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July 31, 2023

NWN OPUC Advice No. 23-20 / UG 487

### **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: REQUEST FOR INCLUSION OF COSTS ASSOCIATED WITH RENEWABLE NATURAL GAS INVESTMENTS: Schedule 198 – Renewable Natural Gas Adjustment Mechanism

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

First Revision of Sheet 198-1	Schedule 198	Renewable Natural Gas Adjustment Mechanism

#### **Purpose**

The purpose of this filing is to recover the forecasted revenue requirement, true-up deferral from last year's forecast and the sharing deferral from the Company's Lexington renewable natural gas project.

#### Background:

This filing is in compliance with ORS 757.259, which authorizes deferred utility expenses or revenues to be allowed (amortized) in rates to the extent authorized by the Public Utility Commission of Oregon ("Commission") in a proceeding to change rates. The Schedule 198 automatic adjustment clause was authorized by the Commission in the Company's last general rate case, UG 435, under Order No. 22-388.

### **Proposed Changes**

The effect of this new tariff adjustment schedule is to increase the Company's annual revenues by \$1,028,482 or about .12%.

The monthly increase for the average Rate Schedule 2 residential customer using 56 therms is \$0.16, or 0.1%. The monthly increase for the average Rate Schedule 3 commercial customer using 255 therms is \$0.63, or 0.2%, the monthly increase for the average Rate Schedule 27 customer using 44 therms is \$0.10, or 0.1% and the monthly increase for the average commercial Rate Schedule 31 firm sales customer using 2,816 therms is about \$6.97, or 0.2%. The average industrial Rate Schedule 32 firm sales customer using 18,823 therms will see a monthly increase of

<sup>&</sup>lt;sup>1</sup> 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.

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about \$46.50, or 0.3%. 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**

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

# SCHEDULE 198 RENEWABLE NATURAL GAS ADJUSTMENT MECHANISM

#### **PURPOSE:**

The purpose of this Schedule is to identify adjustments to rates in the Rate Schedules listed below for the recovery of the revenue requirement of qualified investments, as defined by ORS 757.392(5), in renewable natural gas (RNG) infrastructure.

This adjustment mechanism will recover the revenue requirement associated with the prudently incurred qualified investments that contribute to the Company meeting the targets set forth in ORS 757.396. For purposes of this Schedule, "qualified investment" has the meaning given that term in ORS 757.392. This Adjustment Schedule is implemented as an automatic adjustment clause as provided for under ORS 757.210 and Oregon Senate Bill 98 (2019) codified as ORS 757.396.

#### **APPLICABLE:**

To All Customers on the Rate Schedules of this Tariff listed below:

Rate Schedule 2	Rate Schedule 31	Rate Schedule 60A/60	(N)
Rate Schedule 3	Rate Schedule 32		
Rate Schedule 27	Rate Schedule 33		

#### **Application to Rates:**

The per-therm Base Adjustment in the applicable Rate Schedules include the following adjustment:

	All Customers	Effective Date:	(C)
Schedule 198 amortization	\$0.00247	November 1, 2023	(C)(I)

#### **SPECIAL CONDITIONS:**

1. The Company will file this Schedule by August 1 of each year as necessary to update all charges already included on this schedule as needed. Updating of charges will include updating for the relevant vintage of the revenue requirement for previously included investments and a true-up for actual costs and volumes of previously included costs. This updating of charges will be supported by a deferral application (Schedule 198 Deferral) that will apply to costs recovered through this Schedule 198. The amortization of the Schedule 198 Deferral amount will be subject to an earnings test deadband. Per Order No. 22-388, the deadband is set at 50 basis points below and 50 basis points above authorized ROE.

(continue to Sheet 198-2)

Issued July 31, 2023 NWN OPUC Advice No. 23-20 Effective with service on and after November 1, 2023

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# **EXHIBIT A**

# BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

## NW NATURAL SUPPORTING MATERIALS

Inclusion of Costs Associated with Renewable Natural Gas Investments

NWN OPUC Advice No. 23-20 / UG 487 July 31, 2023

# **NW NATURAL**

## **EXHIBIT A**

# **Supporting Materials**

# Inclusion of Costs Associated with Renewable Natural Gas Investments

# NWN OPUC ADVICE NO. 23-20 / UG 487

Description	Page
Calculation of Increments Allocated on Equal Cent per Therm Basis	1
Effects on Average Bill by Rate Schedule	2
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Summary of Renewables Deferred Accounts Included in the PGA	5
151930 RNG Adjustment Mechanism Deferral	6
151931 RNG Investment Deferral – Lexington Sharing	7
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Determination of Cost of Service	9

