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July 31, 2023

NWN OPUC Advice No. 23-18 / 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: 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

**Purpose**

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

As discussed more fully below, NW Natural requests to recover the cost of 340,501 CCIs, which, in conjunction with 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.<sup>1</sup> The Company anticipates taking additional actions to meet the remainder of its compliance obligations in the first compliance period (2022-2024). These actions 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. In that filing, NW Natural residential customers are expected to receive an approximate 7.4% rate reduction primarily due to lower commodity costs. 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

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<sup>1</sup> 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.

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 2.5% 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."<sup>2</sup> 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 community climate investment funds."<sup>3</sup> While CCIs are not currently available to purchase, ODEQ expects CCIs to be made available in late 2023 or early 2024.<sup>4</sup>

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<sup>2</sup> OAR 340-271-0020(8).

<sup>3</sup> OAR 340-271-0020(9).

<sup>4</sup> 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.

### **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 340,501. NW Natural intends to comply with the CPP, in part, by purchasing the sum of its compliance needs forecasted for 2023, or 340,501 CCIs. NW Natural seeks to recover the cost of these CCIs, totaling \$43.24 million, through this tariff filing.<sup>5</sup> 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.<sup>6</sup>

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.<sup>7</sup> 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 (\$43.24 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 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 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.<sup>8</sup>

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

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

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

<sup>8</sup> 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, UG 435, Order 23-046 (Feb. 21, 2023).

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 \$43,243,609, or about 5.09%.

The monthly bill of the average residential customer served under Rate Schedule 2 using 56 therms per month will increase by \$2.19, or 2.5%. 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 \$9.93, or 3.1%, the monthly increase for the average Rate Schedule 27 customer using 44 therms is \$1.71, or 2.9% and the monthly increase for the average commercial Rate Schedule 31 firm sales customer using 2,816 therms is about \$109.72, or 4.1%. The average industrial Rate Schedule 32 firm sales customer using 18,823 therms will see a monthly increase of about \$733.35, or 5.1%. 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](http://www.nwnatural.com).

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

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NW Natural Rates & Regulatory Affairs  
250 SW Taylor Street  
Portland, OR 97204  
Phone: (503) 610-7330  
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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 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.

Rate Schedule/Class	Block	Rate Adjustment		Rate Schedule/Class	Block	Rate Adjustment
2		\$0.03896		31 CSF	Block 1	\$0.03896
03 CSF		\$0.03896			Block 2	\$0.03896
03 ISF		\$0.03896		31 CTF	Block 1	\$0.03896
27		\$0.03896			Block 2	\$0.03896
				31 ISF	Block 1	\$0.03896
					Block 2	\$0.03896
				31 ITF	Block 1	\$0.03896
					Block 2	\$0.03896
32 CSF	Block 1	\$0.03896		32 CSI	Block 1	\$0.03896
	Block 2	\$0.03896			Block 2	\$0.03896
	Block 3	\$0.03896			Block 3	\$0.03896
	Block 4	\$0.03896			Block 4	\$0.03896
	Block 5	\$0.03896			Block 5	\$0.03896
	Block 6	\$0.03896			Block 6	\$0.03896
32 ISF	Block 1	\$0.03896		32 ISI	Block 1	\$0.03896
	Block 2	\$0.03896			Block 2	\$0.03896
	Block 3	\$0.03896			Block 3	\$0.03896
	Block 4	\$0.03896			Block 4	\$0.03896
	Block 5	\$0.03896			Block 5	\$0.03896
	Block 6	\$0.03896			Block 6	\$0.03896
32 CTF	Block 1	\$0.03896		32 CTI	Block 1	\$0.03896
	Block 2	\$0.03896			Block 2	\$0.03896
	Block 3	\$0.03896			Block 3	\$0.03896
	Block 4	\$0.03896			Block 4	\$0.03896
	Block 5	\$0.03896			Block 5	\$0.03896
	Block 6	\$0.03896			Block 6	\$0.03896
32 ITF	Block 1	\$0.03896		32 ITI	Block 1	\$0.03896
	Block 2	\$0.03896			Block 2	\$0.03896
	Block 3	\$0.03896			Block 3	\$0.03896
	Block 4	\$0.03896			Block 4	\$0.03896
	Block 5	\$0.03896			Block 5	\$0.03896
	Block 6	\$0.03896			Block 6	\$0.03896
				33		\$0.00000
				60		\$0.03896
				60A		\$0.03896

