

September 14, 2023

NWN OPUC Advice No. 23-18A / UG 485

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
P.O. Box 1088
Salem, OR 97308-1088

**Re: REPLACEMENT FILING
NEW Schedule – Community Climate Investments**

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or “Company”), files herewith the following revisions to its Tariff P.U.C. Or. 25, stated to become effective on November 1, 2023.

Original Sheet 151-1	Schedule 151	Oregon Climate Protection Program Costs – Community Climate Investments
Twelfth Revision of Sheet v	Index	Tariff Index – Adjustment Schedules

This filing replaces, in the entirety, the tariff sheets and Exhibit A originally filed under NWN OPUC Advice No. 23-18 (UG 485) dated July 31, 2023. The purpose of this replacement filing is to revise the temporary Community Climate Investments (“CCIs”) amount used to calculate the temporary rate increments. The updated amounts reflect an adjustment to the cost recovery of 2023 CCIs and to include revenue sensitivity. As such, this change reflects a decrease in CCIs of \$2,623,950 from the original Advice filing. The Company is also including a non-combustion-related rate in the Schedule 151 tariff for customers whose usage is not subject to Climate Protection Program (“CPP”) compliance.

Purpose

The purpose of this tariff filing is to request Public Utility Commission of Oregon (“Commission”) approval for recovery of the purchase of CCIs to comply with Oregon’s CPP.

As discussed more fully below, NW Natural requests to recover the cost of 308,396 CCIs, which, in conjunction with Renewable Natural Gas (“RNG”) acquisitions that the Company has already made, is targeted to meet the Company’s CPP compliance obligations through calendar year 2023 based on weather-normalized usage.¹ The Company anticipates taking additional actions to meet the remainder of its compliance obligations in the first compliance period (2022-2024). These actions

¹ NW Natural is not required to demonstrate CPP compliance on a year-by-year basis. Rather it must ensure that it has acquired either no-cost allowances or CCIs for all of its 2022-2024 covered emissions prior to November 2025. OAR 340-271-0450. Nonetheless, NW Natural is providing year-by-year numbers in this filing for illustrative purposes.

may include acquiring additional CCIs, which the Company may purchase in 2024 and 2025, to satisfy its first compliance period obligations.

NW Natural requests approval of this tariff for a rate effective date simultaneous with the Company's Purchased Gas Adjustment ("PGA") rate change on November 1, 2023. To the extent that the Company can comprehensively evaluate bill impacts at the time of the PGA filing, which is often driven by natural gas market dynamics outside of the Company's control, the Company endeavors to do so to mitigate volatile bill impacts. In the upcoming PGA year (November 1, 2023 through October 31, 2024), the rate reduction primarily driven by lower commodity costs provides an opportunity to incorporate CPP compliance costs into rates without our sales customers experiencing significant impacts from the CPP. Specifically, the requested increase to rates for the Company's planned acquisition of CCIs results in an approximate 2.3% rate increase for residential customers. As such, a residential customer will still receive an overall rate reduction in the upcoming PGA year. While we expect a degree of volatility in the amount of CCI purchases from year-to-year driven by weather, we expect that CCIs will be an ongoing procurement process and starting the recovery process for CCI purchases in this upcoming PGA year will help smooth rate impacts to customers for the CPP program into the future.

Background

On December 16, 2021, the Oregon Department of Environmental Quality ("ODEQ") adopted the CPP, which are administrative rules that set greenhouse gas ("GHG") reduction limits. The declining limit, or cap, on GHG emissions is for fossil fuels used throughout the state of Oregon, including diesel, gasoline, natural gas and propane used in transportation, residential, commercial and industrial settings (the program is not inclusive of fossil fuel used in electric generation). The CPP also regulates site-specific greenhouse gas emissions at large stationary sources, such as emissions from industrial processes. The program baseline is set at average GHG emissions from covered entities from years 2017-2019. Reductions from this baseline are set at 50 percent by 2035 and 90 percent by 2050. As a natural gas local distribution company, NW Natural is a "covered fuel supplier" under the CPP and is the point of regulation for the emissions associated with gas used by its sales and transport customers ("covered emissions"). Transport schedule customers purchase the natural gas they use directly from marketers and suppliers and have historically only paid NW Natural for delivery via the distribution system.