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 THEEMS

1	LUMES IN THERMS				Lexington Project Initial Costs				justment Mechanism			exington Sharing Mechanic	sm	Lexington Cost of Service 2.074.875 Permanent Increment			
2				Proposed Amount: Revenue Sensitive Multiplier:		Permanent Increment rev sensitive factor is built in			Permanent Increment add revenue sensitive			(157,207) Permanent Increment 2.819% add revenue sensitive factor			Permanent Increment rev sensitive factor is built i	_	
3			volumes page,	Revenue sensitive ividitipiler:	N/A I	ev sensitive factor is built in		2.01976			2.01970	add revenue sensitive ract	OI .	N/A	Tev sensitive factor is built i	11	
									to all classes and					(including SC) 2,074,875 to all classes and schedules (in			
4			Column F	Amount to Amortize:	442,557	to all classes and schedules (in	ncluding SC)	392,111	(including	SC)	(161,767)	to all classes and schedule	es (including SC)	2,074,875	to all classes and schedules	(including SC)	
5					Multiplier	Volumes	Increment	Multiplier	Volumes	Increment	Multiplier	Volumes	Increment	Multiplier	Volumes	Increment	
6	Schedule 2R	Block	A 425,261,320	1	1.0	AY 425,261,320	AZ \$0.00040	BA 1.0	BB 425,261,320	BC \$0.00035	8D	BE 425,261,320	BF (\$0.00015)	8G	BH 425,261,320	\$0.00187	
8	3C Firm Sales		180,723,276	1	1.0	180.723.276	\$0.00040	1.0	180,723,276	\$0.00035	1.0	180,723,276	(\$0.00015)	1.0	180,723,276	\$0.00187	
9	31 Firm Sales		5,242,606	1	1.0	5,242,606	\$0.00040	1.0	5,242,606	\$0.00035	1.0	5,242,606	(\$0.00015)	1.0	5,242,606	\$0.00187	
10	27 Dry Out		790,225		1.0	790,225	\$0.00040	1.0	790,225	\$0.00035	1.0	790,225	(\$0.00015)	1.0	790,225	\$0.00187	
11	31C Firm Sales	Block 1	10,541,198		1.0	10,541,198	\$0.00040	1.0	10,541,198	\$0.00035	1.0	10,541,198	(\$0.00015)	1.0	10,541,198	\$0.00187	
12 13	31C Firm Trans	Block 2 Block 1	11,528,162 1,150,855		1.0	11,528,162 1,150,855	\$0.00040 \$0.00040	1.0	11,528,162 1,150,855	\$0.00035 \$0.00035	1.0	11,528,162 1,150,855	(\$0.00015) (\$0.00015)	1.0	11,528,162 1,150,855	\$0.00187 \$0.00187	
14	310111111111111111111111111111111111111	Block 2	1,621,395		1.0	1,621,395	\$0.00040	1.0	1,621,395	\$0.00035	1.0	1,621,395	(\$0.00015)	1.0	1,621,395	\$0.00187	
15	31I Firm Sales	Block 1	3,851,855		1.0	3,851,855	\$0.00040	1.0	3,851,855	\$0.00035	1.0	3,851,855	(\$0.00015)	1.0	3,851,855	\$0.00187	
16		Block 2	8,832,261		1.0	8,832,261	\$0.00040	1.0	8,832,261	\$0.00035	1.0	8,832,261	(\$0.00015)	1.0	8,832,261	\$0.00187	
17	31I Firm Trans	Block 1	153,988		1.0	153,988	\$0.00040	1.0	153,988	\$0.00035	1.0	153,988	(\$0.00015)	1.0	153,988	\$0.00187	
18 19	32C Firm Sales	Block 2 Block 1	363,573 31,802,850	-	1.0	363,573 31,802,850	\$0.00040 \$0.00040	1.0	363,573 31,802,850	\$0.00035	1.0	363,573 31,802,850	(\$0.00015) (\$0.00015)	1.0	363,573 31,802,850	\$0.00187 \$0.00187	
20	32CTIIII Jales	Block 2	10.782.597		1.0	10,782,597	\$0.00040	1.0	10.782.597	\$0.00035	1.0	10,782,597	(\$0.00015)	1.0	10,782,597	\$0.00187	
21		Block 3	2,237,041		1.0	2,237,041	\$0.00040	1.0	2,237,041	\$0.00035	1.0	2,237,041	(\$0.00015)	1.0	2,237,041	\$0.00187	
22		Block 4	1,038,828		1.0	1,038,828	\$0.00040	1.0	1,038,828	\$0.00035	1.0	1,038,828	(\$0.00015)	1.0	1,038,828	\$0.00187	
23		Block 5	30,626		1.0	30,626	\$0.00040	1.0	30,626	\$0.00035	1.0	30,626	(\$0.00015)	1.0	30,626	\$0.00187	
24 25	32I Firm Sales	Block 6 Block 1	7,308,477	-	1.0	7,308,477	\$0.00040	1.0	7,308,477	\$0.00035	1.0	7,308,477	(\$0.00015) (\$0.00015)	1.0	7,308,477	\$0.00187 \$0.00187	
26	JETT HTT SUICE	Block 2	7,116,901		1.0	7,116,901	\$0.00040	1.0	7,116,901	\$0.00035	1.0	7,116,901	(\$0.00015)	1.0	7,116,901	\$0.00187	
27		Block 3	2,428,784		1.0	2,428,784	\$0.00040	1.0	2,428,784	\$0.00035	1.0	2,428,784	(\$0.00015)	1.0	2,428,784	\$0.00187	
28		Block 4	1,682,852		1.0	1,682,852	\$0.00040	1.0	1,682,852	\$0.00035	1.0	1,682,852	(\$0.00015)	1.0	1,682,852	\$0.00187	
29		Block 5	210,463		1.0	210,463	\$0.00040	1.0	210,463	\$0.00035	1.0	210,463	(\$0.00015)	1.0	210,463	\$0.00187	
30 31	32C Firm Trans	Block 6 Block 1	2,586,658	-	1.0	2.586.658	\$0.00040	1.0	2.586.658	\$0.00035	1.0	2.586.658	(\$0.00015) (\$0.00015)	1.0	2.586.658	\$0.00187 \$0.00187	
32	320111111111111111111111111111111111111	Block 2	2,000,143		1.0	2,000,143	\$0.00040	1.0	2,000,143	\$0.00035	1.0	2,000,143	(\$0.00015)	1.0	2,000,143	\$0.00187	
33		Block 3	713,689		1.0	713,689	\$0.00040	1.0	713,689	\$0.00035	1.0	713,689	(\$0.00015)	1.0	713,689	\$0.00187	
34		Block 4	908,192		1.0	908,192	\$0.00040	1.0	908,192	\$0.00035	1.0	908,192	(\$0.00015)	1.0	908,192	\$0.00187	
