



250 SW Taylor Street
Portland, OR 97204

503-226-4211
nwnatural.com

August 1, 2024

NWN OPUC Advice No. 24-16
(UM 2192)

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 AMORTIZATION OF CERTAIN NON-GAS COST DEFERRED ACCOUNTS RELATING TO: Transportation Security Administration Security Directive 2 Cost of Service Costs

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, 2024, as follows:

Eighth Revision of Sheet 180-1	Schedule 180	TSA Security Directive 2 Compliance Costs
Second Revision of Sheet 189-1	Schedule 189	Adjustment for TSA Capital and Cost of Service Cost Recovery

Purpose

The purpose of this filing is to: 1) Amortize deferred costs related to the Transportation Security Administration's (TSA) security directive 2 cost of service through Schedule 189 – Adjustment for TSA Capital and Cost of Service Cost Recovery and 2) Zero out Schedule 180 – TSA Security Directive 2 Compliance Costs as the deferral is no longer needed. TSA Security Directive 2 costs were incurred to comply with the security directive to: (1) implement specific mitigation measures to protect against ransomware attacks and other related threats, (2) develop and implement a cybersecurity contingency and response plan, and (3) conduct a cybersecurity architecture design review. As an owner and operator of critical pipeline infrastructure, NW Natural is subject to this TSA security directive.

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 Company filed a deferral application on September 2, 2022, with reauthorizations filed each year thereafter, which was docketed as UM 2192. In docket UG 435, NW Natural requested amortization of a portion of this deferral associated with the cost of service of the capital expenditures associated with TSA security directive 2 and was ordered in Commission Order No. 22-388 to amortize the cost of

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.

service deferral over a four year period starting on November 1, 2022. The request in this filing relates to the cost of service deferral related to costs incurred from amended TSA directives (Schedule 189). The Company respectfully requests approval to amortize the costs included in this filing.

Proposed Changes

The effect of the new temporary adjustment proposed in the filing is to decrease the Company's annual revenues by \$327,483 or 0.03%.

The monthly bill of the average residential customer served under Rate Schedule 2 using 55 therms will decrease \$0.03. The monthly decrease for the average industrial Rate Schedule 3 customer using about 1,255 therms is \$0.04, the average industrial Rate Schedule 31 firm sales customer using 5,430 therms will see a monthly decrease of about \$0.90, and the average industrial Rate Schedule 32 firm sales customer using about 20,942 therms will see a monthly decrease of about \$9.17.

In compliance with OAR 860-022-0025 the Company states that the number of customers affected by the proposed change in this filing is 640,507 residential customers, 62,203 commercial customers, and 836 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

Eighth Revision of Sheet 180-1
Cancels Seventh Revision of Sheet 180-1

SCHEDULE 180 TSA Security Directive 2 Compliance Costs

PURPOSE:

To recover costs associated with NW Natural's compliance with the TSA Security Directive 2. These costs were directed to help NW Natural mitigate cyber security threats due to the Company owning and operating critical pipeline infrastructure.

APPLICABLE:

To all Sales and Transportation Service Customers on the Rate Schedules of this Tariff listed below:

Rate Schedule 2	Rate Schedule 27	Rate Schedule 32
Rate Schedule 3	Rate Schedule 31	Rate Schedule 33

GENERAL:

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

APPLICATION TO RATE SCHEDULES: **Effective:** **November 1, 2024**

(C)

The Total Adjustment amount shown below is included in the Temporary Adjustments reflected in the listed Rate Schedules. **NO ADDITIONAL ADJUSTMENT TO RATES IS REQUIRED.**

