. 2018 through Oct. 2018.	Washington - UG-200795	No	No	33,960
254200	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 388, Order 20-364	Yes	No	(3,000,000)
254201	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.	Washington - UG-181053, Order 06	Yes	No	(400,000)

Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance at 12/31/2020
254202	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 388, Order 20-364 Washington - UG -181053, Order 06	No	No	(2,175,298)
254210	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 388, Order 20-364	No	No	(2,641,514)
108102	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 388, Order 20-364	Yes	No	(425,266,253)
108103	Asset Retirement Obligation - North Mist	Includes the estimated future cost to remove utility plant when it is retired, offset by the estimated salvage value of those assets.	Oregon - UG 388, Order 20-364	Yes	No	(1,159,655)
122102	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	(1,534,572)
252011	CIAC - Residential New Construction - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Oregon - UG 388, Order 20-364	Yes	No	(1,240,534)
252012	CIAC - Residential New Construction - Washington	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Washingtn - UG-181053, Order 06	Yes	No	(279,987)
252013	CIAC - Residential Conversion - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Oregon - UG 388, Order 20-364	Yes	No	(2,194,298)
252014	CIAC - Residential Conversion - Washington	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Washingtn - UG-181053, Order 06	Yes	No	(683,192)
252021	CIAC - Multi-Family New Construction - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Oregon - UG 388, Order 20-364	Yes	No	(77,439)
252022	CIAC - Multi-Family New Construction - Washington	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Washingtn - UG-181053, Order 06	Yes	No	(19,403)
252023	CIAC - Multi-Family Conversion - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Oregon - UG 388, Order 20-364	Yes	No	(28,161)
252024	CIAC - Multi-Family Conversion - Washington	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Washingtn - UG-181053, Order 06	Yes	No	(7,111)
252031	CIAC - Commercial New Construction - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Oregon - UG 388, Order 20-364	Yes	No	(1,168,195)
252032	CIAC - Commercial New Construction - Washington	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Washingtn - UG-181053, Order 06	Yes	No	(105,832)
252033	CIAC - Commercial Conversion - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Oregon - UG 388, Order 20-364	Yes	No	(375,516)
252034	CIAC - Commercial Conversion - Washington	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Washingtn - UG-181053, Order 06	Yes	No	(12,654)
252041	CIAC - Industrial New Construction - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Oregon - UG 388, Order 20-364	Yes	No	(4,353)
252043	CIAC - Industrial Conversion - Oregon	Includes customer advances received in aid of construction.	Accounts included in rate base of most recent rate case: Oregon - UG 388, Order 20-364	Yes	No	(56,761)
254301	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 254311.	Oregon - UG 344, Order 18-419	No	No	(9,116,493)
254302	Washington - ISS/Optimization Revenue Sharing	Includes interstate storage and optimization revenues shared with Washington utility customers.	Washington - UG-011090	No	No	(1,181,567)
254304	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	(22,563)
254310	Oregon - Revenue Requirement True-up	Deferral of revenue requirement true-up for change in customer rate amortization period of EDIT and will be refunded back to customers.	Oregon - UG 344, Order 19-105	No	No	-
254311	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	(1,230,840)

Account	Account Name	Description	Docket	Included in OR Rate Base?	Balancing Account?	Balance at 12/31/2020
254003	1% North Mist Construction Overhead Amortization	Represents 1% of the construction overhead incurred for the North Mist service to PGE currently being credited to customers through rates.	Oregon - UG 387, Order 19-375	No	No	-
254400	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	(805,593)
254401	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	(4,729,434)
254305	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.	Current balance represents legal fees incurred for the sale of the Astoria property (UP 410, Order 20-495). Once the transaction closes, the gain will offset these costs.	No	No	12,880
254315	Oregon Amortization of Gain on Sale of Property	Amortization of the net gain on sale of utility property to be credited to customers.	Oregon - UG 408, Order 20-348	No	No	(2,815,548)
254317	Washington Deferral of Gain on Sale of Property	Includes Washington's portion of the net gain on sale of utility property that is to be credited to customers.	Washington - UG-190457, Order 01	No	No	(837,953)
254318	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 2021-22 PGA.	No	No	(22,269)
254320	Oregon - Amortize Gas Reserves EDIT true-up	Amortization of the Gas Reserves portion of the EDIT true-up amount that was included in the 254310 deferral account.	Oregon - UG 388, Order 20-364	No	No	(298,901)
254321	Oregon - Amortize Plant EDIT true-up	Amortization of the Plant related portion of the EDIT true-up amount that was included in the 254310 deferral account.	Oregon - UG 388, Order 20-364	No	No	(552,637)