

October 11, 2023

NWN OPUC Advice No. 23-11B / UG 478

VIA ELECTRONIC FILING

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

**Re: REPLACEMENT FILING
REQUEST FOR INCLUSION IN RATES OF CERTAIN NON-GAS COST ACCOUNTS
RELATING TO: Commission Order No. 20-364 Corporate Activity Tax (CAT)**

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), files herewith revisions and additions to its Tariff, P.U.C. Or. 25,¹ stated to become effective with service on and after November 1, 2023, as follows:

Sixth Revision of Sheet 177-2	Schedule 177	Adjustment for Oregon Corporate Activity Tax (continued)
-------------------------------	--------------	----------------------------------------------------------

This filing replaces, in the entirety, the tariff sheet and Exhibit A originally filed under NWN OPUC Advice No. 23-11A (UG 478), dated September 14, 2023. The purpose of this replacement filing is to revise the incremental Corporate Activity Tax (CAT), which has changed due to a change in revenues from the 23-11A filing. A Less than Statutory Notice is included with this filing.

Purpose

The purpose of this filing is to request an inclusion of costs related to the CAT based on changes in pass-through gross revenues for items effective November 1, 2023.

Background

As part of the Comprehensive Stipulation adopted by the Commission in Order No. 20-364 in docket UG 388, NW Natural's annual PGA filings will include a component to recover the CAT to reflect changes in gross revenue and cost of goods sold that occur as a result of the PGA.

Proposed Changes

The net effect of the removal of the current temporary adjustments applied to rates effective November 1, 2022, and the application of the new temporary adjustments is to decrease the Company's annual revenues by \$15,675.

¹ Tariff P.U.C. Or. 25 originated November 1, 2012 with docket UG 221; Order No. 12-408 as supplemented by Order No. 12-437 and was filed in accordance with ORS 767.205 and OAR 860-022-0005.

The monthly bill of the average residential customer served under Rate Schedule 2 using 56 therms will see no change. The monthly decrease for the average industrial Rate Schedule 3 customer using about 255 therms is \$0.03, the average industrial Rate Schedule 31 firm sales customer using 5,776 therms will see a monthly decrease of about \$0.12, and the average industrial Rate Schedule 32 firm sales customer using about 18,823 therms will see a monthly decrease of about \$0.10.

In compliance with OAR 860-022-0025 the Company states that the number of customers affected by the proposed change in this filing is 636,785 residential customers, 61,984 commercial customers, and 845 industrial customers.

Conclusion

In support of this filing, the Company includes supporting materials as part of this filing and will separately submit work papers in electronic format, all of which are incorporated herein by reference.

In accordance with ORS 757.205, copies of this letter and the filing made herewith are available in the Company's main office in Oregon and on its website at www.nwnatural.com.

Please address correspondence on this matter to Lora Bourdo at lora.bourdo@nwnatural.com with copies to the following:

eFiling
Rates & Regulatory Affairs
NW Natural
250 SW Taylor Street
Portland, Oregon 97204
Fax: (503) 220-2579
Telephone: (503) 610-7330
eFiling@nwnatural.com

Sincerely,

NW NATURAL

/s/ Kyle Walker, CPA

Kyle Walker, CPA
Rates/Regulatory Senior Manager

Attachment: Exhibit A – Supporting Materials

LESS THAN STATUTORY NOTICE APPLICATION

This document may be electronically filed by sending it as an attachment to an electronic mail message addressed to the Commission's Filing Center at puc.filingcenter@puc.oregon.gov.

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

IN THE MATTER OF THE APPLICATION OF <u>Northwest Natural Gas Company dba NW Natural</u> (UTILITY COMPANY) TO WAIVE STATUTORY NOTICE.))))	UTILITY L.S.N. APPLICATION NO. _____ (LEAVE BLANK)
-------------------------------------------------------------------------------------------------------------------------------------------------------	------------------	--------------------------------------------------------------

NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.