Schedule	Block	Rate Adjustment	Schedule	Block	Rate Adjustment
2		\$0.00000	32 CSI	Block 1	\$0.00000
3 CSF		\$0.00000		Block 2	\$0.00000
3 ISF		\$0.00000		Block 3	\$0.00000
27		\$0.00000		Block 4	\$0.00000
31 CSF	Block 1	\$0.00000		Block 5	\$0.00000
	Block 2	\$0.00000		Block 6	\$0.00000
31 CTF	Block 1	\$0.00000	32 ISI	Block 1	\$0.00000
	Block 2	\$0.00000		Block 2	\$0.00000
31 ISF	Block 1	\$0.00000		Block 3	\$0.00000
	Block 2	\$0.00000		Block 4	\$0.00000
31 ITF	Block 1	\$0.00000		Block 5	\$0.00000
	Block 2	\$0.00000		Block 6	\$0.00000
32 CSF	Block 1	\$0.00000	32 CTI	Block 1	\$0.00000
	Block 2	\$0.00000		Block 2	\$0.00000
	Block 3	\$0.00000		Block 3	\$0.00000
	Block 4	\$0.00000		Block 4	\$0.00000
	Block 5	\$0.00000		Block 5	\$0.00000
	Block 6	\$0.00000		Block 6	\$0.00000
32 ISF	Block 1	\$0.00000	32 ITI	Block 1	\$0.00000
	Block 2	\$0.00000		Block 2	\$0.00000
	Block 3	\$0.00000		Block 3	\$0.00000
	Block 4	\$0.00000		Block 4	\$0.00000
	Block 5	\$0.00000		Block 5	\$0.00000
	Block 6	\$0.00000		Block 6	\$0.00000
32 CTF	Block 1	\$0.00000	33 (all)		\$0.00000
	Block 2	\$0.00000			
	Block 3	\$0.00000			
	Block 4	\$0.00000			
	Block 5	\$0.00000			
	Block 6	\$0.00000			
32 ITF	Block 1	\$0.00000			
	Block 2	\$0.00000			
	Block 3	\$0.00000			
	Block 4	\$0.00000			
	Block 5	\$0.00000			
	Block 6	\$0.00000			

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Issued August 1, 2024
NWN OPUC Advice No. 24-16

Effective with service on
and after November 1, 2024

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Second Revision of Sheet 189-1
Cancels First Revision of Sheet 189-1

SCHEDULE 189 ADJUSTMENT FOR TSA CAPITAL AND COST OF SERVICE COST RECOVERY

PURPOSE:

The purpose of this Schedule is to reflect the rate effects per year for the recovery of costs related to TSA capital and operations and maintenance expenses, in accordance with Order No. 22-388 in Docket UG 435 entered by the Public Utility Commission of Oregon on October 24, 2022.

APPLICABLE:

To all Customers served under the following Rate Schedules of this Tariff:

Rate Schedule 2	Rate Schedule 3	Rate Schedule 27
Rate Schedule 31	Rate Schedule 32	Rate Schedule 33

APPLICATION TO RATE SCHEDULES:

Effective: November 1, 2024

The Adjustment amounts shown below are calculated based on equal percent of margin by Rate Schedule and Customer class, and the rate allocation adopted in Docket UG 435. The adjustment amount is embedded in the Base Rate reflected in the respective Rate Schedules listed above. NO ADDITIONAL ADJUSTMENT TO RATES IS REQUIRED.

(C)

Schedule	Block	Rate Adjustment	Schedule	Block	Rate Adjustment
2		\$0.00373	32 CSI	Block 1	\$0.00060
3 CSF		\$0.00306		Block 2	\$0.00051
3 ISF		\$0.00171		Block 3	\$0.00036
27		\$0.00381		Block 4	\$0.00021
31 CSF	Block 1	\$0.00157		Block 5	\$0.00012
	Block 2	\$0.00143		Block 6	\$0.00005
31 CTF	Block 1	\$0.00157	32 ISI	Block 1	\$0.00020
	Block 2	\$0.00144		Block 2	\$0.00017
31 ISF	Block 1	\$0.00124		Block 3	\$0.00012
	Block 2	\$0.00112		Block 4	\$0.00007
31 ITF	Block 1	\$0.00127		Block 5	\$0.00004
	Block 2	\$0.00115		Block 6	\$0.00002
32 CSF	Block 1	\$0.00111	32 CTI	Block 1	\$0.00013
	Block 2	\$0.00094		Block 2	\$0.00011
	Block 3	\$0.00066		Block 3	\$0.00008
	Block 4	\$0.00038		Block 4	\$0.00005
	Block 5	\$0.00018		Block 5	\$0.00003
	Block 6	\$0.00008		Block 6	\$0.00002
32 ISF	Block 1	\$0.00014	32 ITI	Block 1	\$0.00013
	Block 2	\$0.00012		Block 2	\$0.00011
	Block 3	\$0.00008		Block 3	\$0.00008
	Block 4	\$0.00005		Block 4	\$0.00005
	Block 5	\$0.00002		Block 5	\$0.00003
	Block 6	\$0.00001		Block 6	\$0.00002
32 CTF	Block 1	\$0.00020	33 (all)		\$0.00000
	Block 2	\$0.00017			
	Block 3	\$0.00012			
	Block 4	\$0.00007			
	Block 5	\$0.00004			
	Block 6	\$0.00003			
32 ITF	Block 1	\$0.00014			
	Block 2	\$0.00012			
	Block 3	\$0.00009			
	Block 4	\$0.00005			
	Block 5	\$0.00003			
	Block 6	\$0.00002			