35		Block 5	22,758		1.0	22,758	\$0.00040	1.0	22,758	\$0.00035	1.0	22,758	(\$0.00015)	1.0	22,758	\$0.00187	
36 37	32I Firm Trans	Block 6 Block 1	11.491.095	-	1.0	11,491,095	\$0.00040 \$0.00040	1.0	11,491,095	\$0.00035 \$0.00035	1.0	11,491,095	(\$0.00015) (\$0.00015)	1.0	11,491,095	\$0.00187 \$0.00187	
38	321111111111111111111111111111111111111	Block 2	16,722,073		1.0	16,722,073	\$0.00040	1.0	16,722,073	\$0.00035	1.0	16,722,073	(\$0.00015)	1.0	16,722,073	\$0.00187	
39		Block 3	10,683,887		1.0	10,683,887	\$0.00040	1.0	10,683,887	\$0.00035	1.0	10,683,887	(\$0.00015)	1.0	10,683,887	\$0.00187	
40		Block 4	22,101,234		1.0	22,101,234	\$0.00040	1.0	22,101,234	\$0.00035	1.0	22,101,234	(\$0.00015)	1.0	22,101,234	\$0.00187	
41		Block 5	23,116,595		1.0	23,116,595	\$0.00040	1.0	23,116,595	\$0.00035	1.0	23,116,595	(\$0.00015)	1.0	23,116,595	\$0.00187	
42 43	32C Interr Sales	Block 6 Block 1	7,997,925 4.812.286	-	1.0	7,997,925 4.812.286	\$0.00040 \$0.00040	1.0	7,997,925 4,812,286	\$0.00035 \$0.00035	1.0	7,997,925 4,812,286	(\$0.00015) (\$0.00015)	1.0	7,997,925 4,812,286	\$0.00187 \$0.00187	
44	32C IIIteri Sales	Block 2	6,912,175		1.0	6,912,175	\$0.00040	1.0	6,912,175	\$0.00035	1.0	6,912,175	(\$0.00015)	1.0	6,912,175	\$0.00187	
45		Block 3	3,915,818		1.0	3,915,818	\$0.00040	1.0	3,915,818	\$0.00035	1.0	3,915,818	(\$0.00015)	1.0	3,915,818	\$0.00187	
46		Block 4	6,195,667		1.0	6,195,667	\$0.00040	1.0	6,195,667	\$0.00035	1.0	6,195,667	(\$0.00015)	1.0	6,195,667	\$0.00187	
47 48		Block 5 Block 6	3,369,903		1.0	3,369,903	\$0.00040 \$0.00040	1.0 1.0	3,369,903 0	\$0.00035 \$0.00035	1.0 1.0	3,369,903 0	(\$0.00015) (\$0.00015)	1.0	3,369,903	\$0.00187 \$0.00187	
48	32I Interr Sales	Block 1	4,976,544	-	1.0	4,976,544	\$0.00040	1.0	4,976,544	\$0.00035	1.0	4,976,544	(\$0.00015)	1.0	4,976,544	\$0.00187	
50	SETTITETT SUICE	Block 2	6,358,575		1.0	6,358,575	\$0.00040	1.0	6,358,575	\$0.00035	1.0	6,358,575	(\$0.00015)	1.0	6,358,575	\$0.00187	
51		Block 3	3,824,879		1.0	3,824,879	\$0.00040	1.0	3,824,879	\$0.00035	1.0	3,824,879	(\$0.00015)	1.0	3,824,879	\$0.00187	
52		Block 4	11,455,866		1.0	11,455,866	\$0.00040	1.0	11,455,866	\$0.00035	1.0	11,455,866	(\$0.00015)	1.0	11,455,866	\$0.00187	
53		Block 5	6,274,793		1.0 1.0	6,274,793	\$0.00040	1.0	6,274,793	\$0.00035	1.0	6,274,793 1,589,833	(\$0.00015)	1.0	6,274,793	\$0.00187	
54 55	32C Interr Trans	Block 6 Block 1	1,589,833 787.487		1.0	1,589,833 787,487	\$0.00040 \$0.00040	1.0	1,589,833 787.487	\$0.00035 \$0.00035	1.0	1,589,833	(\$0.00015) (\$0.00015)	1.0	1,589,833 787.487	\$0.00187 \$0.00187	
56		Block 2	1,577,765		1.0	1,577,765	\$0.00040	1.0	1,577,765	\$0.00035	1.0	1,577,765	(\$0.00015)	1.0	1,577,765	\$0.00187	
57		Block 3	946,128		1.0	946,128	\$0.00040	1.0	946,128	\$0.00035	1.0	946,128	(\$0.00015)	1.0	946,128	\$0.00187	
58		Block 4	3,171,260		1.0	3,171,260	\$0.00040	1.0	3,171,260	\$0.00035	1.0	3,171,260	(\$0.00015)	1.0	3,171,260	\$0.00187	
59 60		Block 5 Block 6	663,407		1.0	663,407	\$0.00040	1.0 1.0	663,407 0	\$0.00035 \$0.00035	1.0 1.0	663,407	(\$0.00015) (\$0.00015)	1.0	663,407	\$0.00187 \$0.00187	
61	32I Interr Trans	Block 1	6,332,023	1	1.0	6,332,023	\$0.00040	1.0	6,332,023	\$0.00035	1.0	6,332,023	(\$0.00015)	1.0	6,332,023	\$0.00187	
62		Block 2	10,799,708		1.0	10,799,708	\$0.00040	1.0	10,799,708	\$0.00035	1.0	10,799,708	(\$0.00015)	1.0	10,799,708	\$0.00187	
63		Block 3	7,423,918		1.0	7,423,918	\$0.00040	1.0	7,423,918	\$0.00035	1.0	7,423,918	(\$0.00015)	1.0	7,423,918	\$0.00187	
64		Block 4	17,235,563		1.0	17,235,563	\$0.00040	1.0	17,235,563	\$0.00035	1.0	17,235,563	(\$0.00015)	1.0	17,235,563	\$0.00187	
65 66		Block 5 Block 6	38,975,154 98.124.177		1.0	38,975,154 98,124,177	\$0.00040	1.0	38,975,154 98,124,177	\$0.00035 \$0.00035	1.0	38,975,154 98,124,177	(\$0.00015) (\$0.00015)	1.0	38,975,154 98,124,177	\$0.00187 \$0.00187	
67	33	DIULK 0	98,124,177		0.0	98,124,177	\$0.00040	0.0	98,124,177	\$0.00000	0.0	98,124,177	\$0.00000	0.0	98,124,177	\$0.00187	
68	Special Contracts		51,198,641		1.0	51,198,641	\$0.00040	1.0	51,198,641	\$0.00035	1.0	51,198,641	(\$0.00015)	1.0	51,198,641	\$0.00187	
69																	
70 71	TOTALS		1,109,965,950			1,109,965,950	\$ 0.00040		1,109,965,950	\$ 0.00035		1,109,965,950	\$ (0.00015)		1,109,965,950 \$	0.00187	
71 72	Sources for line 2 abo Inputs page	ive:			Line 83			Line 85			Line 87			Line 89			
73	Tariff Schedules				Line 03			Line ou			Line or			Line 03			
74	Rate Adjustment Sch	edule			Sch 198			Sch 198			Sch 198			Sch 198			

