

September 14, 2023

NWN OPUC Advice No. 23-20A / 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: REPLACEMENT FILING
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. 25,¹ 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
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This filing replaces, in its entirety, the tariff sheet and Exhibit A originally filed under NWN OPUC Advice No. 23-20 (UG 487), dated July 31, 2023. The purpose of this replacement filing is to revise a deferral calculation and add a non-combustion-related rate.

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. After discussions with the Oregon Citizens’ Utility Board, the Company has revised the deferral calculation for the Lexington Project Surcharge from the previous Advice filing. The Company is also including a non-combustion-related rate in the Schedule 198 tariff for customers whose usage is not subject to Climate Protection Program compliance.

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.

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.

Proposed Changes

In accordance with OAR 860-022-0025 and 0030, the Company states that the effect of this tariff adjustment schedule is to increase the Company's annual revenues by \$1,054,645 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 \$0.64, 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 \$7.03, or 0.2%. The average industrial Rate Schedule 32 firm sales customer using 18,823 therms will see a monthly increase of about \$46.88, 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

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

First Revision of Sheet 198-1

Cancels Original Sheet 198-1

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:

Non-Combustion-Related Rate on Schedule 60A/60: \$(0.00152) per therm (N)

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

	All Customers	Effective Date:	(C)
Schedule 198 amortization	\$0.00249	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. (T)
(T)

(continue to Sheet 198-2)

Issued September 14, 2023
NWN OPUC Advice No. 23-20A

Effective with service on
and after November 1, 2023

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. 23-20A / UG 487

September 14, 2023

NW NATURAL

EXHIBIT A

Supporting Materials

Inclusion of Costs Associated with Renewable Natural Gas Investments

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

Description	Page
Calculation of Increments Allocated on Equal Cent per Therm Basis	1
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Determination of Cost of Service	9