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GENERAL TERMS:

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

Issued August 1, 2024
NWN OPUC Advice No. 24-16

Effective with service on
and after November 1, 2024

EXHIBIT A

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

NW NATURAL SUPPORTING MATERIALS

Non-Gas Cost Deferred Accounts Relating to:
Transportation Security Administration Security Directive 2
Cost of Service Costs

UM 2192

NWN OPUC Advice No. 24-16

August 1, 2024

NW NATURAL

EXHIBIT A

Supporting Materials

Non-Gas Cost Deferred Accounts Transportation Security Administration Security Directive 2 Cost of Service Costs

NWN OPUC ADVICE NO. 24-16

Description	Page
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Summary of Deferred Accounts Included in the PGA	5
151805 TSA Security Directive COS Amortization	6
Determination of Cost of Service	7-8

NW Natural
 Rates & Regulatory Affairs

2024-25 PGA - Oregon: August Filing

Calculation of Increments Allocated on the EQUAL PERCENTAGE OF MARGIN BASIS

Spread per UG 435 Order 22-388
 < based on pct spread of incremental UG 435 RR >

ALL VOLUMES IN THERMS

Schedule	Block	Oregon PGA Volumes page, Column F	Billing Rate from Rates page, Column A	WACOG & Demand from Rates page, Column B+C+D*	Temps from Temporary Increment page, Column A	MARGIN Rate	Volumetric Margin	Customer Charge	Customers	Total Margin	Proposed Amount: Revenue Sensitive Multiplier: Amount to Amortize:	TSA Cost of Service		
												Multiplier	Allocation to RS	Increment
												2,266,041	Temporary Increment	
												N/A rev sensitive factor is built in		
												2,266,041	to all classes and schedules	
												P	Q	R
2R		423,059,269	\$1.29519	\$0.54757	\$0.06135	\$0.68627	\$290,332,884	\$8.00	640,507	\$351,821,556		1.0	\$1,578,944	\$0.00373
3C Firm Sales		178,618,735	\$1.08753	\$0.54757	(\$0.01882)	\$0.55878	\$99,808,577	\$15.00	59,212	\$110,466,737		1.0	\$546,676	\$0.00306
3I Firm Sales		5,103,738	\$1.05830	\$0.54757	\$0.06884	\$0.44189	\$2,255,291	\$15.00	339	\$2,316,311		1.0	\$8,728	\$0.00171
27 Dry Out		742,733	\$1.08605	\$0.54757	\$0.03969	\$0.49879	\$370,468	\$8.00	1,685	\$532,228		1.0	\$2,830	\$0.00381
31C Firm Sales	Block 1	12,281,908	\$0.75920	\$0.44732	\$0.00500	\$0.30688	\$6,585,003	\$325.00	658	\$9,151,203		1.0	\$33,667	\$0.00157
	Block 2	10,043,265	\$0.73098	\$0.44732	\$0.00328	\$0.28038						1.0		\$0.00143
31C Firm Trans	Block 1	1,267,742	\$0.29503	\$0.00000	\$0.01874	\$0.27629	\$702,627	\$575.00	59	\$1,109,727		1.0	\$3,999	\$0.00157
	Block 2	1,392,960	\$0.26998	\$0.00000	\$0.01702	\$0.25296						1.0		\$0.00144
31I Firm Sales	Block 1	3,698,785	\$0.74421	\$0.44732	\$0.06165	\$0.23524	\$2,493,499	\$325.00	174	\$3,172,099		1.0	\$13,191	\$0.00124
	Block 2	7,639,515	\$0.72013	\$0.44732	\$0.06031	\$0.21250						1.0		\$0.00112
31I Firm Trans	Block 1	144,356	\$0.25351	\$0.00000	\$0.01499	\$0.23852	\$110,408	\$575.00	6	\$151,808		1.0	\$586	\$0.00127
	Block 2	351,741	\$0.22946	\$0.00000	\$0.01346	\$0.21600						1.0		\$0.00115
32C Firm Sales ¹	Block 1	34,618,514	\$0.67131	\$0.44732	\$0.06080	\$0.16319	\$7,128,149	\$675.00	520	\$11,443,826		1.0	\$48,421	\$0.00111
	Block 2	9,360,621	\$0.64449	\$0.44732	\$0.05874	\$0.13843						1.0		\$0.00094
	Block 3	1,566,490	\$0.59997	\$0.44732	\$0.05533	\$0.09732						1.0		\$0.00066
	Block 4	544,281	\$0.55528	\$0.44732	\$0.05190	\$0.05606						1.0		\$0.00038
	Block 5	0	\$0.52318	\$0.44732	\$0.04944	\$0.02642						1.0		\$0.00018
	Block 6	0	\$0.50796	\$0.44732	\$0.04827	\$0.01237						1.0		\$0.00008
32I Firm Sales ¹	Block 1	8,547,588	\$0.62727	\$0.44732	\$0.05252	\$0.12743	\$2,260,433	\$675.00	88	\$2,999,474		1.0	\$2,454	\$0.00014
	Block 2	7,603,172	\$0.60740	\$0.44732	\$0.05182	\$0.10826						1.0		\$0.00012
	Block 3	2,763,251	\$0.57416	\$0.44732	\$0.05061	\$0.07623						1.0		\$0.00008