Rate 202 Effe	3-24 PC cts on	gulatory Af GA - Oregon	: August Fi I by Rate Sc	ling hedule [1]								Advice 23-20 See note [17]			Advice 23-20 See note [17]			Advice 23-20 See note [17]				487 - NWN OPUC Advice 23-20 Exhibit A - Supporting Materials
1				Oregon PGA		Normal				Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Page 2 of 9
2				Normalized		Therms	Minimum	3/15/2023	3/15/2023	11/1/2023	11/1/2023	11/1/2023	11/1/2023	11/1/2023	11/1/2023	11/1/2023	11/1/2023	11/1/2023	11/1/2023	11/1/2023	11/1/2023	1 age 2 01 3
										Lexington	Lexington	Lexington	RNG	RNG	RNG	Lexington	Lexington	Lexington				1
										Project Initial		Project Initial	Adjustment	Adjustment	Adjustment	Sharing	Sharing	Sharing		Lexington Cost		1
3				Volumes page,	Therms in	Monthly	Monthly	Billing	Current	Costs	Costs	Costs	Mechanism	Mechanism	Mechanism	Mechanism	Mechanism	Mechanism	of Service	of Service	of Service	1
																						i
4				Column D	Block	Average use	Charge	Rates	Average Bill	Rates	Average Bill	% Bill Change	Rates	Average Bill	% Bill Change	Rates	Average Bill	% Bill Change	Rates	Average Bill	% Bill Change	
5									F=D+(C * E)		AI = D+(C * AH)	AJ = (AI- F)/F		AI = D+(C * AH)	AJ = (AI- F)/F		AI = D+(C * AH)	AJ = (AI- F)/F		AI = D+(C * AH)	AJ = (AI- F)/F	1
6	S	chedule	Block	A	В	c	D	E	F	AH	AI	AJ	AH	AI	AJ	AH	Al	AJ	AH	AI	AJ	
7		2R		425,261,320	N/A	56	\$8.00	\$1.43686	\$88.46	\$1.43726	\$88.49	0.09	\$1.43721	\$88.48	0.09	\$1.43671	\$88.46	0.0%	\$1.43873	\$88.57	0.1%	1
8	3C	Firm Sales		180,723,276	N/A	255	\$15.00	\$1.18666	\$317.60	\$1.18706	\$317.70	0.09	\$1.18701	\$317.69	0.09	\$1.18651	\$317.56	0.0%	\$1.18853	\$318.08	0.2%	i

