

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2323(1)

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, dba NW NATURAL,

Application for Reauthorization to Defer
Certain Costs Associated with the Energy
Efficiency Program for Transportation
Customers.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its Special Public Meeting on October 28, 2025, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



Alison Lackey

Chief Administrative Law Judge



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. CA3

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
SPECIAL PUBLIC MEETING DATE: October 28, 2025**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** October 31, 2025

DATE: October 16, 2025

TO: Public Utility Commission

FROM: Julie Dyck

THROUGH: Anna Kim and Scott Gibbens **SIGNED**

SUBJECT: NORTHWEST NATURAL:
(Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1))
Consolidated Staff Memo – Non-Gas Dockets Accompanying 2025 Purchased Gas Adjustment Filings.

STAFF RECOMMENDATION:

Staff recommends the Commission approve the following Northwest Natural Gas Company (NW Natural, NWN, or Company) Advice Numbers for service rendered on and after October 31, 2025: 25-05, 25-06A, 25-07A, 25-08, 25-09, 25-10, 25-11A, 25-12A, 25-13A, 25-14, 25-16, 25-16, 25-17, 25-19A, and Docket No. UM 2323(1).

DISCUSSION:

Purpose

The purpose of this memo is to provide the Commission with a consolidated summary of the non-commodity cost rate changes which are standard filed in conjunction with the 2025 Purchased Gas Adjustment (PGA) of Northwest Natural.¹ Each year, the Utilities file annual updates to the PGA tariff to reflect updated projected cost of natural gas and

¹ This is a new process that is implemented for the first time in 2025 in order to reduce regulatory burden and condense postings where possible.

Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1)
 October 16, 2025
 Page 2

a true-up of actual gas costs from the previous year. In addition, utilities submit related non-gas dockets addressing cost recovery for programs and initiatives that are ongoing. This memo compiles Staff's review and recommendations on a majority of those non-commodity cost matters and is completed for each utility. ADV 1768/Advice No. 25-25, ADV 1771/Advice No. 25-18, and ADV 1773/Advice No. 25-20 are not covered in this memo and are addressed by individual Staff members in separate memos.²

Issue

Whether the Public Utility Commission of Oregon (Commission) should approve Northwest Natural's 2025 annual PGA non-gas tariff updates as reflected in its Docket and Advice Nos., ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, and ADV 1772/Advice No. 25-19A.

Applicable Rule or Law

ORS 757.205 requires public utilities to file all rates, tolls, and charges with the Commission. ORS 757.210 provides that the Commission may approve tariff changes if they are fair, just, and reasonable. Filings that make any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the changes.

ORS 757.259(5) states that unless subject to an automatic adjustment clause, amounts deferred under ORS 757.259 shall be allowed in rates only to the extent authorized by the Commission in a proceeding under ORS 757.210 to change rates, and upon review of the utility's earnings at the time of application, to amortize the deferral. The Commission may require that amortization of deferred amounts be subject to refund. The Commission's final determination on the amount of deferrals allowable in the rates of the utility is subject to a finding by the Commission that the amount was prudently incurred by the utility.

² These cover the issues of: Transportation Customer RNG Offtake Costs, Renewable Natural Gas Adjustment Mechanism, and Transportation Customer Energy Efficiency.

Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1)
October 16, 2025
Page 3

ORS 757.259(6) states that the overall average rate impact of the amortizations authorized under this section in any one year may not exceed three percent of the utility's gross revenues for the preceding calendar year. ORS 757.259(7) allows the Commission to consider an overall average rate impact greater than that specified in subsection (6) for natural gas commodity and pipeline transportation costs incurred by a natural gas utility, if the Commission finds that allowing a higher amortization rate is reasonable under the circumstances.

OAR 860-022-0025 requires that revised tariff filings include statements showing the change in rates, the number of customers affected and resulting change in annual revenue, and the reasons for the tariff revision.

OAR 860-022-0030 requires that tariff filings which result in increased rates include statements showing the number of customers affected, the annual revenue under existing schedules, the annual revenue under proposed schedules, the average monthly bills under existing and proposed schedules, and the reasons supporting the proposed tariff.