	Block 4	3,005,494	\$0.54104	\$0.44732	\$0.04942	\$0.04430						1.0		\$0.00005
	Block 5	195,767	\$0.51791	\$0.44732	\$0.04858	\$0.02201						1.0		\$0.00002
	Block 6	0	\$0.50628	\$0.44732	\$0.04817	\$0.01079						1.0		\$0.00001
32C Firm Trans	Block 1	2,721,537	\$0.13325	\$0.00000	\$0.00423	\$0.12902	\$671,636	\$925.00	27	\$987,040		1.0	\$1,021	\$0.00020
	Block 2	2,020,003	\$0.11366	\$0.00000	\$0.00338	\$0.11028						1.0		\$0.00017
	Block 3	707,839	\$0.08114	\$0.00000	\$0.00198	\$0.07916						1.0		\$0.00012
	Block 4	869,038	\$0.04857	\$0.00000	\$0.00058	\$0.04799						1.0		\$0.00007
	Block 5	0	\$0.02899	\$0.00000	(\$0.00027)	\$0.02926						1.0		\$0.00004
	Block 6	0	\$0.01601	\$0.00000	(\$0.00084)	\$0.01685						1.0		\$0.00003
32I Firm Trans	Block 1	11,657,702	\$0.13029	\$0.00000	\$0.00345	\$0.12684	\$5,974,736	\$925.00	101	\$7,233,851		1.0	\$6,562	\$0.00014
	Block 2	17,056,306	\$0.11125	\$0.00000	\$0.00279	\$0.10846						1.0		\$0.00012
	Block 3	10,569,490	\$0.07953	\$0.00000	\$0.00169	\$0.07784						1.0		\$0.00009
	Block 4	22,324,991	\$0.04783	\$0.00000	\$0.00058	\$0.04725						1.0		\$0.00005
	Block 5	22,115,808	\$0.02874	\$0.00000	(\$0.00009)	\$0.02883						1.0		\$0.00003
	Block 6	7,865,614	\$0.01613	\$0.00000	(\$0.00052)	\$0.01665						1.0		\$0.00002
32C Interr Sales	Block 1	4,649,733	\$0.64462	\$0.44732	\$0.05827	\$0.13903	\$2,121,406	\$675.00	39	\$2,437,306		1.0	\$9,099	\$0.00060
	Block 2	6,816,872	\$0.62250	\$0.44732	\$0.05712	\$0.11806						1.0		\$0.00051
	Block 3	3,782,502	\$0.58557	\$0.44732	\$0.05519	\$0.08306						1.0		\$0.00036
	Block 4	5,561,835	\$0.54861	\$0.44732	\$0.05325	\$0.04804						1.0		\$0.00021
	Block 5	3,284,822	\$0.52644	\$0.44732	\$0.05209	\$0.02703						1.0		\$0.00012
	Block 6	0	\$0.51023	\$0.44732	\$0.05124	\$0.01167						1.0		\$0.00005
32I Interr Sales	Block 1	4,653,469	\$0.62793	\$0.44732	\$0.05593	\$0.12468	\$2,007,813	\$675.00	55	\$2,453,313		1.0	\$3,296	\$0.00020
	Block 2	6,055,122	\$0.60846	\$0.44732	\$0.05521	\$0.10593						1.0		\$0.00017
	Block 3	3,505,859	\$0.57596	\$0.44732	\$0.05398	\$0.07466						1.0		\$0.00012
	Block 4	9,726,364	\$0.54347	\$0.44732	\$0.05278	\$0.04337						1.0		\$0.00007
	Block 5	4,171,536	\$0.52396	\$0.44732	\$0.05204	\$0.02460						1.0		\$0.00004
	Block 6	0	\$0.50968	\$0.44732	\$0.05150	\$0.01086						1.0		\$0.00002
32C Interr Trans	Block 1	822,778	\$0.12471	\$0.00000	\$0.00240	\$0.12231	\$510,575	\$925.00	3	\$543,875		1.0	\$524	\$0.00013
	Block 2	1,679,150	\$0.10645	\$0.00000	\$0.00183	\$0.10462						1.0		\$0.00011
	Block 3	978,518	\$0.07601	\$0.00000	\$0.00087	\$0.07514						1.0		\$0.00008
	Block 4	3,232,735	\$0.04557	\$0.00000	(\$0.00007)	\$0.04564						1.0		\$0.00005
	Block 5	472,307	\$0.02730	\$0.00000	(\$0.00065)	\$0.02795						1.0		\$0.00003
	Block 6	0	\$0.01517	\$0.00000	(\$0.00102)	\$0.01619						1.0		\$0.00002
32I Interr Trans	Block 1	6,144,023	\$0.12543	\$0.00000	\$0.00307	\$0.12236	\$5,680,357	\$925.00	73	\$6,490,657		1.0	\$6,044	\$0.00013
	Block 2	10,403,074	\$0.10713	\$0.00000	\$0.00247	\$0.10466						1.0		\$0.00011
	Block 3	6,958,044	\$0.07662	\$0.00000	\$0.00145	\$0.07517						1.0		\$0.00008
	Block 4	15,417,391	\$0.04610	\$0.00000	\$0.00045	\$0.04565						1.0		\$0.00005
	Block 5	35,960,832	\$0.02781	\$0.00000	(\$0.00016)	\$0.02797						1.0		\$0.00003
	Block 6	99,266,501	\$0.01563	\$0.00000	(\$0.00056)	\$0.01619						1.0		\$0.00002
33		0	\$0.00862	\$0.00000	(\$0.00147)	\$0.01009	\$0	\$38,000.00	0	\$0		0.0	\$0	\$0.00000
Special Contracts		54,127,531	\$0.00544	\$0.00000	\$0.00191	\$0.00353	\$191,070	\$0.00	7	\$191,070		0.0	\$0	\$0.00000
TOTALS		1,098,129,249					\$ 429,204,932			\$ 513,502,081		\$ 513,311,011	\$ 2,266,041	
Sources for line 2 above:							\$ 38,693,003			\$ 50,681,560				
Inputs page														Line 75
Tariff Schedules														
Rate Adjustment Schedule														Sched 189