\$1,496.41 \$59.31 \$2,701.11

\$1.646

\$5,097.3

\$6,090.7

\$1,495.76 \$59.29 **\$2,699.70** 

\$1 644 9

\$5,094.42

\$1,994.4

\$6,087.2

\$0.85112

\$0.82409

\$0.28490

\$0.26104 \$0.84087

\$0.81771 \$0.24590 \$0.22294

\$0.76846

\$0.74307 \$0.70094

\$0.65864

\$0.62825

\$0.61386 \$0.72998

\$0.71063

\$0.67832 \$0.64609

\$0.62357

\$0.61224

\$0.13276 \$0.11381

\$0.08236 \$0.05087

\$0.03194

\$1,498.39 \$59.38 **\$2,705.39** 

\$1.652.86

\$5,106.09

\$6,101.46

\$14,282.76

\$0.85314

\$0.82611

\$0.81973 \$0.24792 \$0.22496

\$0.77048

\$0.74509 \$0.70296

\$0.66066

\$0.63027

\$0.61588

\$0.71265 \$0.68034 \$0.64811

\$0.62559

\$0.61426

\$0.13478 \$0.11583

\$0.08438 \$0.05289

\$0.03396

\$1.13605 \$1.16624

\$0.82459

\$0.26154 \$0.84137

\$0.81821 \$0.24640 \$0.22344

\$0.76896

\$0.74357 \$0.70144

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\$0.61436

\$0.71113 \$0.67882 \$0.64659 \$0.62407

\$0.61274

\$0.13326 \$0.11431

\$0.08286 \$0.05137 \$0.03244

35		Block 5	22,758	600,000			\$0.03209		\$0.03249			\$0.03244			\$0.03194			\$0.03396		
36		Block 6	0	all additional			\$0.01952		\$0.01992			\$0.01987			\$0.01937			\$0.02139		
37	32I Firm Trans	Block 1	11,491,095	10,000	77,536	\$925.00	\$0.13069	\$7,487.37	\$0.13109	\$7,518.38	0.4%	\$0.13104	\$7,514.50	0.4%	\$0.13054	\$7,475.74	-0.2%	\$0.13256	\$7,632.36	Ξ
38		Block 2	16,722,073	20,000			\$0.11214		\$0.11254			\$0.11249			\$0.11199			\$0.11401		
39		Block 3	10,683,887	20,000			\$0.08125		\$0.08165			\$0.08160			\$0.08110			\$0.08312		
40		Block 4	22,101,234	100,000			\$0.05039		\$0.05079			\$0.05074			\$0.05024			\$0.05226		
41		Block 5	23.116.595	600.000			\$0.03179		\$0.03219			\$0.03214			\$0.03164			\$0.03366		
42		Block 6	7,997,925	all additional			\$0.01948		\$0.01988			\$0.01983			\$0.01933			\$0.02135		
43	32C Interr Sales	Block 1	4,812,286	10,000	53,859	\$675.00	\$0.74068	\$38,643.34	\$0.74108	\$38,664.88	0.1%	\$0.74103	\$38,662.19	0.0%	\$0.74053	\$38,635.26	0.0%	\$0.74255	\$38,744.06	Τ
44		Block 2	6,912,175	20,000			\$0.71933		\$0.71973	,		\$0.71968	,,		\$0.71918	,		\$0.72120	,	
45		Block 3	3,915,818	20,000			\$0.68371		\$0.68411			\$0.68406			\$0.68356			\$0.68558		
46		Block 4	6.195.667	100.000			\$0,64806		\$0.64846			\$0.64841			\$0.64791			\$0.64993		
47		Block 5	3,369,903	600,000			\$0.62665		\$0.62705			\$0.62700			\$0.62650			\$0.62852		
48		Block 6	0	all additional			\$0.61101		\$0.61141			\$0.61136			\$0,61086			\$0.61288		
49	32I Interr Sales	Block 1	4,976,544	10,000	42,886	\$675.00	\$0.72514	\$30,744.73	\$0.72554	\$30,761.89	0.1%	\$0.72549	\$30,759.74	0.0%	\$0.72499	\$30,738.30	0.0%	\$0.72701	\$30,824.93	Т
50		Block 2	6,358,575	20,000			\$0.70622		\$0.70662			\$0.70657			\$0.70607			\$0.70809		
51		Block 3	3,824,879	20,000			\$0.67469		\$0.67509			\$0.67504			\$0.67454			\$0.67656		
52		Block 4	11,455,866	100,000			\$0.64312		\$0.64352			\$0.64347			\$0.64297			\$0.64499		
53		Block 5	6,274,793	600,000			\$0.62420		\$0.62460			\$0.62455			\$0.62405			\$0.62607		
54		Block 6	1,589,833	all additional			\$0.61033		\$0.61073			\$0.61068			\$0.61018			\$0.61220		
55	32C Interr Trans	Block 1	787,487	10,000	198,501	\$925.00	\$0.12584	\$12,252.01	\$0.12624	\$12,331.41	0.6%	\$0.12619	\$12,321.49	0.6%	\$0.12569	\$12,222.24	-0.2%	\$0.12771	\$12,623.21	Т