The PGA mechanism was originally established by Order No. 89-1046 to minimize the frequency of gas cost-related rate changes and the fluctuation of rate levels pursuant to ORS 757.259(2)(e). Since the mechanism's creation in 1989, the Commission has issued a series of orders concerning PGA filings through Open-Docket No. UM 1286.³ Order No. 18-144 is the most recent of these orders and revises the Commission's procedures and requirements of the Natural Gas Portfolio Development Guidelines in Docket No. UM 1286 by adding language concerning review and approval of long-term hedging instruments in a local distribution company's (LDC) natural gas portfolio. No changes were made to the PGA Filing Guidelines previously established in Order No. 14-238. The Company's PGA filing is included in a separate Staff memo.

On December 16, 2021, the Department of Environmental Quality (DEQ) adopted the Oregon Climate Protection Program (CPP) rules, which set a cap on greenhouse gas

³ Order No. 08-504 established the form of the PGA Mechanism. PGA Guidelines were acknowledged by the Commission in Docket No. UM 1286, Order No. 09-248, on June 23, 2009. The Guidelines in Docket No. UM 1286 have been modified four different times since they were first acknowledged by the Commission, in Order No. 10-197, in Order No. 11-196, in Order No. 14-238, and in Order No. 18-144.

Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1)
 October 16, 2025
 Page 4

emissions from transportation fuels and natural gas. These rules were invalidated in December 2023 by the Oregon Court of Appeals following challenges by multiple parties. The DEQ adopted a revised CPP on November 21, 2024. The first compliance period started Jan. 1, 2025 and covers emissions through the end of 2027. The Company's RNG and Transport EE filings are included in separate Staff memos.

Analysis

This section covers the winter rate moratorium that impacted all advice filings coincident with the PGA, provides a summary table of all of the filings included in this memo, and provides a brief section covering Staff's analysis of each of the filings.

The passage of House Bill (HB) 3179 specifies that "[a]ny increase in residential rates may not take effect from November 1 to March 31."⁴ On August 11, 2025, Staff of the Public Utility Commission of Oregon filed a motion to amend the previously effective date of November 1 to October 31 in the Purchased Gas Adjustment (PGA) Guidelines as adopted in Order No. 14-238. The Chief Administrative Law Judge issued Order No. 25-308 granting the motion.

The following is a list of the tariff updates analyzed in this memorandum. Staff will address each of the updates separately below. The tariffs amortize amounts deferred under ORS 757.259(2)(e) and (3). Amounts deferred under these sections may only be amortized into rates after a prudence review and review of the Company's earnings for a period that is representative of the deferral period, unless the updates are part of an automatic adjustment clause (AAC). If part of an (AAC), the earnings review is discretionary. Staff reviewed the prudence of the costs at issue and NW Natural's earnings for calendar year 2024. Staff did not find the amounts subject to review were imprudent or that amortization of the deferrals at issue is inappropriate in light of NW Natural's earnings during the deferral period.

The impact of the filings included in this consolidated memo is an increase of \$25,148,684 in revenue and a 2.71 percent increase compared to 2024 gross revenue. This does not include the impacts from the Company's ADV 1768, ADV 1771, and ADV 1773 filings; these filings and their impacts are included in separate Staff memos.

⁴ Section 3(7) HB 3179.

Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1)
October 16, 2025
Page 5

Table 1: Northwest Natural Summary Table

Docket Number	Advice Number	Type	Issue	Proposed Residential Rate % Change⁵	Staff Recommendation
ADV 1758	25-05	Amortization	Intervenor Funding	0.0%	Approve
ADV 1759	25-06A	Amortization	Regulatory Fee	0.0%	Approve
ADV 1760	25-07A	Amortization	SRRM (Site Remediation Recovery Mechanism) Adjustment	0.2%	Approve
ADV 1761	25-08	Amortization	Industrial DSM (Demand Side Management)	N/A	Approve
ADV 1762	25-09	Amortization	Decoupling (Distribution Margin Normalization)	1.9%	Approve
ADV 1763	25-10	Amortization	WARM (Weather Adjusted Rate Mechanism)	0.8%	Approve
ADV 1764	25-11A	Tariff Change	CAT (Corporate Activity Tax) Deferral and Incremental	0.0%	Approve
ADV 1765	25-12A	Amortization	Curtailment and Entitlement Revenue	0.2%	Approve
ADV 1766	25-13A	Amortization	Residual balances of previous amortizations	0.1%	Approve
ADV 1767	25-14	Amortization	Residential Rate Mitigation	-0.1%	Approve
ADV 1769	25-16	Amortization	COVID-19	-0.1%	Approve

⁵ All of these amounts are rounded to the tenths place.

Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1)
 October 16, 2025
 Page 6

ADV 1770	25-17	Amortization	TSA Directive 2 Cost of Service Costs	-0.1%	Approve
ADV 1772	25-19A	Amortization	Mist Recall	0.0%	Approve
UM 2323(1)		Deferral	Energy Efficiency Program for Transportation Customers	N/A	Approve

ADV 1758

Summary of Filing:

The purpose of this tariff is to amortize deferred intervenor funding costs.

Background:

An Intervenor Funding Agreement (IFA) governs intervenor funding grants under which energy utilities contribute to funding for organizations representing broad customer interests to participate in Commission proceedings.⁶ The IFA sets forth eligibility criteria, regulatory procedures, and payment issuance and review.

Key Facts:

NW Natural proposes to amortize amounts deferred under Docket No. UM 1101(21) with an effective date of October 31, 2025. The net effect of the removal of the current temporary adjustment for intervenor funding, effective November 1, 2024, and the addition of the new temporary adjustment for intervenor funding, proposed to go into effect October 31, 2025, will result in an increase to the Company's annual revenues in the amount of \$177,531.

Customer Impact:

645,409 customers are impacted. The monthly bill increase to the residential customer served on Rate Schedule 2 using 54 therms is \$0.02, industrial Rate Schedule 3 customer using about 1,204 therms is \$0.02, industrial Rate Schedule 31 firm sales

⁶ Intervenor funding grants include the CUB Fund, Preauthorized Matching Fund, Issue Fund, and HB 2475 Fund.

Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1)
October 16, 2025
Page 7

customer using 5,162 therms is \$0.10, and industrial Rate Schedule 32 firm sales customer using about 20,914 therms \$0.42.

ADV 1759

Summary of Filing:

The purpose of this filing is to amortize the deferred variance between the amount collected in NW Natural's base rates for the Commission's regulatory fee and the actual amount paid to the Commission. This adjustment is limited to the variance due to a change in the fee rate.

Background:

Pursuant to ORS 756.310 and OAR 860-021-0034, NW Natural must pay to the Commission a regulatory fee each year by April 1. The specific amount of the fee assessed for gas utilities is set by March 1 each year in Docket No. UM 1012. On March 31, 2023, per Order No. 23-057, the Commission stated the annual fee rate was 0.43 percent of annual gross operating revenues.⁷ On March 1, 2024, the Commission increased the fee to 0.45 percent of annual gross revenue.⁸ The Company's requests to defer costs associated with incremental changes in the annual regulatory fee are filed in Docket No. UM 1766. The deferral allows the Company to account for differences between the Commission regulatory fee collected in base rates in General Rate Case (GRC) and the Commission regulatory fee set annually in Docket No. UM 1012.

Key Facts:

The Commission approved deferrals for the amounts subject to amortization in this filing in Order No. 23-413 and Order No. 24-398. The effect of removing the current temporary increments and adding the proposed amortization of the OPUC fee results in a decrease to the Company's annual revenues of \$228,753, or about 0.02 percent.

Customer Impact:

707,597 customers are impacted. For Schedule 2, an average customer bill will decrease from \$79.88 to \$79.86. For Schedule 3, an average customer bill will decrease from \$334.08 to \$334.00. For Schedule 32, an average customer bill will decrease from \$5,822.05 to \$5,820.55.