Covered entities' emissions are reported annually through the existing DEQ greenhouse gas reporting program and compliance will be demonstrated by each covered entity at the end of each three-year compliance period. The first three-year compliance period are calendar years 2022 through 2024. To comply, covered entities like NW Natural can work to reduce usage through efficiency measures, introduce renewable and low carbon alternative fuels, or purchase CCIs.

CCIs are an offset-like compliance instrument unique to the CPP. CCIs are defined as: "money paid by a covered fuel supplier (e.g., NW Natural) to a community climate investment entity to support implementation of community climate investment projects and any interest that accrues on the money while it is held by a CCI entity or subcontractor."² A CCI entity is "a nonprofit organization that has been approved by DEQ as a CCI entity and that has entered into a written agreement with DEQ consistent with OAR 340-271-0920 to implement projects supported by

² OAR 340-271-0020(8).

community climate investment funds.”³ While CCIs are not currently available to purchase, ODEQ expects CCIs to be made available in late 2023 or early 2024.⁴

Acquisition of CCIs

NW Natural proposes to recover the purchase of CCIs to satisfy its forecasted CPP compliance obligations for a portion of its first compliance period (calendar years 2022-2024). To calculate its CPP compliance obligation, NW Natural first determined if its covered emissions would exceed the number of free compliance instruments issued by ODEQ. For calendar year 2022, NW Natural’s preliminary estimate for its covered emissions (5.74 million) is less than the number of free compliance instruments (5.76 million) it received from ODEQ, resulting in no CCIs needing to be purchased. For calendar year 2023, the Company used six months of actuals and six months of forecasted covered emissions based on normalized weather to determine that it will exceed the number of compliance instruments issued by ODEQ for that year by 308,396. NW Natural intends to comply with the CPP, in part, by purchasing the sum of its compliance needs forecasted for 2023, or 308,396 CCIs. NW Natural seeks to recover the cost of these CCIs, totaling \$40.62 million, through this tariff filing.⁵ The Company will take incremental action to satisfy any remaining CPP compliance obligations resulting from 2023 covered emissions exceeding the forecast and 2024 operations. As stated above, these actions may include additional purchases of CCIs.⁶

The CCIs that NW Natural intends to purchase is an important step towards CPP compliance. It places the Company in a strong position to be able to demonstrate compliance in the first three-year compliance period (2022-2024). It also enables the Company to make incremental adjustments to its CPP compliance strategy in the next several years to ensure compliance. For example, if NW Natural has over-forecasted its compliance obligation for 2023, it could reduce any CCI purchases for next year. Conversely, if NW Natural has under-forecasted its compliance obligation, it could acquire more CCIs next year or take other incremental actions to reduce its covered emissions. As noted by Commission Staff in its final comments on NW Natural’s Integrated Resource Plan, “CCIs are the least cost option through at least 2026,” and Staff recommended that NW Natural purchase CCIs in lieu of acquiring RNG.⁷ While the Company maintains its view that RNG and other renewable fuels will be a significant compliance instrument in its CPP compliance pathway and remains committed to acquiring RNG in the future, it nonetheless recognizes the need to comply with the CPP in the short-term and it is attempting to do so in a manner that will receive broad-based stakeholder support.

Cost Recovery

NW Natural proposes to recover the forecasted cost of its CCI purchases (\$40.62 million) through Schedule 151. Costs will be allocated to all non-storage customers on an equal cents per-therm basis. Allocating CPP compliance costs to all non-storage customers is appropriate because NW Natural is the point of regulation for these customers’ natural gas emissions. Spreading the costs

³ OAR 340-271-0020(9).

⁴ See the timeline provided by ODEQ at <https://www.oregon.gov/deq/ghgp/Documents/cciEACtimelineD.pdf>. NW Natural understands that CCIs will be made available after ODEQ has entered into an agreement with at least one CCI entity.

⁵ The price of CCIs is fixed by regulation. See OAR 340-271-9000, Table 7.

⁶ The Company also notes that this filing also does not preclude additional RNG acquisitions to satisfy the targets set in ORS 757.396.