1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE(S) ADDITION, DELETION, OR CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)

Schedule 177 Adjustment for Oregon Corporate Activity Tax

2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

Fifth Revision of Sheet 177-1 Adjustment for Oregon Corporate Activity Tax

3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE AND ITEM)

Sixth Revision of Sheet 177-1 Adjustment for Oregon Corporate Activity Tax

4. REASONS FOR REQUESTING A WAIVER OF STATUTORY NOTICE:

On September 14, 2023, the Company provided a replacement filing in NWN OPUC Advice No. 23-11A, docketed as UG 478 to include costs related to the CAT based on changes in pass-through gross revenues for items effective November 1, 2023. Due to a change in revenues estimated for November 1, 2023, the Company is filing Advice 23-11B in this docket to provide the corrected tariff sheets and related workpapers and support.

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGE(S): November 1, 2023

AUTHORIZED SIGNATURE 	TITLE Senior Manager, Regulatory Affairs	DATE October 11, 2023
PUC USE ONLY		
<input type="checkbox"/> APPROVED <input type="checkbox"/> DENIED	EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE	
AUTHORIZED SIGNATURE	DATE	

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Sixth Revision of Sheet 177-2
 Cancels Fifth Revision of Sheet 177-2

**SCHEDULE 177
 ADJUSTMENT FOR OREGON CORPORATE ACTIVITY TAX
 (continued)**

APPLICATION TO RATE SCHEDULES (continued):

Effective: November 1, 2023

The adjustments applicable to each Rate Schedule is shown in the table below:

Schedule	Block	CAT	Schedule	Block	CAT
2		\$0.00078	32 ITF	Block 1	\$0.00008
3 CSF		\$0.00062		Block 2	\$0.00007
3 ISF		\$0.00057		Block 3	\$0.00005
27		\$0.00067		Block 4	\$0.00003
31 CSF	Block 1	\$0.00048		Block 5	\$0.00002
	Block 2	\$0.00046		Block 6	\$0.00001
31 CTF	Block 1	\$0.00022	32 CSI	Block 1	\$0.00037
	Block 2	\$0.00020		Block 2	\$0.00036
31 ISF	Block 1	\$0.00044		Block 3	\$0.00034
	Block 2	\$0.00043		Block 4	\$0.00033
31 ITF	Block 1	\$0.00017		Block 5	\$0.00032
	Block 2	\$0.00016		Block 6	\$0.00031
32 CSF	Block 1	\$0.00043	32 ISI	Block 1	\$0.00037
	Block 2	\$0.00041		Block 2	\$0.00036
	Block 3	\$0.00039		Block 3	\$0.00034
	Block 4	\$0.00037		Block 4	\$0.00033
	Block 5	\$0.00035		Block 5	\$0.00032
	Block 6	\$0.00034		Block 6	\$0.00031
32 ISF	Block 1	\$0.00038	32 CTI	Block 1	\$0.00007
	Block 2	\$0.00037		Block 2	\$0.00006
	Block 3	\$0.00035		Block 3	\$0.00004
	Block 4	\$0.00034		Block 4	\$0.00003
	Block 5	\$0.00032		Block 5	\$0.00002
	Block 6	\$0.00032		Block 6	\$0.00001
32 CTF	Block 1	\$0.00010	32 ITI	Block 1	\$0.00007
	Block 2	\$0.00008		Block 2	\$0.00006
	Block 3	\$0.00006		Block 3	\$0.00004
	Block 4	\$0.00004		Block 4	\$0.00003
	Block 5	\$0.00002		Block 5	\$0.00002
	Block 6	\$0.00001		Block 6	\$0.00001
			33 (all)		\$0.00000

(R)(R)
 (R)
 (I)
 (I)
 (R)
 (R)(I)
 (I)
 (I)
 (R)(R)
 (R)
 (I)
 (I)
 (R)(R)
 (R)
 (R)

Issued October 11, 2023
 NWN OPUC Advice No. 23-11B

Effective with service on
 and after November 1, 2023

EXHIBIT A

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

NW NATURAL SUPPORTING MATERIALS

Non-Gas Cost Inclusion of
Corporate Activity Tax (CAT)

NWN OPUC Advice No. 23-11B / UG 478

October 11, 2023

NW NATURAL

EXHIBIT A

Supporting Materials

Non-Gas Cost Inclusion of Corporate Activity Tax (CAT)