⁷ The rate increased to 0.45 percent, effective March 1, 2025.

⁸ Docket No. UM 1012, Order No. 24-507 (March 1, 2024).

Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1)
 October 16, 2025
 Page 8

ADV 1760

Summary of Filing:

The purpose of the Company's most recent filing (ADV 1760) is to update Schedule 183 with continued recovery of deferred environmental remediation costs consistent with the SRRM mechanism.

Background:

SRRM costs are all costs that relate to environmental remediation, including for past manufactured gas plant (MGP) operations. The SRRM was initially adopted in Order No. 12-437, Docket No. UG 221. In UG 221, the Commission ordered an earnings test for the SRRM but no sharing mechanism.⁹ The SRRM was addressed in a series of orders issued in Docket No. UM 1635, with Order Nos. 15-049 and 16-029 being the most relevant for this filing. The SRRM is a tariff allowing NWN to recover deferred historic remediation costs and ongoing remediation expenditures, subject to offsets for insurance recovery, a prudence review, and earnings test. Annual deferrals of environmental remediation costs have been authorized in Docket No. UM 1078, and most recently in Order No. 24-396 for the 12-month period beginning January 26, 2024. The Commission reviews the prudence of deferred costs and conducts and earnings test in a separate docket each year (UM 1732) and amounts deemed prudent are offset by insurance revenues received during the deferral period and subjected to an earnings test. The Commission issued Order No. 25-385 authorizing amounts incurred in 2024 for recovery.

Key Facts:

The initial tariff was filed on July 31, 2025, and was replaced with a new tariff on September 15, 2025. The net effect of the removal of the current temporary adjustments applied to rates effective November 1, 2024, and the application of the new temporary adjustments is to increase the Company's annual revenues by \$1,746,719, or about 0.19 percent.

⁹ Under ORS 757.259(5), an earnings review must be conducted prior to amortization of deferred amounts, unless those amounts are subject to an automatic adjustment clause. In Order No. 12-437, the Company's suggestion to implement an automatic adjustment clause with an earnings test as part of the SRRM was approved. *In the Matter of NW Natural, Request for General Rate Revision*, Docket No. UG 221, Order No. 12-437, at 31-33 (November 16, 2012).

Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1)
October 16, 2025
Page 9

Correction:

The September 15 filing replaces, in its entirety, the tariff sheet and Exhibit A originally filed under NWN OPUC Advice No. 25-07 (ADV 1760), dated July 31, 2025 and also corrects discrepancies caused by an inadvertent miscalculation of customer counts by rate schedule.

Customer Impact:

707,597 customers are impacted. For Schedule 2, an average customer bill will increase from \$81.88 to \$82.02. For Schedule 3, an average customer bill will increase from \$334.08 to \$334.75. For Schedule 31, an average customer bill will increase from \$2508.50 to \$2508.77. For Schedule 32, an average customer bill will increase from \$13,063.96 to \$13,068.24.

ADV 1761

Summary of Filing:

The purpose of this filing is the Amortization of Certain Non-Gas Cost Deferred Accounts Relating to: UM 1420 – Industrial Demand Side Management (DSM).

Background:

This filing amortizes in rates amounts NWN spent on DSM and deferred under Docket No. UM 1420. The Commission approved the deferral of the amounts at issue in Order No. 24-101.

Key Facts:

The impact to the Company's revenues is an increase of \$2,683,770, or approximately 0.29 percent.

Customer Impact:

Please note that the number of customers affected by this change is not accurately reflected in the filing. Northwest Natural chose to not update this particular filing to reflect the corrected customer counts as this tariff is on a per therm basis and the total therms did not change. This Schedule applies to Industrial Sales Service Customers taking service under Rate Schedule 3, Rate Schedule 31, or Rate Schedule 32, and to Commercial Sales Service Customers taking service under Rate Schedule 32. 569 commercial customers and 647 industrial customers are impacted.

Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1)
October 16, 2025
Page 10

ADV 1762

Summary of Filing:

The purpose of this filing is to request amortization of the deferred balances relating to Distribution Margin Normalization (Decoupling) in accordance with ORS 757.262. The Company revises rates for this purpose annually.

Background:

The Decoupling mechanism is an automatic adjustment mechanism under which the Company defers the difference between actual distribution margin per residential and small commercial customers and the margin to be collected from each of these two customer groups based on “normal” consumption from the Company’s last general rate case.

Key Facts:

The net effect of the removal of current temporary adjustments and the application of the new temporary adjustment is an increase to the Company’s annual revenues of \$14,551,276, or 1.55 percent. The decoupling deferral is not subject to an earnings review or a sharing test. NWN’s decoupling amortization is not subject to the 3 percent test pursuant to ORS 757.259.

Customer Impact:

704,444 customers are impacted. The monthly bill of the average residential customer served under Rate Schedule 2, using 54 therms per month, will increase by \$1.54. The monthly increase for the average commercial Rate Schedule 3 customer using 270 therms per month is \$3.72, and the monthly increase for the average commercial Rate Schedule 31 customer using 2,744 therms is \$60.48.

ADV 1763

Summary of Filing:

The purpose of this filing is to request amortization of the Weather Adjusted Rate Mechanism (WARM) deferrals, that apply to customers in rate schedule 2 or commercial rate schedule 3, during the WARM period that runs from December 1 to May 15.

Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1)
October 16, 2025
Page 11

Background:

During a warmer than normal year, WARM will increase customer bills while a colder than normal year results in a bill decrease. The maximum WARM adjustment, or cap/floor on a bill during the period will be \$12 (\$35 for commercial) or 25 percent of therm use, whichever is less. Any billing period where the monthly WARM adjustment exceeds the cap or floor, the balance of the adjustment is set aside into respective commercial or residential deferral accounts to be amortized on an equal cent per therm basis each year with the PGA.

Key Facts:

The effect of the application of the new temporary adjustment is to increase the Company's annual revenues by \$7,414,404, or about 0.79 percent. The WARM deferral is not subject to an earnings review or a sharing test. NWN's WARM deferral is included in the PGA combined three percent test but did not exceed the three percent test in this filing.

Customer Impact:

703,717 customers are impacted. The amounts will be recovered on an equal-cents-per-therm basis to Rate Schedules 2 and 3 customers over a 12-month period. The monthly bill of the average residential customer served under Rate Schedule 2 using 54 therms will increase by \$0.63, and the monthly increase for the average commercial Rate Schedule 3 customer using 270 therms per month is about \$3.37.

ADV 1764

Summary of Filing:

The purpose of this filing is to amortize costs related to the Oregon Corporate Activity Tax (OCAT) based on changes in pass-through gross revenues.

Background:

This filing replaces the current rates effective November 1, 2024, which were approved in last year's PGA. Revenues impacted by the OCAT are annually updated by the Company. As part of the Comprehensive Stipulation adopted by the Commission in Order No. 20-364 in Docket No. UG 388, NW Natural's annual PGA filings will include a component to recover the CAT to reflect changes in gross revenue and cost of goods sold that occur as a result of the PGA and simultaneous filings.

Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1)
October 16, 2025
Page 12

Key Facts:

The net effect of the removal of the current temporary adjustments applied to rates effective November 1, 2024, and the application of the new temporary adjustments, is to decrease the Company's annual revenues by \$314,308, or 0.03 percent. The review required for the OCAT filing is a detailed review of the rate schedule, the calculation of the increments allocated, effects on average bill, and the basis of revenue related costs. All of which was provided by the Company.

Correction:

The Company re-filed after noticing errors in customer count. Originally, the Company stated the changes would impact 644,678 residential customers, 62,210 commercial customers, and 970 industrial customers. The corrected numbers are 644,678 residential customers, 62,097 commercial customers, and 822 industrial customers.