Line	Description	Normal Thermo	Minimum	3/15/2023	3/15/2023	Proposed 11/1/2023 Lexington		Proposed 11/1/2023 Lexington		Proposed 11/1/2023 Lexington		Proposed 11/1/2023 Lexington		Proposed 11/1/2023 Lexington		Proposed 11/1/2023 Lexington			
						Project Initial Costs	Project Initial Costs	Project Initial Costs	Project Initial Costs	Project Initial Costs	Project Initial Costs	Project Initial Costs	Project Initial Costs	Project Initial Costs	Project Initial Costs	Project Initial Costs	Project Initial Costs		
Column D	Block	Average use	Charge	Rates	Average Bill	F= D+(C * E)	F	AI = D+(C * AH)	AI	AJ = (AI- F)/F	AI = D+(C * AH)	AI	AJ = (AI- F)/F	AI = D+(C * AH)	AI	AJ = (AI- F)/F	AI = D+(C * AH)	AI	AJ = (AI- F)/F
7	Schedule 2R	425,261.320	N/A	56	\$8.00	\$1,436.86	\$88.46	\$1,437.28	\$88.48	0.0%	\$1,437.21	\$88.46	0.0%	\$1,437.21	\$88.46	0.0%	\$1,437.21	\$88.46	0.0%
8	3C Firm Sales	180,723,276	N/A	255	\$15.00	\$1,186.66	\$317.60	\$1,187.08	\$317.71	0.0%	\$1,187.01	\$317.69	0.0%	\$1,187.01	\$317.66	0.0%	\$1,187.01	\$317.68	0.2%
9	3I Firm Sales	5,242,606	N/A	1,304	\$15.00	\$1,135.70	\$1,495.95	\$1,136.12	\$1,496.50	0.0%	\$1,136.05	\$1,496.41	0.0%	\$1,136.05	\$1,496.76	0.0%	\$1,136.05	\$1,498.39	0.2%
10	27 Dry Out	7,902.225	N/A	44	\$8.00	\$1,658.89	\$59.30	\$1,663.31	\$59.32	0.0%	\$1,663.24	\$59.31	0.0%	\$1,663.24	\$59.29	0.0%	\$1,663.24	\$59.38	0.1%
11	31C Firm Sales	10,541,958	2,000	2,816	\$325.00	\$0,857.17	\$2,700.12	\$0,857.17	\$2,701.31	0.0%	\$0,857.17	\$2,699.78	0.0%	\$0,857.17	\$2,705.39	0.2%	\$0,857.17	\$2,705.39	0.2%
12	Block 2	11,528,162	all additional			\$0,824.24		\$0,824.24			\$0,824.00			\$0,824.00			\$0,824.00		
13	31C Firm Trans	1,150,855	2,000	3,916	\$575.00	\$0,285.05	\$1,645.54	\$0,285.47	\$1,647.18	0.1%	\$0,285.40	\$1,646.91	0.1%	\$0,285.40	\$1,646.95	0.0%	\$0,285.40	\$1,652.86	0.4%
14	Block 2	1,621,395	all additional			\$0,261.19		\$0,261.19			\$0,261.04			\$0,261.04			\$0,261.04		
15	31I Firm Sales	3,851,855	2,000	5,776	\$325.00	\$0,841.02	\$5,095.29	\$0,841.44	\$5,097.71	0.0%	\$0,841.37	\$5,097.31	0.0%	\$0,841.37	\$5,094.42	0.0%	\$0,841.37	\$5,106.09	0.2%
16	Block 2	8,832,261	all additional			\$0,317.86		\$0,317.86			\$0,317.71			\$0,317.71			\$0,317.71		
17	31I Firm Trans	153,988	2,000	6,161	\$575.00	\$0,246.05	\$1,997.36	\$0,246.47	\$1,997.95	0.1%	\$0,246.40	\$1,997.52	0.1%	\$0,246.40	\$1,994.43	0.0%	\$0,246.40	\$2,006.88	0.6%
18	Block 2	363,573	all additional			\$0,223.09		\$0,223.51			\$0,223.44			\$0,223.44			\$0,223.44		
19	32C Firm Sales	31,802,850	10,000	7,043	\$675.00	\$0,768.61	\$6,088.29	\$0,769.03	\$6,091.24	0.0%	\$0,768.96	\$6,090.75	0.0%	\$0,768.96	\$6,087.23	0.0%	\$0,768.96	\$6,101.46	0.2%
20	Block 2	10,782,597	20,000			\$0,432.22		\$0,436.64			\$0,436.64			\$0,436.64			\$0,436.64		
21	Block 3	2,237,041	20,000			\$0,701.09		\$0,701.51			\$0,701.44			\$0,701.44			\$0,701.44		
22	Block 4	1,038,828	100,000			\$0,658.79		\$0,659.21			\$0,659.14			\$0,659.14			\$0,659.14		
23	Block 5	30,626	600,000			\$0,628.80		\$0,628.82			\$0,628.75			\$0,628.75			\$0,628.75		
24	Block 6	0	all additional			\$0,614.01		\$0,614.43			\$0,614.36			\$0,614.36			\$0,614.36		
25	32I Firm Sales	7,308,477	10,000	18,823	\$675.00	\$0,730.47	\$14,247.56	\$0,730.89	\$14,255.47	0.1%	\$0,730.82	\$14,254.15	0.0%	\$0,730.82	\$14,244.74	0.0%	\$0,730.82	\$14,282.76	0.2%
26	Block 2	7,116,901	20,000			\$0,710.78		\$0,711.20			\$0,711.13			\$0,711.13			\$0,711.13		
27	Block 3	2,428,784	20,000			\$0,678.47		\$0,678.89			\$0,678.82			\$0,678.82			\$0,678.82		
28	Block 4	1,682,852	100,000			\$0,646.24		\$0,646.66			\$0,646.59			\$0,646.59			\$0,646.59		
29	Block 5	210,463	600,000			\$0,623.72		\$0,624.14			\$0,623.67			\$0,623.67			\$0,623.67		
30	Block 6	0	all additional			\$0,612.39		\$0,612.81			\$0,612.74			\$0,612.74			\$0,612.74		