NWN OPUC ADVICE NO. 23-11B / UG 478

Description	Page
Calculation of Increments Allocated on Equal Percentage of Revenue	1
Effects on Average Bill by Rate Schedule	2
Basis for Revenue Related Costs	3
PGA Effects on Revenue	4
Oregon Revenue Requirement – With and Without Oregon CAT	5
CAT Incremental Supporting Schedule	6

NW Natural
 Rates & Regulatory Affairs
 2023-24 PGA - Oregon: October Filing
 Calculation of Increments Allocated on the EQUAL PERCENTAGE OF REVENUE
 ALL VOLUMES IN THERMS

						Proposed Amount:	Corporate Activity Tax (CAT), Incremental				
						Revenue Sensitive Multiplier	517,813 Temporary Increment				
						Amount to Amortize:	n/a rev sensitive factor is built in				
							517,813 to all classes and schedules				
Schedule	Block	A	B	C	D	E	F	Multiplier	Allocation to RS	Increment	
2R		425,261,320	\$1,43686	\$611,040,981	\$8.00	636,785	\$672,172,341	1.0	\$331,967	\$0.00078	
7	3C Firm Sales	180,723,276	\$1,18666	\$214,457,082	\$15.00	59,172	\$225,108,042	1.0	\$111,175	\$0.00062	
9	3I Firm Sales	5,242,606	\$1,13570	\$5,954,026	\$15.00	335	\$6,014,326	1.0	\$2,970	\$0.00057	
10	27 Dry Out	790,225	\$1,16589	\$921,315	\$8.00	1,489	\$1,064,259	1.0	\$526	\$0.00067	
11	31C Firm Sales	10,541,198	\$0,85127	\$8,973,421	\$325.00	653	\$21,022,123	1.0	\$10,382	\$0.00048	
12	Block 2	11,528,162	\$0,82424	9,502,001				1.0		\$0.00046	
13	31C Firm Trans	1,150,855	\$0,28505	\$328,050	\$575.00	59	\$1,158,642	1.0	\$572	\$0.00022	
14	Block 2	1,621,395	\$0,26119	423,491				1.0		\$0.00020	
15	31I Firm Sales	3,851,855	\$0,84102	\$3,239,480	\$325.00	183	\$11,176,764	1.0	\$5,520	\$0.00044	
16	Block 2	8,832,261	\$0,81786	7,225,584				1.0		\$0.00043	
17	31I Firm Trans	153,988	\$0,24605	\$37,889	\$575.00	7	\$167,297	1.0	\$83	\$0.00017	
18	Block 2	363,573	\$0,22309	81,108				1.0		\$0.00016	
19	32C Firm Sales	31,802,850	\$0,76861	\$24,443,832	\$675.00	543	\$39,231,657	1.0	\$19,375	\$0.00043	
20	Block 2	10,782,597	\$0,74322	8,013,862				1.0		\$0.00041	
21	Block 3	2,237,041	\$0,70109	1,568,374				1.0		\$0.00039	
22	Block 4	1,038,828	\$0,65879	684,367				1.0		\$0.00037	
23	Block 5	30,626	\$0,62840	19,246				1.0		\$0.00035	
24	Block 6	-	\$0,61401	0				1.0		\$0.00034	
25	32I Firm Sales	7,308,477	\$0,73013	\$5,336,156	\$675.00	83	\$13,959,923	1.0	\$6,894	\$0.00038	
26	Block 2	7,116,901	\$0,71078	5,058,572				1.0		\$0.00037	
27	Block 3	2,428,784	\$0,67847	1,647,854				1.0		\$0.00035	
28	Block 4	1,682,852	\$0,64624	1,087,530				1.0		\$0.00034	
29	Block 5	210,463	\$0,62372	131,271				1.0		\$0.00032	
30	Block 6	-	\$0,61239	0				1.0		\$0.00032	
31	32C Firm Trans	2,586,658	\$0,13291	\$343,800	\$925.00	26	\$981,997	1.0	\$485	\$0.00010	