Customer Impact:

707,597 customers are impacted. The monthly bill of the average residential customer served under Rate Schedule 2 using 54 therms will see a decrease of \$0.03. The monthly decrease for the average industrial Rate Schedule 3 customer using about 1,204 therms is \$0.42, the average industrial Rate Schedule 31 firm sales customer using 5,317 therms will see a monthly decrease of about \$1.41, and the average industrial Rate Schedule 32 firm sales customer using about 20,914 therms will see a monthly decrease of about \$4.49.

ADV 1765

Summary of Filing:

The purpose of this filing is the amortization of amounts deferred under Docket No. UM 2123 Net Curtailment and Entitlement Revenues, pursuant to Commission Order Nos. 20-364 and 21-454.

Background:

In Order No. 20-364, the Commission adopted a comprehensive stipulation in which parties agreed that, beginning in 2021, NW Natural will credit net curtailment and entitlement revenues to firm sales customers, i.e., credited revenues offset by identifiable incremental costs, through the company's PGA on an equal percent of

Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1)
October 16, 2025
Page 13

margin basis.¹⁰ In Order No. 24-104, the Commission approved NW Natural's deferral for the period November 1, 2023 through October 31, 2024. In Order No. 25-118, the Commission approved the Company's application to defer net curtailment and entitlement revenues for the 12-month period beginning November 1, 2024.¹¹

Key Facts:

The Company's updated filing submitted September 15, 2025, requests amortization of deferred amounts totaling (\$1,562,092) over a 12-month period beginning November 1, 2024. The deferred amount includes accrued interest and a revenue sensitivity adjustment. The effect of applying this new temporary adjustment is to increase the Company's annual revenues by \$1,562,092.

Correction:

The September 15 filing replaces, in its entirety, the tariff sheet and Exhibit A originally filed under NWN OPUC Advice No. 25-12 (ADV 1765) dated July 31, 2025, and also corrects discrepancies caused by an inadvertent miscalculation of customer counts by rate schedule.

Customer Impact:

707,250 customers are impacted. The monthly bill of the average residential customer served under Rate Schedule 2 using 54 therms will increase \$0.14. The monthly increase for the average industrial Rate Schedule 3 customer using about 1,204 therms is \$1.77. The average industrial Rate Schedule 31 firm sales customer using 5,162 therms will see a monthly increase of about \$4.82 and the average industrial Rate Schedule 32 firm sales customer using about 20,914 therms will see a monthly increase of about \$10.52.

ADV 1766

Summary of Filing:

The purpose of this filing is the Amortization of Certain Non-Gas Deferred Accounts Relating to: Residual Balances of Previous Amortizations.

¹⁰ See *In the Matter of NORTHWEST NATURAL GAS COMPANY, dba NW NATURAL, Request for a General Rate Revision*, Docket No. UG 388, Order No. 20-364, October 16, 2020, at 17-18.

¹¹ See *In the Matter of NORTHWEST NATURAL GAS COMPANY, dba NW NATURAL, Application to Defer Net Curtailment and Entitlement Revenues*, Docket No. UM 2123(4), Order No. 25-118, March 27, 2025.

Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1)
October 16, 2025
Page 14

Background:

This tariff allows NW Natural to recover the combined residual balances of deferred amounts after most of the amounts have been amortized under separate tariffs, including: the TSA Security Directive O&M account, Lincoln City property sale, COVID-19 account, and the residual balance account. The time periods of the sources of the deferral are not uniform. The TSA Security Directive account uses a deferral period of September 1 – August 31, gains on property sale and the COVID-19 account deferral are not regularly reoccurring expenses, and the residual balance account operates on a November 1 – October 31 period. The filing was last approved under Order No. 24-388.

Key Facts:

In this year's filing, all accounts are amortized on an equal percentage of margin with the exception of the residual balances account, which is on an equal cents per therm basis. The removal of current temporary adjustments and the application of the new temporary adjustments increases the Company's revenues by approximately \$703 thousand, or 0.07 percent; however, this amortization remains a net credit to customers.

Correction:

The September 15 filing also corrects discrepancies caused by an inadvertent miscalculation of customer counts by rate schedule.