31	32C Firm Trans	2,586,658	10,000	19,973	\$925.00	\$0,132.91	\$3,390.69	\$0,133.33	\$3,399.08	0.2%	\$0,133.26	\$3,397.68	0.2%	\$0,133.26	\$3,387.70	-0.1%	\$0,133.26	\$3,428.04	1.1%
32	Block 2	2,000,143	20,000			\$0,113.96		\$0,114.38			\$0,114.31			\$0,114.31			\$0,114.31		
33	Block 3	713,689	20,000			\$0,082.51		\$0,082.93			\$0,082.86			\$0,082.86			\$0,082.86		
34	Block 4	908,192	100,000			\$0,051.02		\$0,051.44			\$0,051.37			\$0,051.37			\$0,051.37		
35	Block 5	22,758	600,000			\$0,032.09		\$0,032.51			\$0,032.44			\$0,032.44			\$0,032.44		
36	Block 6	0	all additional			\$0,019.52		\$0,019.94			\$0,019.87			\$0,019.87			\$0,019.87		
37	32I Firm Trans	11,491,095	10,000	77,536	\$925.00	\$0,130.69	\$7,487.37	\$0,131.11	\$7,519.93	0.4%	\$0,131.04	\$7,514.50	0.4%	\$0,131.04	\$7,475.74	-0.2%	\$0,131.04	\$7,632.36	1.9%
38	Block 2	16,722,073	20,000			\$0,112.14		\$0,112.56			\$0,112.49			\$0,112.49			\$0,112.49		
39	Block 3	10,683,887	20,000			\$0,081.25		\$0,081.67			\$0,081.60			\$0,081.60			\$0,081.60		
40	Block 4	22,101,234	100,000			\$0,050.39		\$0,050.81			\$0,050.74			\$0,050.74			\$0,050.74		
41	Block 5	23,116,595	600,000			\$0,031.79		\$0,032.21			\$0,032.14			\$0,032.14			\$0,032.14		
42	Block 6	7,997,925	all additional			\$0,019.48		\$0,019.90			\$0,019.83			\$0,019.83			\$0,019.83		
43	32C Interr Sales	4,432,286	10,000	53,859	\$675.00	\$0,740.68	\$38,643.34	\$0,741.10	\$38,665.96	0.1%	\$0,741.03	\$38,662.19	0.0%	\$0,741.03	\$38,635.26	0.0%	\$0,741.03	\$38,744.06	0.3%
44	Block 2	6,912,175	20,000			\$0,719.33		\$0,719.75			\$0,719.68			\$0,719.68			\$0,719.68		
45	Block 3	3,915,818	20,000			\$0,683.71		\$0,684.13			\$0,684.06			\$0,684.06			\$0,684.06		
46	Block 4	6,195,667	100,000			\$0,648.06		\$0,648.48			\$0,648.41			\$0,648.41			\$0,648.41		
47	Block 5	3,369,903	600,000			\$0,626.65		\$0,627.07			\$0,627.00			\$0,627.00			\$0,627.00		
48	Block 6	0	all additional			\$0,611.01		\$0,611.43			\$0,611.36			\$0,611.36			\$0,611.36		
49	32I Interr Sales	4,976,544	10,000	42,886	\$675.00	\$0,725.14	\$30,744.73	\$0,725.56	\$30,762.74	0.1%	\$0,725.49	\$30,759.74	0.0%	\$0,725.49	\$30,738.30	0.0%	\$0,725.49	\$30,824.93	0.3%
50	Block 2	6,358,575	20,000			\$0,706.22		\$0,706.64			\$0,706.57			\$0,706.57			\$0,706.57		
51	Block 3	3,824,879	20,000			\$0,674.69		\$0,675.11			\$0,675.04			\$0,675.04			\$0,675.04		
52	Block 4	11,455,966	100,000			\$0,643.12		\$0,643.54			\$0,643.47			\$0,643.47			\$0,643.47		
53	Block 5	6,274,793	600,000			\$0,624.20		\$0,624.62			\$0,624.55			\$0,624.55			\$0,624.55		
54	Block 6	1,589,833	all additional			\$0,610.33		\$0,610.75			\$0,610.68			\$0,610.68			\$0,610.68		
55	32C Interr Trans	787,487	10,000	198,501	\$925.00	\$0,125.84	\$12,252.01	\$0,126.26	\$12,335.38	0.7%	\$0,126.19	\$12,321.49	0.6%	\$0,126.19	\$12,222.24	-0.2%	\$0,126.19	\$12,623.21	3.0%
56	Block 2	1,577,765	20,000			\$0,108.02		\$0,108.44			\$0,108.37			\$0,108.37			\$0,108.37		
57	Block 3	946,126	20,000			\$0,078.29		\$0,078.71			\$0,078.64			\$0,078.64			\$0,078.64		
58	Block 4	3,171,260	100,000			\$0,048.54		\$0,048.96			\$0,048.89			\$0,048.89			\$0,048.89		
59	Block 5	663,407	600,000			\$0,030.70		\$0,031.12			\$0,031.05			\$0,031.05			\$0,031.05		
60	Block 6	0	all additional			\$0,018.83		\$0,019.25			\$0,019.18			\$0,019.18			\$0,019.18		
61	32I Interr Trans	6,332,023	10,000	209,965	\$925.00	\$0,126.05	\$12,645.11	\$0,126.47	\$12,733.29	0.7%	\$0,126.40	\$12,718.60	0.6%	\$0,126.40	\$12,613.61	-0.2%	\$0,126.40	\$13,037.74	3.1%
62	Block 2	10,799,708	20,000			\$0,108.21		\$0,108.63			\$0,108.56			\$0,108.56			\$0,108.56		
63	Block 3	7,423,918	20,000			\$0,078.48		\$0,078.90			\$0,078.83			\$0,078.83			\$0,078.83		
64	Block 4	17,235,563	100,000			\$0,048.73		\$0,049.15			\$0,049.08			\$0,049.08			\$0,049.08		
65	Block 5	38,975,154	600,000			\$0,030.90		\$0,031.32			\$0,031.25			\$0,031.25			\$0,031.25		
66	Block 6	98,124,177	all additional			\$0,019.90		\$0,020.32			\$0,020.25			\$0,020.25			\$0,020.		