(N)

Issued July 31, 2023  
NWN OPUC Advice No. 23-18

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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Issued July 31, 2023  
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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. 23-18 / UG 485

July 31, 2023



# NW NATURAL

## EXHIBIT A

### Supporting Materials

#### Community Climate Investments

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

				CCI		
				43,243,609 Temporary Increment		
				n/a rev sensitive factor is built in		
				43,243,609 to all classes and schedules (includ		
				Multiplier	Volumes	Increment
Schedule	Block	A	Amount to Amortize:	AJ	AK	AL
2R		425,261,320		1.0	425,261,320	\$0.03896
3C Firm Sales		180,723,276		1.0	180,723,276	\$0.03896
3I Firm Sales		5,242,606		1.0	5,242,606	\$0.03896
27 Dry Out		790,225		1.0	790,225	\$0.03896
31C Firm Sales	Block 1	10,541,198		1.0	10,541,198	\$0.03896
	Block 2	11,528,162		1.0	11,528,162	\$0.03896
31C Firm Trans	Block 1	1,150,855		1.0	1,150,855	\$0.03896
	Block 2	1,621,395		1.0	1,621,395	\$0.03896
31I Firm Sales	Block 1	3,851,855		1.0	3,851,855	\$0.03896
	Block 2	8,832,261		1.0	8,832,261	\$0.03896
31I Firm Trans	Block 1	153,988		1.0	153,988	\$0.03896
	Block 2	363,573		1.0	363,573	\$0.03896
32C Firm Sales	Block 1	31,802,850		1.0	31,802,850	\$0.03896
	Block 2	10,782,597		1.0	10,782,597	\$0.03896
	Block 3	2,237,041		1.0	2,237,041	\$0.03896
	Block 4	1,038,828		1.0	1,038,828	\$0.03896
	Block 5	30,626		1.0	30,626	\$0.03896
	Block 6	0		1.0	0	\$0.03896
32I Firm Sales	Block 1	7,308,477		1.0	7,308,477	\$0.03896
	Block 2	7,116,901		1.0	7,116,901	\$0.03896
	Block 3	2,428,784		1.0	2,428,784	\$0.03896
	Block 4	1,682,852		1.0	1,682,852	\$0.03896
	Block 5	210,463		1.0	210,463	\$0.03896
	Block 6	0		1.0	0	\$0.03896
32C Firm Trans	Block 1	2,586,658		1.0	2,586,658	\$0.03896
	Block 2	2,000,143		1.0	2,000,143	\$0.03896
	Block 3	713,689		1.0	713,689	\$0.03896
	Block 4	908,192		1.0	908,192	\$0.03896
	Block 5	22,758		1.0	22,758	\$0.03896
	Block 6	0		1.0	0	\$0.03896
32I Firm Trans	Block 1	11,491,095		1.0	11,491,095	\$0.03896
	Block 2	16,722,073		1.0	16,722,073	\$0.03896
	Block 3	10,683,887		1.0	10,683,887	\$0.03896
	Block 4	22,101,234		1.0	22,101,234	\$0.03896
	Block 5	23,116,595		1.0	23,116,595	\$0.03896
	Block 6	7,997,925		1.0	7,997,925	\$0.03896
32C Interr Sales	Block 1	4,812,286		1.0	4,812,286	\$0.03896
	Block 2	6,912,175		1.0	6,912,175	\$0.03896
	Block 3	3,915,818		1.0	3,915,818	\$0.03896
	Block 4	6,195,667		1.0	6,195,667	\$0.03896
	Block 5	3,369,903		1.0	3,369,903	\$0.03896
	Block 6	0		1.0	0	\$0.03896
32I Interr Sales	Block 1	4,976,544		1.0	4,976,544	\$0.03896
	Block 2	6,358,575		1.0	6,358,575	\$0.03896
	Block 3	3,824,879		1.0	3,824,879	\$0.03896
	Block 4	11,455,866		1.0	11,455,866	\$0.03896
	Block 5	6,274,793		1.0	6,274,793	\$0.03896
	Block 6	1,589,833		1.0	1,589,833	\$0.03896
32C Interr Trans	Block 1	787,487		1.0	787,487	\$0.03896
	Block 2	1,577,765		1.0	1,577,765	\$0.03896
	Block 3	946,128		1.0	946,128	\$0.03896
	Block 4	3,171,260		1.0	3,171,260	\$0.03896
	Block 5	663,407		1.0	663,407	\$0.03896
	Block 6	0		1.0	0	\$0.03896
32I Interr Trans	Block 1	6,332,023		1.0	6,332,023	\$0.03896
	Block 2	10,799,708		1.0	10,799,708	\$0.03896
	Block 3	7,423,918		1.0	7,423,918	\$0.03896
	Block 4	17,235,563		1.0	17,235,563	\$0.03896
	Block 5	38,975,154		1.0	38,975,154	\$0.03896
	Block 6	98,124,177		1.0	98,124,177	\$0.03896
Special Contracts		51,198,641		1.0	51,198,641	\$0.03896
TOTALS		1,109,965,950			1,109,965,950	\$ 0.03896
<b>Sources for line 2 above:</b>						
Inputs page				Line 73		
Tariff Schedules						
Rate Adjustment Schedule				Sch 151		