Customer Impact:

707,597 customers are impacted. The monthly bill of the average residential customer served under Rate Schedule 2 using 54 therms will increase by \$0.08. The monthly increase for the average commercial Rate Schedule 3 customer using 270 therms per month is about \$0.29, and the monthly increase for average industrial Schedule 32 firm sales customer using 20,914 therms is about \$6.67.

ADV 1767

Summary of Filing:

The purpose of this filing is to amortize into rates the residual amounts from the temporary bill credits associated with residential rate mitigation from the 2023/2024 rate change.

Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1)
October 16, 2025
Page 15

Background:

In 2022, the Commission approved a rate mitigation mechanism that would lower customer bills in the winter months, via credits, and surcharge during the non-winter months. To mitigate the rate changes particularly resulting from increasing gas costs, a temporary Residential volumetric bill credit known as the Residential Rate Mitigation mechanism (Docket No. UG 459) was proposed and the deferred accounting was approved in Docket No. UM 2256.

Key Facts:

The net effect of the removal of the current temporary adjustments and the application of the new temporary adjustments decreases the Company's annual revenues by \$674,855, or about 0.07 percent. NWN's rate mitigation deferral is included in the PGA combined three percent test but did not exceed the three percent test in this filing.

Customer Impact:

The monthly bill of the average residential customer served under Rate Schedule 2 using 54 therms per month will see a decrease of \$0.09. The Company states that the number of customers affected by the proposed change is 644,678 residential customers.

ADV 1769

Summary of Filing:

The purpose of this filing is to zero out previously authorized deferred expenses related to the COVID-19 Pandemic in Schedule 173, retaining the schedule for future use.

Background:

Northwest Natural most recently requested amortization through Schedule 173 effective November 1, 2024, per Commission Order No. 24-390.

Key Facts:

The adjustment to Schedule 173 sought by ADV 1769 will decrease the Company's annual revenues by approximately \$1.3 million, or approximately 0.14 percent.

Customer Impact:

707,597 customers are impacted. The monthly bill for the average residential Rate Schedule 2 customer using 54 therms will decrease by \$0.12, or 0.15 percent. The

Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1)
October 16, 2025
Page 16

monthly bill for the average commercial Rate Schedule 3 customer using 270 therms will decrease by \$0.49, or 0.15 percent, and the monthly bill decrease for the average firm sales commercial Rate Schedule 31 customer using 2,969 therms is \$2.63, or 0.1 percent. The monthly bill for the average industrial Rate Schedule 32 firm sales industrial customer using 20,914 therms will decrease by \$1.57, or 0.01 percent.

ADV 1770

Summary of Filing:

The purpose of this filing updates the amortization related to revenue requirement Transportation Security Administration's (TSA) security directive related capital and cost of Service cost recovery.

Background:

In the Company's general rate case filing, Docket No. UG 435, NW Natural requested an adjustment mechanism for recovery of the cost of the capital expenditures associated with TSA Security Directive 2. NW Natural has filed a deferral application each year since September 2022. These filings have been docketed as UM 2192.

Key Facts:

NWN amends Schedule 189 by adjusting the total incremental amount collected to \$1,095,891. This is a decrease of \$531,476, or 0.06 percent, from the previous year.

Customer Impact:

707,858 customers are impacted. For Schedule 2, an average customer bill will decrease from \$81.88 to \$81.83. For Schedule 3, an average customer bill will decrease from \$1284.22 to \$1283.78. For Schedule 31, an average customer bill will decrease from \$4008.94 to \$4007.71. For Schedule 32, an average customer bill will decrease from \$6625.62 to \$6625.23.

ADV 1772

Summary of Filing:

The purpose of this filing is to update amortization of deferred amounts relating to Mist Recall.

Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1)
October 16, 2025
Page 17

Background:

This docket includes the cost of recall (aka withdrawal) from the Mist storage capacity from interstate/intrastate storage for service to core utility customers. The assets recalled include reservoir capacity, compression, Miller Station, and others. This adjustment is a permanent adjustment, with the aim to meet the core customer supply needs identified in the 2022 IRP.