⁷ In the Matter of NW Natural, 2022 Integrated Resource Plan, Commission Staff’s Final Comments, Docket LC 79 (March 30, 2023) at 10 (available at: <https://edocs.puc.state.or.us/efdocs/HAC/lc79hac142022.pdf>).

on an equal cents-per therm basis ensures that each therm of conventional natural gas consumed bears the same CPP compliance costs, which is a reasonable approach because each therm of conventional natural gas generates the same emissions as any other. The Commission has also adopted this same treatment for RNG projects where transport customers benefit because such projects reduce the Company's CPP compliance obligations.⁸

NW Natural also notes that CCIs are not currently available for purchase, but ODEQ expects CCIs to become available in late 2023 or early 2024. In the event CCIs are not available to purchase in early 2024, then NW Natural intends to return the funds that it has collected from its customers as soon as practicable. Assuming CCIs are available, however, any over- or under- collection associated with CCI purchases will be deferred per Order 22-377 and trued-up in the following year's update to this tariff schedule.

In compliance with OAR 860-022-0025 and OAR 860-022-0030, NW Natural states that the effect of the proposed Schedule 151 will increase the Company's annual Oregon revenues by \$40,619,659, or about 4.78%.

The monthly bill of the average residential customer served under Rate Schedule 2 using 56 therms per month will increase by \$2.05, or 2.3%. However, low-income customers enrolled in NW Natural's bill discount program will receive a discount of 15% to 40% off their total bill, including the rate impacts of this tariff. To participate in the program, customers self-certify their household income and may apply online, by email, traditional mail, or phone. NW Natural continues to believe that its bill discount program and other forms of ratepayer assistance can help mitigate the cost of the CPP for its low-income customers.

The monthly increase for the average Rate Schedule 3 commercial customer using 255 therms is \$9.34, or 2.9%, the monthly increase for the average Rate Schedule 27 customer using 44 therms is \$1.61, or 2.7% and the monthly increase for the average commercial Rate Schedule 31 firm sales customer using 2,816 therms is about \$103.13, or 3.8%. The average industrial Rate Schedule 32 firm sales customer using 18,823 therms will see a monthly increase of about \$689.30, or 4.8%. Work papers supporting the rate and bill impact calculations will be separately submitted in electronic format.

The number of customers affected by the proposed change is 636,785 residential customers, and 62,829 commercial and industrial customers.

Conclusion

NW Natural respectfully request the Commission approve this tariff change to become effective November 1, 2023.

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

Please address correspondence on this matter to me with copies to the following:

⁸ In the Matter of NW Natural Gas Co., dba NW Natural, Request for a General Rate Revision, and Advice 20-19, Schedule 198 Renewable Natural Gas Recovery Mechanism, Docket UG 435, Order No. 23-046 (Feb. 21, 2023).

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Respectfully submitted,

/s/ Kyle Walker, CPA

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**SCHEDULE 151
OREGON CLIMATE PROTECTION PROGRAM COMPLIANCE COSTS –
COMMUNITY CLIMATE INVESTMENTS**

(N)

PURPOSE:

To recover costs associated with Community Climate Investments as needed for NW Natural’s compliance with the Oregon Climate Protection Program.

APPLICABLE:

To all Customers as listed by Rate Schedule below.

Schedule 2	Schedule 3	Schedule 27	
Schedule 31	Schedule 32	Schedule 33	Schedule 60A/60

GENERAL:

This Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this Tariff, any other schedules that by their terms or by the terms of this Schedule apply to service under this Schedule and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

APPLICATION TO RATE SCHEDULES:

Effective: November 1, 2023

The Total Adjustment amount shown below is included in the Temporary Adjustments reflected in the Rate Schedules 1 through 33. The Adjustment for Schedule 60 will be reflected in their billing rates. NO ADDITIONAL ADJUSTMENT TO THESE RATE SCHEDULES IS REQUIRED.