32	Block 2	2,000,143	\$0,11396	227,944				1.0		\$0.00008	
33	Block 3	713,689	\$0,08251	58,886				1.0		\$0.00006	
34	Block 4	908,192	\$0,05102	46,332				1.0		\$0.00004	
35	Block 5	22,758	\$0,03209	730				1.0		\$0.00002	
36	Block 6	-	\$0,01952	0				1.0		\$0.00001	
37	32I Firm Trans	11,491,095	\$0,13069	\$1,501,798	\$925.00	99	\$7,486,480	1.0	\$3,697	\$0.00008	
38	Block 2	16,722,073	\$0,11214	1,875,211				1.0		\$0.00007	
39	Block 3	10,683,887	\$0,08125	868,080				1.0		\$0.00005	
40	Block 4	22,101,234	\$0,05039	1,113,745				1.0		\$0.00003	
41	Block 5	23,116,595	\$0,03179	734,896				1.0		\$0.00002	
42	Block 6	7,997,925	\$0,01948	155,835				1.0		\$0.00001	
43	32C Interr Sales	4,812,286	\$0,74068	\$3,564,348	\$675.00	39	\$17,656,584	1.0	\$8,720	\$0.00037	
44	Block 2	6,912,175	\$0,71933	4,972,132				1.0		\$0.00036	
45	Block 3	3,915,818	\$0,68371	2,677,266				1.0		\$0.00034	
46	Block 4	6,195,667	\$0,64806	4,015,172				1.0		\$0.00033	
47	Block 5	3,369,903	\$0,62665	2,111,766				1.0		\$0.00032	
48	Block 6	-	\$0,61101	0				1.0		\$0.00031	
49	32I Interr Sales	4,976,544	\$0,72514	\$3,608,675	\$675.00	67	\$23,477,029	1.0	\$11,595	\$0.00037	
50	Block 2	6,358,575	\$0,70622	4,490,534				1.0		\$0.00036	
51	Block 3	3,824,879	\$0,67469	2,580,598				1.0		\$0.00034	
52	Block 4	11,455,866	\$0,64312	7,367,475				1.0		\$0.00033	
53	Block 5	6,274,793	\$0,62420	3,916,717				1.0		\$0.00032	
54	Block 6	1,589,833	\$0,61033	970,330				1.0		\$0.00031	
55	32C Interr Trans	787,487	\$0,12584	\$99,095	\$925.00	3	\$551,183	1.0	\$272	\$0.00007	
56	Block 2	1,577,765	\$0,10802	170,429				1.0		\$0.00006	
57	Block 3	946,128	\$0,07829	74,074				1.0		\$0.00004	
58	Block 4	3,171,260	\$0,04854	153,919				1.0		\$0.00003	
59	Block 5	663,407	\$0,03070	20,365				1.0		\$0.00002	
60	Block 6	-	\$0,01883	0				1.0		\$0.00001	
61	32I Interr Trans	6,332,023	\$0,12605	\$798,161	\$925.00	71	\$7,246,543	1.0	\$3,579	\$0.00007	
62	Block 2	10,799,708	\$0,10821	1,168,676				1.0		\$0.00006	
63	Block 3	7,423,918	\$0,07848	582,633				1.0		\$0.00004	
64	Block 4	17,235,563	\$0,04873	839,854				1.0		\$0.00003	
65	Block 5	38,975,154	\$0,03090	1,204,331				1.0		\$0.00002	
66	Block 6	98,124,177	\$0,01900	1,864,788				1.0		\$0.00001	
67	33		\$0,00000	0	\$38,000.00	0	\$0	1.0	\$0	\$0.00000	
68	Special Contracts	50,439,488	\$0,00000	\$0	\$0.00	7	\$0	1.0	\$0	\$0.00000	
70	TOTALS	1,109,206,797				\$	1,048,475,190	\$	1,048,475,190	\$	517,812
71	Sources for line 2 above:										
72	Inputs page							Line 69			
73	Tariff Schedules										
74	Rate Adjustment Schedule							Sched 177			

Note: Rate increment calculation is made by dividing the allocation to the rate schedule by the PGA volumes.