											Advice 23-18	
											See note [15]	
1	Oregon PGA			Normal	Minimum	3/15/2023	3/15/2023	Proposed	Proposed	Proposed		
2	Normalized			Therms				11/1/2023	11/1/2023	11/1/2023		
3	Volumes page,		Therms in	Monthly	Monthly	Billing	Current	CCI	CCI	CCI		
4	Column D		Block	Average use	Charge	Rates	Average Bill	Rates	Average Bill	% Bill Change		
5							F=D*(C * E)		AI = D+(C * AH)	AJ = (AI- F)/F		
6	Schedule	Block	A	B	C	D	E	AH	AI	AJ		
7	2R		425,261,320	N/A	56	\$8.00	\$1,43686	\$88.46	\$1,47582	\$90.65	2.5%	
8	3C Firm Sales		180,723,276	N/A	255	\$15.00	\$1,18666	\$317.60	\$1,22562	\$327.53	3.1%	
9	3I Firm Sales		5,242,606	N/A	1,304	\$15.00	\$1,13570	\$1,495.95	\$1,17466	\$1,546.76	3.4%	
10	27 Dry Out		790,225	N/A	44	\$8.00	\$1,16589	\$59.30	\$1,20485	\$61.01	2.9%	
11	31C Firm Sales	Block 1	10,541,198	2,000	2,816	\$325.00	\$0,85127	\$2,700.12	\$0,89023	\$2,809.84	4.1%	
12		Block 2	11,528,162	all additional			\$0,82424		\$0,86320			
13	31C Firm Trans	Block 1	1,150,855	2,000	3,916	\$575.00	\$0,28505	\$1,645.54	\$0,32401	\$1,798.10	9.3%	
14		Block 2	1,621,395	all additional			\$0,26119		\$0,30015			
15	31I Firm Sales	Block 1	3,851,855	2,000	5,776	\$325.00	\$0,84102	\$5,095.29	\$0,87998	\$5,320.32	4.4%	
16		Block 2	8,832,261	all additional			\$0,81786		\$0,85682			
17	31I Firm Trans	Block 1	153,988	2,000	6,161	\$575.00	\$0,24605	\$1,995.36	\$0,28501	\$2,235.39	12.0%	
18		Block 2	363,573	all additional			\$0,22309		\$0,26205			
19	32C Firm Sales	Block 1	31,802,850	10,000	7,043	\$675.00	\$0,76861	\$6,088.29	\$0,80757	\$6,362.68	4.5%	
20		Block 2	10,782,597	20,000			\$0,74322		\$0,78218			
21		Block 3	2,237,041	20,000			\$0,70109		\$0,74005			
22		Block 4	1,038,828	100,000			\$0,65879		\$0,69775			
23		Block 5	30,626	600,000			\$0,62840		\$0,66736			
24		Block 6	0	all additional			\$0,61401		\$0,65297			
25	32I Firm Sales	Block 1	7,308,477	10,000	18,823	\$675.00	\$0,73013	\$14,247.56	\$0,76909	\$14,980.91	5.1%	
26		Block 2	7,116,901	20,000			\$0,71078		\$0,74974			
27		Block 3	2,428,784	20,000			\$0,67847		\$0,71743			
28		Block 4	1,682,852	100,000			\$0,64624		\$0,68520			
29		Block 5	210,463	600,000			\$0,62372		\$0,66268			
30		Block 6	0	all additional			\$0,61239		\$0,65135			
31	32C Firm Trans	Block 1	2,586,658	10,000	19,973	\$925.00	\$0,13291	\$3,390.69	\$0,17187	\$4,168.84	22.9%	
32		Block 2	2,000,143	20,000			\$0,11396		\$0,15292			