Non-Combustion-Related Rate on Schedule 60A/60: \$(0.02235) per therm

Rate Schedule/Class	Block	Rate Adjustment		Rate Schedule/Class	Block	Rate Adjustment
2		\$0.03662		31 CSF	Block 1	\$0.03662
03 CSF		\$0.03662			Block 2	\$0.03662
03 ISF		\$0.03662		31 CTF	Block 1	\$0.03662
27		\$0.03662			Block 2	\$0.03662
				31 ISF	Block 1	\$0.03662
					Block 2	\$0.03662
				31 ITF	Block 1	\$0.03662
					Block 2	\$0.03662
32 CSF	Block 1	\$0.03662		32 CSI	Block 1	\$0.03662
	Block 2	\$0.03662			Block 2	\$0.03662
	Block 3	\$0.03662			Block 3	\$0.03662
	Block 4	\$0.03662			Block 4	\$0.03662
	Block 5	\$0.03662			Block 5	\$0.03662
	Block 6	\$0.03662			Block 6	\$0.03662
32 ISF	Block 1	\$0.03662		32 ISI	Block 1	\$0.03662
	Block 2	\$0.03662			Block 2	\$0.03662
	Block 3	\$0.03662			Block 3	\$0.03662
	Block 4	\$0.03662			Block 4	\$0.03662
	Block 5	\$0.03662			Block 5	\$0.03662
	Block 6	\$0.03662			Block 6	\$0.03662
32 CTF	Block 1	\$0.03662		32 CTI	Block 1	\$0.03662
	Block 2	\$0.03662			Block 2	\$0.03662
	Block 3	\$0.03662			Block 3	\$0.03662
	Block 4	\$0.03662			Block 4	\$0.03662
	Block 5	\$0.03662			Block 5	\$0.03662
	Block 6	\$0.03662			Block 6	\$0.03662
32 ITF	Block 1	\$0.03662		32 ITI	Block 1	\$0.03662
	Block 2	\$0.03662			Block 2	\$0.03662
	Block 3	\$0.03662			Block 3	\$0.03662
	Block 4	\$0.03662			Block 4	\$0.03662
	Block 5	\$0.03662			Block 5	\$0.03662
	Block 6	\$0.03662			Block 6	\$0.03662
				33		\$0.03662
				60		\$0.03662
				60A		\$0.03662

(N)

Issued September 14, 2023
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Effective with service on
and after November 1, 2023

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Twelfth Revision of Sheet v
Cancels Eleventh Revision of Sheet v

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Effective with service on
and after November 1, 2023

EXHIBIT A

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

NW NATURAL SUPPORTING MATERIALS

Community Climate Investments

NWN OPUC Advice No. 23-18A / UG 485

September 14, 2023

NW NATURAL

EXHIBIT A

Supporting Materials

Community Climate Investments

NWN OPUC ADVICE NO. 23-18A / UG 485

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NW Natural
 Rates & Regulatory Affairs 2023-24
 PGA - Oregon: September Filing
 Calculation of Increments Allocated on the EQUAL CENT PER THERM BASIS
 ALL VOLUMES IN THERMS