		Normalized	Therms in	Monthly	Monthly	Billing	Current	Proposed	Proposed	Proposed	
		Column D	Block	Average use	Charge	Rates	Average Bill	Rates	Average Bill	% Bill Change	
Schedule	Block	A	B	C	D	E	F=D*(C * E)	F	Y	Z = D*(C * Y)	AA = (Z - F)/F
2R		425,261,320	N/A	56	\$8.00	\$1.43686	\$88.46	\$1.43679	\$88.46	0.0%	
3C Firm Sales		180,723,276	N/A	255	\$15.00	\$1.18666	\$317.60	\$1.18656	\$317.57	0.0%	
3I Firm Sales		5,242,606	N/A	1,304	\$15.00	\$1.13570	\$1,495.95	\$1.13563	\$1,495.86	0.0%	
27 Dry Out		790,225	N/A	44	\$8.00	\$1.16589	\$59.30	\$1.16581	\$59.30	0.0%	
31C Firm Sales	Block 1	10,541,198	2,000	2,816	\$325.00	\$0.85127	\$2,700.12	\$0.85122	\$2,699.98	0.0%	
	Block 2	11,528,162	all additional			\$0.82424		\$0.82419			
31C Firm Trans	Block 1	1,150,855	2,000	3,916	\$575.00	\$0.28505	\$1,645.54	\$0.28499	\$1,645.30	0.0%	
	Block 2	1,621,395	all additional			\$0.26119		\$0.26113			
31I Firm Sales	Block 1	3,851,855	2,000	5,776	\$325.00	\$0.84102	\$5,095.29	\$0.84100	\$5,095.17	0.0%	
	Block 2	8,832,261	all additional			\$0.81786		\$0.81784			
31I Firm Trans	Block 1	153,988	2,000	6,161	\$575.00	\$0.24605	\$1,995.36	\$0.24600	\$1,995.09	0.0%	
	Block 2	363,573	all additional			\$0.22309		\$0.22305			
32C Firm Sales	Block 1	31,802,850	10,000	7,043	\$675.00	\$0.76861	\$6,088.29	\$0.76860	\$6,088.22	0.0%	
	Block 2	10,782,597	20,000			\$0.74322		\$0.74321			
	Block 3	2,237,041	20,000			\$0.70109		\$0.70109			
	Block 4	1,038,828	100,000			\$0.65879		\$0.65880			
	Block 5	30,626	600,000			\$0.62840		\$0.62841			
	Block 6	0	all additional			\$0.61401		\$0.61402			
32I Firm Sales	Block 1	7,308,477	10,000	18,823	\$675.00	\$0.73013	\$14,247.56	\$0.73012	\$14,247.46	0.0%	
	Block 2	7,116,901	20,000			\$0.71078		\$0.71078			
	Block 3	2,428,784	20,000			\$0.67847		\$0.67847			
	Block 4	1,682,852	100,000			\$0.64624		\$0.64625			
	Block 5	210,463	600,000			\$0.62372		\$0.62373			
	Block 6	0	all additional			\$0.61239		\$0.61241			
32C Firm Trans	Block 1	2,586,658	10,000	19,973	\$925.00	\$0.13291	\$3,390.69	\$0.13288	\$3,390.09	0.0%	
	Block 2	2,000,143	20,000			\$0.11396		\$0.11393			
	Block 3	713,689	20,000			\$0.08251		\$0.08249			
	Block 4	908,192	100,000			\$0.05102		\$0.05101			
	Block 5	22,758	600,000			\$0.03209		\$0.03208			
	Block 6	0	all additional			\$0.01952		\$0.01952			
32I Firm Trans	Block 1	11,491,095	10,000	77,536	\$925.00	\$0.13069	\$7,487.37	\$0.13066	\$7,486.19	0.0%	
	Block 2	16,722,073	20,000			\$0.11214		\$0.11212			
	Block 3	10,683,887	20,000			\$0.08125		\$0.08124			
	Block 4	22,101,234	100,000			\$0.05039		\$0.05038			
	Block 5	23,116,595	600,000			\$0.03179		\$0.03179			
	Block 6	7,997,925	all additional			\$0.01948		\$0.01948			
32C Interr Sales	Block 1	4,812,286	10,000	53,859	\$675.00	\$0.74068	\$38,643.34	\$0.74069	\$38,643.92	0.0%	
	Block 2	6,912,175	20,000			\$0.71933		\$0.71934			
	Block 3	3,915,818	20,000			\$0.68371		\$0.68372			
	Block 4	6,195,667	100,000			\$0.64806		\$0.64808			
	Block 5	3,369,903	600,000			\$0.62665		\$0.62668			
	Block 6	0	all additional			\$0.61101		\$0.61104			
32I Interr Sales	Block 1	4,976,544	10,000	42,886	\$675.00	\$0.72514	\$30,744.73	\$0.72514	\$30,745.06	0.0%	
	Block 2	6,358,575	20,000			\$0.70622		\$0.70623			
	Block 3	3,824,879	20,000			\$0.67469		\$0.67470			
	Block 4	11,455,866	100,000			\$0.64312		\$0.64314			
	Block 5	6,274,793	600,000			\$0.62420		\$0.62422			
	Block 6	1,589,833	all additional			\$0.61033		\$0.61035			
32C Interr Trans	Block 1	787,487	10,000	198,501	\$925.00	\$0.12584	\$12,252.01	\$0.12582	\$12,251.01	0.0%	
	Block 2	1,577,765	20,000			\$0.10802		\$0.10800			
	Block 3	946,128	20,000			\$0.07829		\$0.07827			
	Block 4	3,171,260	100,000			\$0.04854		\$0.04854			
	Block 5	663,407	600,000			\$0.03070		\$0.03070			
	Block 6	0	all additional			\$0.01883		\$0.01883			
32I Interr Trans	Block 1	6,332,023	10,000	209,965	\$925.00	\$0.12605	\$12,645.11	\$0.12602	\$12,644.01	0.0%	
	Block 2	10,799,708	20,000			\$0.10821		\$0.10819			
	Block 3	7,423,918	20,000			\$0.07848		\$0.07846			
	Block 4	17,235,563	100,000			\$0.04873		\$0.04873			
	Block 5	38,975,154	600,000			\$0.03090		\$0.03090			
	Block 6	98,124,177	all additional			\$0.01900		\$0.01900			
33		0	N/A	0.0	\$38,000.00	\$0.00629	\$38,000.00	\$0.00629	\$38,000.00		
Special Contracts		50,439,488	N/A	0	\$0	\$0.00000	\$0.00	\$0.00000	\$0.00		
Totals		1,109,206,797									