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			

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: September Filing
PGA Effects on Revenue
UG 487: Renewable Natural Gas Adjustment Mechanism

	Including Revenue Sensitive Amount
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<u>Permanent Increments</u>	
<u>Removal of Current Permanent Increments</u>	
Schedule 198 Amounts	(\$1,719,294)
<u>Addition of Proposed Permanent Increments</u>	
Schedule 198 Amounts	2,773,939
TOTAL OF ALL COMPONENTS OF RATE CHANGES	<u>\$1,054,645</u>
2022 Oregon Earnings Test Normalized Total Revenues	\$849,278,042
Effect of this filing, as a percentage change (line 11 ÷ line 14)	0.12%

NW Natural
Rates & Regulatory Affairs
2023-2024 PGA Filing - September 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	B	C	D	E	F1	F2	G
					E = sum B thru D	5.13%		G = E + F2
7	RENEWABLES ADJUSTMENT MECHANISM DEFERRALS							
8								
9	151928 LEXINGTON PROJECT SURCHARGE	0	0	0	1,367,852	5.13%	38,306	1,406,158
10								Amortized over 3 years
11	151930 RNG ADJUSTMENT MECHANISM DEFERRAL							468,719 per Order 22-437
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)

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 Balance						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 Sensitive	34,893.62					
29	Return on investment	570,820					
30	Sharing (UI 451 mechanism)	<u>(139,392)</u>					
31	To amortize	<u>1,367,852.08</u>					

Company: Northwest Natural Gas Company
 State: Oregon
 Description: RNG Investment Deferral - Lexington Sharing
 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)
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		<u>(147,275.17)</u>			<u>(5,648.87)</u>		
14							
15							
16		<u>Sales</u>	<u>Transportation</u>	<u>Sp. Contracts</u>			
17		(21,800.15)	(3,504.89)				
18							
19							
20		(43,901.54)	(7,058.21)				
21							
22		-	-				
23		<u>(61,175.05)</u>	<u>(9,835.34)</u>				
24		(126,876.74)	(20,398.44)	-	(147,275.18)		
25		86.15%	13.85%				
26							
27	Interest allocation	(1,907)	(307)	-			
28	6/30/23 balance	(128,783)	(20,705)	-	(149,488)		
29	July - Oct 2023 interest	(2,960)	(476)	-			
30	10/31/23 balance	(131,743)	(21,181)	-	(152,924)		

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

	<u>Year 2</u>
1	
2	
3	324,878
4	905,109
5	127,126
6	
7	
8	142,608
9	142,608
10	
11	
12	518,272
13	518,272
14	
15	2,017,993
16	56,882
17	
18	<u>\$2,074,875</u>

Combined Overall Tax Rate (OR & Fed)	27.004%		
Property Tax Rate	1.500%		
Franchise Taxes	2.299%		
Commission Fee	0.430%	2.819%	<i>'--> (rev sens rate)</i>
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	0%	<i>--> At 0%, no bonus depreciation.</i>
Non-Bonus		100%	