33		Block 3	713,689	20,000			\$0,08251		\$0,12147			
34		Block 4	908,192	100,000			\$0,05102		\$0,08998			
35		Block 5	22,758	600,000			\$0,03209		\$0,07105			
36		Block 6	0	all additional			\$0,01952		\$0,05848			
37	32I Firm Trans	Block 1	11,491,095	10,000	77,536	\$925.00	\$0,13069	\$7,487.37	\$0,16965	\$10,508.17	40.3%	
38		Block 2	16,722,073	20,000			\$0,11214		\$0,15110			
39		Block 3	10,683,887	20,000			\$0,08125		\$0,12021			
40		Block 4	22,101,234	100,000			\$0,05039		\$0,08935			
41		Block 5	23,116,595	600,000			\$0,03179		\$0,07075			
42		Block 6	7,997,925	all additional			\$0,01948		\$0,05844			
43	32C Interr Sales	Block 1	4,812,286	10,000	53,859	\$675.00	\$0,74068	\$38,643.34	\$0,77964	\$40,741.69	5.4%	
44		Block 2	6,912,175	20,000			\$0,71933		\$0,75829			
45		Block 3	3,915,818	20,000			\$0,68371		\$0,72267			
46		Block 4	6,195,667	100,000			\$0,64806		\$0,68702			
47		Block 5	3,369,903	600,000			\$0,62665		\$0,66561			
48		Block 6	0	all additional			\$0,61101		\$0,64997			
49	32I Interr Sales	Block 1	4,976,544	10,000	42,886	\$675.00	\$0,72514	\$30,744.73	\$0,76410	\$32,415.57	5.4%	
50		Block 2	6,358,575	20,000			\$0,70622		\$0,74518			
51		Block 3	3,824,879	20,000			\$0,67469		\$0,71365			
52		Block 4	11,455,866	100,000			\$0,64312		\$0,68208			
53		Block 5	6,274,793	600,000			\$0,62420		\$0,66316			
54		Block 6	1,589,833	all additional			\$0,61033		\$0,64929			
55	32C Interr Trans	Block 1	787,487	10,000	198,501	\$925.00	\$0,12584	\$12,252.01	\$0,16480	\$19,985.61	63.1%	
56		Block 2	1,577,765	20,000			\$0,10802		\$0,14698			
57		Block 3	946,128	20,000			\$0,07829		\$0,11725			
58		Block 4	3,171,260	100,000			\$0,04854		\$0,08750			
59		Block 5	663,407	600,000			\$0,03070		\$0,06966			
60		Block 6	0	all additional			\$0,01883		\$0,05779			
61	32I Interr Trans	Block 1	6,332,023	10,000	209,965	\$925.00	\$0,12605	\$12,645.11	\$0,16501	\$20,825.35	64.7%	
62		Block 2	10,799,708	20,000			\$0,10821		\$0,14717			
63		Block 3	7,423,918	20,000			\$0,07848		\$0,11744			
64		Block 4	17,235,563	100,000			\$0,04873		\$0,08769			
65		Block 5	38,975,154	600,000			\$0,03090		\$0,06986			
66		Block 6	98,124,177	all additional			\$0,01900		\$0,05796			
67	Special Contracts		51,198,641	N/A	0	\$0	\$0,00000	\$0.00	\$0,03896	\$0.00		
68												
69	<b>Totals</b>		<b>1,109,965,950</b>									