[1] For convenience of presentation, demand charges for Rate Schedules 31 and 32 have been removed.
 [2] Tariff Advice Notice 23-05: Non-Gas Cost Deferral Amortizations - Intervenor Funding
 [3] Tariff Advice Notice 23-06: Non-Gas Cost Deferral Amortizations - Oregon PUC Fee
 [4] Tariff Advice Notice 23-07A: Non-Gas Cost Deferral Amortizations - SRRM
 [5] Tariff Advice Notice 23-08: Non-Gas Cost Deferral Amortizations - Industrial DSM
 [6] Tariff Advice Notice 23-09: Non-Gas Cost Deferral Amortizations - Decoupling
 [7] Tariff Advice Notice 23-10: Non-Gas Cost Deferral Amortizations - WARM
 [8] Tariff Advice Notice 23-11B: Non-Gas Cost Deferral Amortization - Corporate Activity Tax (CAT) Amortization
 [9] Tariff Advice Notice 23-12: Non-Gas Cost Amortization - Net Curtailment and Entitlement Revenues
 [10] Tariff Advice Notice 23-13: Non-Gas Cost Amortization - Regulatory Rate Adjustment
 [11] Tariff Advice Notice 23-14: Non-Gas Cost Amortization - Residential Rate Mitigation
 [12] Tariff Advice Notice 23-15A: Non-Gas Cost Amortization - RNG Transport Allocation
 [13] Tariff Advice Notice 23-16A: COVID Years 2 & 3
 [14] Tariff Advice Notice 23-17B: Non-Gas Cost Amortization - TSA Security Directive
 [15] Tariff Advice Notice 23-18A: CCI's
 [16] Tariff Advice Notice 23-19A: PGA
 [17] Tariff Advice Notice 23-20A: RNG Adj Mechanism
 [18] Tariff Advice Notice 23-21: Gas Reserves EDIT