			CCI		
1			39,474,690 Temporary Increment		
2	Oregon PGA	Proposed Amount:			
3	Volumes page,	Revenue Sensitive Multiplier:	2.819% add revenue sensitive factor		
4	Column F	Amount to Amortize:	40,619,659 to all classes and schedules (includ		
Schedule	Block	A	Multiplier AU	Volumes AV	Increment AW
2R		425,261,320	1.0	425,261,320	\$0.03662
3C Firm Sales		180,723,276	1.0	180,723,276	\$0.03662
3I Firm Sales		5,242,606	1.0	5,242,606	\$0.03662
27 Dry Out		790,225	1.0	790,225	\$0.03662
31C Firm Sales	Block 1	10,541,198	1.0	10,541,198	\$0.03662
	Block 2	11,528,162	1.0	11,528,162	\$0.03662
31C Firm Trans	Block 1	1,150,855	1.0	1,150,855	\$0.03662
	Block 2	1,621,395	1.0	1,621,395	\$0.03662
31I Firm Sales	Block 1	3,851,855	1.0	3,851,855	\$0.03662
	Block 2	8,832,261	1.0	8,832,261	\$0.03662
31I Firm Trans	Block 1	153,988	1.0	153,988	\$0.03662
	Block 2	363,573	1.0	363,573	\$0.03662
32C Firm Sales	Block 1	31,802,850	1.0	31,802,850	\$0.03662
	Block 2	10,782,597	1.0	10,782,597	\$0.03662
	Block 3	2,237,041	1.0	2,237,041	\$0.03662
	Block 4	1,038,828	1.0	1,038,828	\$0.03662
	Block 5	30,626	1.0	30,626	\$0.03662
	Block 6	0	1.0	0	\$0.03662
32I Firm Sales	Block 1	7,308,477	1.0	7,308,477	\$0.03662
	Block 2	7,116,901	1.0	7,116,901	\$0.03662
	Block 3	2,428,784	1.0	2,428,784	\$0.03662
	Block 4	1,682,852	1.0	1,682,852	\$0.03662
	Block 5	210,463	1.0	210,463	\$0.03662
	Block 6	0	1.0	0	\$0.03662
32C Firm Trans	Block 1	2,586,658	1.0	2,586,658	\$0.03662
	Block 2	2,000,143	1.0	2,000,143	\$0.03662
	Block 3	713,689	1.0	713,689	\$0.03662
	Block 4	908,192	1.0	908,192	\$0.03662
	Block 5	22,758	1.0	22,758	\$0.03662
	Block 6	0	1.0	0	\$0.03662
32I Firm Trans	Block 1	11,491,095	1.0	11,491,095	\$0.03662
	Block 2	16,722,073	1.0	16,722,073	\$0.03662
	Block 3	10,683,887	1.0	10,683,887	\$0.03662
	Block 4	22,101,234	1.0	22,101,234	\$0.03662
	Block 5	23,116,595	1.0	23,116,595	\$0.03662
	Block 6	7,997,925	1.0	7,997,925	\$0.03662
32C Interr Sales	Block 1	4,812,286	1.0	4,812,286	\$0.03662
	Block 2	6,912,175	1.0	6,912,175	\$0.03662
	Block 3	3,915,818	1.0	3,915,818	\$0.03662
	Block 4	6,195,667	1.0	6,195,667	\$0.03662
	Block 5	3,369,903	1.0	3,369,903	\$0.03662
	Block 6	0	1.0	0	\$0.03662
32I Interr Sales	Block 1	4,976,544	1.0	4,976,544	\$0.03662
	Block 2	6,358,575	1.0	6,358,575	\$0.03662
	Block 3	3,824,879	1.0	3,824,879	\$0.03662
	Block 4	11,455,866	1.0	11,455,866	\$0.03662
	Block 5	6,274,793	1.0	6,274,793	\$0.03662
	Block 6	1,589,833	1.0	1,589,833	\$0.03662
32C Interr Trans	Block 1	787,487	1.0	787,487	\$0.03662
	Block 2	1,577,765	1.0	1,577,765	\$0.03662
	Block 3	946,128	1.0	946,128	\$0.03662
	Block 4	3,171,260	1.0	3,171,260	\$0.03662
	Block 5	663,407	1.0	663,407	\$0.03662
	Block 6	0	1.0	0	\$0.03662
32I Interr Trans	Block 1	6,332,023	1.0	6,332,023	\$0.03662
	Block 2	10,799,708	1.0	10,799,708	\$0.03662
	Block 3	7,423,918	1.0	7,423,918	\$0.03662
	Block 4	17,235,563	1.0	17,235,563	\$0.03662
	Block 5	38,975,154	1.0	38,975,154	\$0.03662
	Block 6	98,124,177	1.0	98,124,177	\$0.03662
33		0	1.0	0	\$0.03662
Special Contracts		50,439,488	1.0	50,439,488	\$0.03662