56		Block 2	1,577,765	20,000			\$0.10802		\$0.10842			\$0.10837			\$0.10787			\$0.10989		
57		Block 3	946,128	20,000			\$0.07829		\$0.07869			\$0.07864			\$0.07814			\$0.08016		
58		Block 4	3,171,260	100,000			\$0.04854		\$0.04894			\$0.04889			\$0.04839			\$0.05041		
59		Block 5	663,407	600,000			\$0.03070		\$0.03110			\$0.03105			\$0.03055			\$0.03257		
60		Block 6	0	all additional			\$0.01883		\$0.01923			\$0.01918			\$0.01868			\$0.02070		
61	32I Interr Trans	Block 1	6,332,023	10,000	209,965	\$925.00	\$0.12605	\$12,645.11	\$0.12645	\$12,729.10	0.7%	\$0.12640	\$12,718.60	0.6%	\$0.12590	\$12,613.61	-0.2%	\$0.12792	\$13,037.74	Т
62		Block 2	10,799,708	20,000			\$0.10821		\$0.10861			\$0.10856			\$0.10806			\$0.11008		
63		Block 3	7,423,918	20,000			\$0.07848		\$0.07888			\$0.07883			\$0.07833			\$0.08035		
64		Block 4	17,235,563	100,000			\$0.04873		\$0.04913			\$0.04908			\$0.04858			\$0.05060		
65		Block 5	38,975,154	600,000			\$0.03090		\$0.03130			\$0.03125			\$0.03075			\$0.03277		
66		Block 6	98,124,177	all additional			\$0.01900		\$0.01940			\$0.01935			\$0.01885			\$0.02087		
67	33		0	N/A	0.0	\$38,000.00	\$0.00629	\$38,000.00	\$0.00629	\$38,000.00		\$0.00629	\$38,000.00		\$0.00629	\$38,000.00		\$0.00629	\$38,000.00	Т
68	Special Contracts	5	51,198,641	N/A	0	\$0	\$0.00000	\$0.00	\$0.00040	\$0.00		\$0.00035	\$0.00		-\$0.00015	\$0.00		\$0.00187	\$0.00	Ξ
69 70 71			1,109,965,950																	
				narges for Rate Sche			oved.													
				ferral Amortizations																
				ferral Amortizations		е														
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				ferral Amortizations																
				ferral Amortizations																
	8   7] Tariff Advice Notice 23-12: Non-Gas: Cost Deferral Amortization - VMARM 9   8] Tariff Advice Notice 23-12: Non-Gas: Cost Deferral Amortization - Corporate Activity Tax (CAT) Amortization 9   8] Tariff Advice Notice 23-11: Non-Gas: Cost Deferral Amortization - Corporate Activity Tax (CAT) Amortization																			
	[6] all number Route 23-12. Non-Gas Cost Amortisation - Net Curtainment and Entitlement Revenues																			
	(3) Failt Advice 400.00 (23-22). Non-todas Cost Amortization - Reviction (3) Failt Advice Mode (3) Failt Advice (3) Failt Adv																			
				mortization - Resider																

31 Firm Sales 27 Dry Out

31C Firm Sales

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13 31C Firm Trans Block 1

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Block 2

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Block 2

Block 2 Block 3

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8,832,261 153,988 363,573

31,802,850

10,782,597 2,237,041

1,038,828

30,626

7,308,477

7,116,901 2,428,784

1,682,852 210,463

2,586,658 2,000,143

713,689 908,192

22.758

83 [12] Tariff Advice Notice 23-15: Non-Gas Cost Amortization - RNG Transport Allocation 43 [13] Tariff Advice Notice 23-16: COVID Years 2 & 3

85 [14] Tariff Advice Notice 23-17: Non-Gas Cost Amortization - TSA Security Directive

86 [15] Tariff Advice Notice 23-18: CCI's 86 [15] Tariff Advice Notice 23-19: CCI'S
87 [16] Tariff Advice Notice 23-19: PGA
88 [17] Tariff Advice Notice 23-20: RNG Adj Mechanism
89 [18] Tariff Advice Notice 23-21: Gas Reserves EDIT 1,304