Key Facts:

707,336 customers are impacted. The Mist storage requirement will increase by 15,000 dekatherms a day (Dth/day) for a total of 340,000 Dth/day, a 4.6 percent increase. The last adjustment to this schedule went into effect November 1, 2024. The estimated impact of this adjustment to rates is an increase to the Company's revenues by \$82,971, or 0.01 percent, and included in rates for the Company's core Sales Service Customers.

Correction:

The September 15 filing also corrects discrepancies caused by an inadvertent miscalculation of customer counts by rate schedule.

Customer Impact:

The monthly bill of the average residential customer served under Rate Schedule 2 using 54 therms per month will increase by \$0.01, or 0.0 percent. The monthly increase for the average Rate Schedule 3 commercial customer using 270 therms is \$0.02, or 0.00 percent; the monthly increase for the average Rate Schedule 27 customer using 36 therms is \$0.00, or 0.0 percent; and the monthly increase for the average commercial Rate Schedule 31 firm sales customer using 2,969 therms is approximately \$0.17, or 0.0 percent. The average industrial Rate Schedule 32 firm sales customer using 20,914 therms will see a monthly increase of approximately \$0.52, or 0.0 percent.

UM 2323(1)

Summary:

The Company is planning to defer costs associated with its new energy efficiency program for transportation customers with expenses representing incentives paid through ETO's standard track incentives offerings.

Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1)
October 16, 2025
Page 18

Background:

In NW Natural's 2022 Integrated Resource Plan (IRP), docketed as LC 79, the Commission approved Staff's Recommendation 23: "NW Natural should convene a stakeholder group immediately following the conclusion of the IRP to establish a transport customer efficiency program in time to be able to report on its status in the 2024 IRP update." On May 8, 2025, the Company requested that the Commission reauthorize the deferral of costs associated with its energy efficiency program for transportation customers. The deferred costs are incurred by NW Natural in order to allow all transportation customers to participate in Energy Trust of Oregon's (ETO) standard track incentive offerings. The Company emphasized that if deferred accounting is approved, NW Natural will seek a prudence determination after these costs have been incurred for inclusion in rates coincident with the Company's annual PGA.

Key Facts:

Beginning on May 10, 2025, and ending 12 months from this date, NW Natural proposes to account for the expenses incurred as a result of its transportation customer energy efficiency program on the Company's balance sheet, to later be included in customer rates. The costs are foreseen and described in Schedules 361 and 169 of the Company's tariff. The Company estimates the amount to be recorded in the deferred account for the 12-month period beginning May 10, 2025 through May 9, 2026, to be between \$1.5 and \$1.8 million, approximately. The amount deferred during the last deferral year of May 10, 2024 through May 9, 2025, was \$700,000 plus interest on the deferral of \$35,301. In the 2025-26 PGA filing, the Company estimates that it will seek to amortize \$748,348. The interest rate for deferral accounts is 7.056 percent.

Conclusion

Staff has reviewed the non-commodity cost filings accompanying the 2025 Purchased Gas Adjustments for Northwest Natural. Staff finds the filings to be consistent with Commission policy and prior practice, with the specific recommendations stated above. Staff requests Commission approval of the recommendations provided in this memo.

Northwest Natural has reviewed this memo.

Docket Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1)
October 16, 2025
Page 19

PROPOSED COMMISSION MOTION:

Approve Northwest Natural's Docket and Advice Nos. ADV 1758/Advice No. 25-05, ADV 1759/Advice No. 25-06A, ADV 1760/Advice No. 25-07A, ADV 1761/Advice No. 25-08, ADV 1762/Advice No. 25-09, ADV 1763/Advice No. 25-10, ADV 1764/Advice No. 25-11A, ADV 1765/Advice No. 25-12A, ADV 1766/Advice No. 25-13A, ADV 1767/Advice No. 25-14, ADV 1769/Advice No. 25-16, ADV 1770/Advice No. 25-17, ADV 1772/Advice No. 25-19A, and UM 2323(1), which updates the Company's tariff sheets, for service rendered on and after October 31, 2025.