70 TOTALS 1,109,206,797 1,109,206,797 \$ 0.03662

71	Sources for line 2 above:		
72	Inputs page		Line 77
73	Tariff Schedules		
74	Rate Adjustment Schedule		Sch 151

		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)	AH	AI = D*(C * AH)	AJ = (AI - F)/F
2R		425,261,320	N/A	56	\$8.00	\$1.43686	\$88.46	\$1.47348	\$90.51	2.3%
3C Firm Sales		180,723,276	N/A	255	\$15.00	\$1.18666	\$317.60	\$1.22328	\$326.94	2.9%
3I Firm Sales		5,242,606	N/A	1,304	\$15.00	\$1.13570	\$1,495.95	\$1.17232	\$1,543.70	3.2%
27 Dry Out		790,225	N/A	44	\$8.00	\$1.16589	\$59.30	\$1.20251	\$60.91	2.7%
31C Firm Sales	Block 1	10,541,198	2,000	2,816	\$325.00	\$0.85127	\$2,700.12	\$0.88789	\$2,803.25	3.8%
	Block 2	11,528,162	all additional			\$0.82424		\$0.86086		
31C Firm Trans	Block 1	1,150,855	2,000	3,916	\$575.00	\$0.28505	\$1,645.54	\$0.32167	\$1,788.94	8.7%
	Block 2	1,621,395	all additional			\$0.26119		\$0.29781		
31I Firm Sales	Block 1	3,851,855	2,000	5,776	\$325.00	\$0.84102	\$5,095.29	\$0.87764	\$5,306.81	4.2%
	Block 2	8,832,261	all additional			\$0.81786		\$0.85448		
31I Firm Trans	Block 1	153,988	2,000	6,161	\$575.00	\$0.24605	\$1,995.36	\$0.28267	\$2,220.97	11.3%
	Block 2	363,573	all additional			\$0.22309		\$0.25971		
32C Firm Sales	Block 1	31,802,850	10,000	7,043	\$675.00	\$0.76861	\$6,088.29	\$0.80523	\$6,346.20	4.2%
	Block 2	10,782,597	20,000			\$0.74322		\$0.77984		
	Block 3	2,237,041	20,000			\$0.70109		\$0.73771		
	Block 4	1,038,828	100,000			\$0.65879		\$0.69541		
	Block 5	30,626	600,000			\$0.62840		\$0.66502		
	Block 6	0	all additional			\$0.61401		\$0.65063		
32I Firm Sales	Block 1	7,308,477	10,000	18,823	\$675.00	\$0.73013	\$14,247.56	\$0.76675	\$14,936.86	4.8%
	Block 2	7,116,901	20,000			\$0.71078		\$0.74740		
	Block 3	2,428,784	20,000			\$0.67847		\$0.71509		
	Block 4	1,682,852	100,000			\$0.64624		\$0.68286		
	Block 5	210,463	600,000			\$0.62372		\$0.66034		
	Block 6	0	all additional			\$0.61239		\$0.64901		
32C Firm Trans	Block 1	2,586,658	10,000	19,973	\$925.00	\$0.13291	\$3,390.69	\$0.16953	\$4,122.10	21.6%
	Block 2	2,000,143	20,000			\$0.11396		\$0.15058		
	Block 3	713,689	20,000			\$0.08251		\$0.11913		
	Block 4	908,192	100,000			\$0.05102		\$0.08764		
	Block 5	22,758	600,000			\$0.03209		\$0.06871		
	Block 6	0	all additional			\$0.01952		\$0.05614		
32I Firm Trans	Block 1	11,491,095	10,000	77,536	\$925.00	\$0.13069	\$7,487.37	\$0.16731	\$10,326.73	37.9%
	Block 2	16,722,073	20,000			\$0.11214		\$0.14876		
	Block 3	10,683,887	20,000			\$0.08125		\$0.11787		
	Block 4	22,101,234	100,000			\$0.05039		\$0.08701		
	Block 5	23,116,595	600,000			\$0.03179		\$0.06841		
	Block 6	7,997,925	all additional			\$0.01948		\$0.05610		
32C Interr Sales	Block 1	4,812,286	10,000	53,859	\$675.00	\$0.74068	\$38,643.34	\$0.77730	\$40,615.66	5.1%
	Block 2	6,912,175	20,000			\$0.71933		\$0.75995		
	Block 3	3,915,818	20,000			\$0.68371		\$0.72033		
	Block 4	6,195,667	100,000			\$0.64806		\$0.68468		
	Block 5	3,369,903	600,000			\$0.62665		\$0.66327		
	Block 6	0	all additional			\$0.61101		\$0.64763		
32I Interr Sales	Block 1	4,976,544	10,000	42,886	\$675.00	\$0.72514	\$30,744.73	\$0.76176	\$32,315.22	5.1%
	Block 2	6,358,575	20,000			\$0.70622		\$0.74284		
	Block 3	3,824,879	20,000			\$0.67469		\$0.71131		
	Block 4	11,455,866	100,000			\$0.64312		\$0.67974		
	Block 5	6,274,793	600,000			\$0.62420		\$0.66082		
	Block 6	1,589,833	all additional			\$0.61033		\$0.64695		
32C Interr Trans	Block 1	787,487	10,000	198,501	\$925.00	\$0.12584	\$12,252.01	\$0.16246	\$19,521.12	59.3%
	Block 2	1,577,765	20,000			\$0.10802		\$0.14464		
	Block 3	946,128	20,000			\$0.07829		\$0.11491		
	Block 4	3,171,260	100,000			\$0.04854		\$0.08516		
	Block 5	663,407	600,000			\$0.03070		\$0.06732		
	Block 6	0	all additional			\$0.01883		\$0.05545		
32I Interr Trans	Block 1	6,332,023	10,000	209,965	\$925.00	\$0.12605	\$12,645.11	\$0.16267	\$20,334.03	60.8%
	Block 2	10,799,708	20,000			\$0.10821		\$0.14483		
	Block 3	7,423,918	20,000			\$0.07848		\$0.11510		
	Block 4	17,235,563	100,000			\$0.04873		\$0.08535		
	Block 5	38,975,154	600,000			\$0.03090		\$0.06752		
	Block 6	98,124,177	all additional			\$0.01900		\$0.05562		
33		0	N/A	0.0	\$38,000.00	\$0.00629	\$38,000.00	\$0.04291	\$38,000.00	
Special Contracts		50,439,488	N/A	0	\$0	\$0.00000	\$0.00	\$0.03662	\$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 23-11A: 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 23-17A: 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]	\$ 881,388	0.090% Line 8 ÷ Line 4
9			
10	Total		2.819% 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: Sept Filing
PGA Effects on Revenue
UG 485: Rate Adjustment for Community Climate Investment Recovery