2,816

3 916

7,043

18,823

19,973

\$1,495.95 \$59.30 \$2,700.12

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\$14,255.09

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

1		-	welve Months nded 06/30/23	
3	Total Billed Gas Sales Revenues	\$	977,383,649	
4	Total Oregon Revenues	\$	981,971,599	
5	, and the second	·		
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				

13 **Note:** 

12

- 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 487: Renewable Natural Gas Adjustment Mechanism** 

1		Including Revenue Sensitive Amount
2	Permanent Increments	, tillouni
3		
4	Removal of Current Permanent Increments	
5	Schedule 198 Amounts	(\$1,719,294)
6		
7	Addition of Proposed Permanent Increments	
8	Schedule 198 Amounts	2,747,776
9		
10	TOTAL OF ALL COMPONENTS OF DATE CHANGES	+1 000 100
11	TOTAL OF ALL COMPONENTS OF RATE CHANGES	\$1,028,482
12		
13	2022.0	+0.40, 270, 0.42
14	2022 Oregon Earnings Test Normalized Total Revenues	\$849,278,042
15	Effect of this filing, as a newcontage change (line 11 + line 14)	0.120/
16	Effect of this filing, as a percentage change (line $11 \div line 14$ )	0.12%

NW Natural
Rates & Regulatory Affairs
2023-2024 PGA Filing - June Filing
Summary of Renewables Deferred Accounts Included in the PGA

Account	Balance 6/30/2023	Jul-Oct Estimated Activity	Jul-Oct Interest	Estimated Balance 10/31/2023	Interest Rate During Amortization	Estimated Interest During Amortization	Total Estimated Amount for (Refund) or Collection
A	В	С	D	E	F1	F2	G
				E = sum B thru D	5.13%		G = E + F2
7 RENEWABLES ADJUSTMENT MECHANISM DEFERRALS							
9 151928 LEXINGTON PROJECT SURCHARGE*	0	0	0	430,501	5.13%	12,056	442,557
10						,	
11 151930 RNG ADJUSTMENT MECHANISM DEFERRAL							
12 Sales Customers	224,351	0	5,156	229,507			
13 Transportation Customers	96,604	0	2,220	98,824			
14 Special Contract Customers	41,395	0	951	42,346			
15 Total	362,349	0	8,328	370,677	5.13%	10,381	381,058
16							
17 151931 LEXINGTON MECHANISM SHARING							
18 Sales Customers	(128,783)	0	(2,960)	(131,743)			
19 Transportation Customers	(20,705)	0	(476)	(21,181)			
20 Special Contract Customers	0	0	0	0			
21 Total	(149,488)	0	(3,436)	(152,924)	5.13%	(4,283)	(157,207)

<sup>\*</sup>Reflects 3-year amortization

Northwest Natural Gas Company Company:

State: Oregon

RNG Adjustment Mechanism Deferral 151930 Description:

Account Number:

Docket: UG 435, Order 22-388

	Month/Year	Rates	Deferral	Transfers	Interest Rate	Interest	Activity	Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Beginning Balance							0.00
1	Nov-22		(3,734.51)		6.836%	(10.64)	(3,745.14)	(3,745.14)
2	Dec-22		80,777.95		6.836%	208.75	80,986.70	77,241.55
3	Jan-23		34,866.20		6.836%	539.33	35,405.52	112,647.08
4	Feb-23		37,562.25		6.836%	748.70	38,310.95	150,958.03
5	Mar-23		53,895.05		6.836%	1,013.47	54,908.52	205,866.55
6	Apr-23		81,204.10		6.836%	1,404.05	82,608.15	288,474.70
7	May-23		33,102.81		6.836%	1,737.63	34,840.44	323,315.14
8	Jun-23		37,086.64		6.836%	1,947.45	39,034.10	362,349.24
9	Jul-23				6.836%	2,064.18	2,064.18	364,413.42
10	Aug-23				6.836%	2,075.94	2,075.94	366, <del>4</del> 89.37
11	Sep-23				6.836%	2,087.77	2,087.77	368,577.13
12	Oct-23	-			6.836%	2,099.66	2,099.66	370,676.79
13			354,760.49			15,916.30		
14								
15								
16								
17	<u> </u>	Sales	Transportation	Sp. Contracts				
18		219,652	94,580	40,528	354,761			
19		61.92%	26.66%	11.42%				
20								
21	Interest allocation	4,699	2,023	867				
22	6/30/23 balance	224,351	96,604	41,395	362,349			
23	July - Oct 2023 interest	5,156	2,220	951				
24 25	10/31/23 balance	229,507	98,824	42,346	370,677			

Company: State: Northwest Natural Gas Company

Oregon

RNG Investment Deferral - Lexington Sharing Description:

Account Number: 151931

Docket: UI 452, Order 22-211

	Month/Year	Rates	Deferral	Transfers	Interest Rate	Interest	Activity	Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Beginning Bal	ance						
1	Nov-22		(6,025.77)		6.836%	(17.16)	(6,042.93)	(6,042.93)
2	Dec-22		(19,279.27)		6.836%	(89.34)	(19,368.61)	(25,411.54)
3	Jan-23		0.00		6.836%	(144.76)	(144.76)	(25,556.30)
4	Feb-23		0.00		6.836%	(145.59)	(145.59)	(25,701.89)
5	Mar-23		(50,959.75)		6.836%	(291.57)	(51,251.31)	(76,953.20)
6	Apr-23		0.00		6.836%	(438.38)	(438.38)	(77,391.58)
7	May-23		0.00		6.836%	(440.87)	(440.87)	(77,832.45)
8	Jun-23		(71,010.39)		6.836%	(645.65)	(71,656.03)	(149,488.48)
9	Jul-23				6.836%	(851.59)	(851.59)	(150,340.07)
10	Aug-23				6.836%	(856.44)	(856.44)	(151,196.51)
11	Sep-23				6.836%	(861.32)	(861.32)	(152,057.82)
12	Oct-23				6.836%	(866.22)	(866.22)	(152,924.05)
13			(147,275.17)			(5,648.87)		
14								
15								
16			Sales	Transportation	Sp. Contracts			
17			(21,800.15)	(3,504.89)				
18								
19								
20			(43,901.54)	(7,058.21)				
21								
22			-	-				
23		_	(61,175.05)	(9,835.34)				
24			(126,876.74)	(20,398.44)	-	(147,275.18)		
25			86.15%	13.85%				
26								
27	Interes	t allocation	(1,907)	(307)	-			
28	6/30	/23 balance	(128,783)	(20,705)	-	(149,488)		
29	July - Oct 20		(2,960)	(476)				
30	10/31	/23 balance	(131,743)	(21,181)	-	(152,924)		

Company: Northwest Natural Gas Company

State: Oregon

Description: LEXINGTON RNG PROJECT SURCHARGE

Account Number: 151928

Docket: UG 435, Order 22-388

	Month/Year	Note	Deferral	Transfers	Interest Rate	Interest	Activity	Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Beginning Bala	nce						0.00
2	Jan-22				6.836%	-	0.00	0.00
3	Feb-22				6.836%	-	0.00	0.00
4	Mar-22				6.836%	-	0.00	0.00
5	Apr-22				6.836%	-	0.00	0.00
6	May-22				6.836%	-	0.00	0.00
7	Jun-22				6.836%	-	0.00	0.00
8	Jul-22				6.836%	-	0.00	0.00
9	Aug-22				6.836%	-	0.00	0.00
10	Sep-22				6.836%	-	0.00	0.00
11	Oct-22				6.836%	-	0.00	0.00
12	Nov-22				6.836%	-	0.00	0.00
13	Dec-22				6.836%	-	0.00	0.00
14	Jan-23				6.130%	-	0.00	0.00
15	Feb-23		881,091		6.130%	2,250.45	883,341.54	883,341.54
16	Mar-23				6.130%	4,512.40	4,512.40	887,853.94
17	Apr-23				6.130%	4,535.45	4,535.45	892,389.40
18	May-23				6.130%	4,558.62	4,558.62	896,948.02
19	Jun-23				6.130%	4,581.91	4,581.91	901,529.93
20	Jul-23				6.130%	4,605.32	4,605.32	906,135.24
21	Aug-23				6.130%	4,628.84	4,628.84	910,764.08
22	Sep-23				6.130%	4,652.49	4,652.49	915,416.57
23	Oct-23				6.130%	4,676.25	4,676.25	920,092.82
24								
25								
26								
27	As of 6/30/23		901,529.93					
28	Revenue Sens	itive	34,893.62					
29	Return on inves	stment	570,820					
30	Sharing (UI 452	2 mechanism)	(215,742)	_				
31	To amortize	_	1,291,501.69	=				

# NW Natural Determination of Cost of Service UG 487 - Schedule 198 - Lexington RNG Year 2 Cost of Service

1		Year 2
2		
3	Depreciation	324,878
4	O&M	905,109
5	Property Taxes	127,126
6		
7	Taxes on Equity Return	
8	State and Federal Income Taxes	142,608
9	Total Taxes	142,608
10		
11	Return on Rate Base	
12	Debt and Equity Return	518,272
13	Total Return	518,272
14		
15	Subtotal Cost of Service	2,017,993
16	Revenue Sensitive Items	56,882
17		
18	Total Cost of Service - Annual	\$2,074,875

Combined Overall Tax Rate (OR & Fed)	27.004%					
Property Tax Rate	1.500%					
Franchise Taxes	2.299%					
Commission Fee	0.430%	0.430% 2.819% '> (rev sens rate				
Uncollectible Rate	0.090%					
	Capital					
	Structure	Rates	Post-Tax			
Long-Term Debt	50.000%	4.271%	2.136%			
Common Equity	50.000%	9.400%	4.700%			
ROR		_	6.836%			
Bonus Depreciation? NO Non-Bonus	0% 100%	0%> At 0%, no bonus depreciation.				