NW Natural
Rates and Regulatory Affairs
2023-2024 PGA Filing - OREGON
Basis for Revenue Related Costs

	Twelve Months <u>Ended 06/30/23</u>	
1		
2		
3	Total Billed Gas Sales Revenues	\$ 977,383,649
4	Total Oregon Revenues	\$ 981,971,599
5		
6	Regulatory Commission Fees [1]	n/a 0.430% Statutory rate
7	City License and Franchise Fees	\$ 22,573,887 2.299% Line 7 ÷ Line 4
8	Net Uncollectible Expense [2]	<u>\$ 881,388</u> <u>0.090%</u> Line 8 ÷ Line 4
9		
10	Total	<u><u>2.819%</u></u> Sum lines 8-9
11		
12		

13 **Note:**

- 14 [1] Dollar figure is set at statutory level of 0.275% times Total Oregon Revenues (line 4).
 15 Because the fee changed since our last general rate case, the difference between the previous fee of 0.375%
 16 and the new fee of 0.430%, as it affects our base rates, is being captured as a temporary deferral.
 17 [2] Represents the normalized net write-offs based on a three-year average.

NW Natural
Rates & Regulatory Affairs
2023-2024 PGA Filing - Oregon: October Filing
PGA Effects on Revenue
UG 478: Corporate Activity Tax (CAT)

	Including Revenue Sensitive Amount
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	

Temporary Increments

Current Temporary Increments

Corporate Activity Tax (CAT)

(533,488)

Addition of Proposed Incremental Temporary Increments

Corporate Activity Tax (CAT)

517,813

TOTAL OF ALL COMPONENTS OF RATE CHANGES

(\$15,675)

2022 Oregon Earnings Test Normalized Total Revenues

\$849,278,042

Effect of this filing, as a percentage change (line 12 ÷ line 16)

0.00%

NW Natural
Rates & Regulatory Affairs
2023-2024 PGA Filing - Oregon: October Filing
(\$000)

Oregon Revenue Requirement - With and Without Oregon CAT

Line No.	(1)			Total CAT Incremental	
	Without CAT	Change	With CAT		
1	Revenue Requirement/PGA A	155,082	518	155,600	\$ 517,813.00
2	Misc. Revenues/Amortization B	(19,021)		(19,021)	
3	Total Operating Revenues C	136,061		136,579	
4	Gas Purchased (PGA) D	121,942		121,942	
5	Other O&M and Bad Debt/SRRM E	9,699		9,699	
6	Total Operating Expenses	131,641		131,641	
7	Federal Income Tax F	-		-	
8	State Income/Excise Tax G	-		-	
9	Property Tax H	-		-	
10	Federal Payroll Tax I	-		-	
11	Other Payroll Tax J	-		-	
12	Franchise Tax K = 2.291% x C 2.819%	3,835	-	3,835	
13	OPUC Annual Fee L = 0.43% x C 0.430%	585	-	585	
14	DOE Fee M	-		-	
15	Oregon CAT N	-	518	518	
16	Other Tax O	-		-	
17	Depreciation and Amortization P	-		-	
18	Total Operating Deductions	4,420		4,938	
19	Net Revenue (before interest and other)	(0)	0	-	
	<i>Check Figure (Revenue solves for this)</i>	-		-	

Oregon Corporate Activity Tax - Regulatory Calculation:

20	Total Gross Revenue			136,579	
21	Less Excludable Revenue Collected For:				
22	Federal Income Taxes	1.24 x F	1.240	-	
23	Property Taxes	1.0 x H	1.000	-	
24	Federal Payroll Taxes	1.0 x I	1.000	-	
25	Local Franchise Tax	1.025 x K	1.025	3,929	(3)
26	OPUC Utility Fee	1.004 x L	1.004	587	
27	Total Excludable Revenue			4,516	(2)
					3.3%
28	Less 35% of Cost of Goods Sold	35% x D x Rev%	35.00%	41,268	
29	Taxable Commercial Activity for CAT			90,794	
30	Less \$1 million Exclusion			-	
31	Net Taxable Commercial Activity			90,794	
32	CAT Rate			0.57%	
33	CAT Tax Liability			518	