70  
 71 [1] For convenience of presentation, demand charges for Rate Schedules 31 and 32 have been removed.  
 72 [2] Tariff Advice Notice 23-05: Non-Gas Cost Deferral Amortizations - Intervenor Funding  
 73 [3] Tariff Advice Notice 23-06: Non-Gas Cost Deferral Amortizations - Oregon PUC Fee  
 74 [4] Tariff Advice Notice 23-07: Non-Gas Cost Deferral Amortizations - SRRM  
 75 [5] Tariff Advice Notice 23-08: Non-Gas Cost Deferral Amortizations - Industrial DSM  
 76 [6] Tariff Advice Notice 23-09: Non-Gas Cost Deferral Amortizations - Decoupling  
 77 [7] Tariff Advice Notice 23-10: Non-Gas Cost Deferral Amortizations - WARM  
 78 [8] Tariff Advice Notice 23-11: Non-Gas Cost Deferral Amortization - Corporate Activity Tax (CAT) Amortization  
 79 [9] Tariff Advice Notice 23-12: Non-Gas Cost Amortization - Net Curtailment and Entitlement Revenues  
 80 [10] Tariff Advice Notice 23-13: Non-Gas Cost Amortization - Regulatory Rate Adjustment  
 81 [11] Tariff Advice Notice 23-14: Non-Gas Cost Amortization - Residential Rate Mitigation  
 82 [12] Tariff Advice Notice 23-15: Non-Gas Cost Amortization - RNG Transport Allocation  
 83 [13] Tariff Advice Notice 23-16: COVID Years 2 & 3  
 84 [14] Tariff Advice Notice 23-17: Non-Gas Cost Amortization - TSA Security Directive  
 85 [15] Tariff Advice Notice 23-18: CCI's  
 86 [16] Tariff Advice Notice 23-19: PGA  
 87 [17] Tariff Advice Notice 23-20: RNG Adj Mechanism  
 88 [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		<b>2.819%</b> 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: August Filing**  
**PGA Effects on Revenue**  
**UG 485: Rate Adjustment for Community Climate Investment Recovery**

	<b>Including Revenue Sensitive Amount</b>
1	
2 <b><u>Temporary Increments</u></b>	
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>43,243,609</u>
10	
11	
12 <b>TOTAL OF ALL COMPONENTS OF RATE CHANGES</b>	<b><u><u>\$43,243,609</u></u></b>
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)	5.09%

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

1  
 2  
 3  
 4

Conventional Gas	MT CO2e/therm:	0.00531148
RNG	MT CO2e/therm:	0.00530600
Anthropogenic	MT CO2e/therm:	0.00000548

	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)
2023 CPP Compliance					
Total Throughput	1,131,153,102	6,008,097	5,538,434	469,663	\$ 59,647,211
<i>Less: Emissions that result from non-combustion-related processes</i>	19,974,688	(106,095)	-	(106,095)	\$ (13,474,085)
<i>Less: RNG (Biogenic Emissions)</i>	4,353,559	(23,100)	-	(23,100)	\$ (2,933,698)
<i>Add: Anthropogenic Emissions</i>	n/a	33	-	33	\$ 4,181
<b>Total</b>	<b>1,106,824,854</b>	<b>5,878,935</b>	<b>5,538,434</b>	<b>340,501</b>	<b>\$ 43,243,609</b>