	Including Revenue Sensitive Amount
1	
2 <u>Temporary Increments</u>	
3	
4 <u>Removal of Current Temporary Increments</u>	
5 Amortization of Community Climate Investment Recovery	<u>0</u>
6	
7	
8 <u>Addition of Proposed Temporary Increments</u>	
9 Amortization of Community Climate Investment Recovery	<u>40,619,659</u>
10	
11	
12 TOTAL OF ALL COMPONENTS OF RATE CHANGES	<u><u>\$40,619,659</u></u>
13	
14	
15	
16 2022 Oregon Earnings Test Normalized Total Revenues	\$849,278,042
17	
18 Effect of this filing, as a percentage change (line 12 ÷ line 16)	4.78%

NW Natural Gas Company
 CCI Cost Recovery Calculation for 2023-24 PGA Filing

1	Conventional Gas	MT CO2e/therm:	0.00531148
2	RNG	MT CO2e/therm:	0.00530600
3	Anthropogenic	MT CO2e/therm:	0.00000548
4			

	Actual or Forecasted Usage in Therms	MT CO2e Emissions	CPP Compliance Cap in MT CO2e	Difference	CCI Cost
	(A)	(B)	(C)	(B-C = D)	(E)
5					
6	2023 CPP Compliance				
7	Total Throughput	1,131,153,102	6,008,097	5,538,434	469,663 \$ 60,116,874
	<i>Less: Emissions that result from</i>				
8	<i>non-combustion-related processes</i>	19,974,688	(106,095)	-	(106,095) \$ (13,580,180)
9	<i>Less: RNG (Biogenic Emissions)</i>	10,404,227	(55,205)	-	(55,205) \$ (7,066,218)
10	<i>Add: Anthropogenic Emissions</i>	n/a	33	-	33 \$ 4,214
11	Total	1,100,774,186	5,846,830	5,538,434	308,396 \$ 39,474,690