(1) From UG 388 - Revenue Requirement for Stipulated Settlement

(2) Excludable commercial activity of \$61.7 million per Section 50, subsection (KK) of Oregon 2019 House Bill 2164:

"Moneys collected or recovered, by entities listed in ORS 756.310, cable operators as defined in 47 U.S.C. 522(5), telecommunications carriers as defined in 47 U.S.C. 153(51) and providers of information services as defined in 47 U.S.C. 153(24), for fees payable under ORS 756.310, right-of-way fees, franchise fees, privilege taxes, federal taxes and local taxes"

(3) Only includes local franchise taxes in base rates (not supplemental itemized amounts not in base rates)
 Separate itemized local franchise taxes are expected to be included in 'Total Gross Revenue' and 'Excludable Revenue' resulting in no change to CAT Tax Liability

CAT Incremental Supporting Schedule

		Current	Proposed	Change	Category
UG 472: Intervenor Funding	Temps	\$ (174,988)	\$ 486,622	\$ 311,634	Rev
UG 473: Oregon Regulatory Fee	Temps	\$ (597,021)	\$ 386,351	\$ (210,670)	Rev
UG 474: SRRM	Temps	\$ (6,998,706)	\$ 9,699,112	\$ 2,700,406	O&M
UG 475: Industrial DSM	Temps	\$ (5,617,497)	\$ 6,621,209	\$ 1,003,712	Rev
UG 476: Decoupling	Temps	\$ 16,718,687	\$ (6,152,660)	\$ 10,566,027	Rev
UG 477: WARM	Temps	\$ (801,403)	\$ (2,796,963)	\$ (3,598,366)	Rev
UG 478: Corporate Activity Tax (CAT)	Temps		\$ 517,813	\$ 517,813	Rev
UG 479: Curtailment & Entitlement Revenues	Temps	\$ 146,654	\$ (853,066)	\$ (706,412)	Rev
UG 480: Residual Balances	Temps	\$ 73,168	\$ 27,325	\$ 100,493	Rev
UG 481: Residential Rate Mitigation	Temps	\$ (14,496,664)	\$ 6,069,525	\$ (8,427,139)	Rev
UG 482: RNG Transport Allocation	Temps	\$ (1,803,459)	\$ (326,916)	\$ (2,130,375)	Rev
UG 483: COVID	Temps	\$ (5,700,113)	\$ 14,503,684	\$ 8,803,571	Rev
UG 484: TSA Security Directive 2	Temps	\$ (2,817,521)	\$ 2,593,524	\$ (223,997)	Rev
UG 485: Rate Adjustment for Community Climate Investment Recovery	Temps	\$ -	\$ -	\$ -	Rev
UG 487: Renewable Natural Gas Adjustment Mechanism	Temps	\$ (1,719,294)	\$ 2,773,939	\$ 1,054,645	Rev
UG 488: EDIT	Temps	\$ 3,724,500	\$ -	\$ 3,724,500	Rev
		\$ (20,063,657)	\$ 33,549,499	\$ 13,485,842	
Gas Costs:					
UG 486: PGA Gas Costs and Gas Cost Deferrals	Temps	N/A	\$ 409,308	\$ 409,308	Gas Costs
UG 435	Gas Costs	\$ 225,788,012	\$ 344,926,957	\$ 119,138,945	Gas Cost
UG 435	Demand Costs	\$ 69,987,323	\$ 71,971,516	\$ 1,984,193	Gas Cost
		\$ 295,775,335	\$ 417,307,781	\$ 121,532,446	
TOTAL Revenue Proposed for 2023-24 PGA		\$ 155,081,945	\$ -	\$ 155,081,945	
TOTAL Misc Rev/Amort & Franchise Tax & Reg Fees Proposed for 2023-24 PGA		\$ 23,441,079	\$ (4,420,287)	\$ 19,020,792	
TOTAL O&M Proposed for 2023-24 PGA		\$ 9,699,112	\$ -	\$ 9,699,112	
TOTAL Gas Costs Change from UG 435		\$ 121,941,754	\$ -	\$ 121,941,754	