75 Note: Allocation to rate schedules or blocks with zero volumes is calculated on an overall margin percentage change basis.
 76 * Since Billing Rates for all schedules above 31 do not include demand, column c for those schedules is WACOG only
 77 Rate schedule 32 firm service includes as total margin the storage and distribution capacity charges and are derived using MDDV therm usages

NW Natural
Rates and Regulatory Affairs
2024-2025 PGA Filing - OREGON
Basis for Revenue Related Costs

	Twelve Months <u>Ended 06/30/24</u>		
1			
2			
3	Total Billed Gas Sales Revenues	\$ 920,096,835	
4	Total Oregon Revenues	\$ 925,565,009	
5			
6	Regulatory Commission Fees [1]	n/a	0.450% Statutory rate
7	City License and Franchise Fees	\$ 21,672,271	2.342% Line 7 ÷ Line 4
8	Net Uncollectible Expense [2]	\$ 845,048	0.091% Line 8 ÷ Line 4
9			
10	Total		<u>2.883%</u> Sum lines 8-9
11			
12			

13 **Note:**

14 [1] Dollar figure is set at statutory level of 0.275% times Total Oregon Revenues (line 4).

15 Because the fee changed since our last general rate case, the difference between the previous fee of 0.375% and the new fee of 0.450%, 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
2024-2025 PGA Filing - Oregon: August Filing
PGA Effects on Revenue
Schedule 180 & 189: TSA Security Directive 2 O&M and COS

	Including Revenue Sensitive Amount
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<u>Temporary Increments</u>	
<u>Removal of Current Temporary Increments</u>	
Amortization of TSA Security Directive 2 O&M	<u>(2,593,524)</u>
<u>Addition of Proposed Temporary Increments</u>	
Amortization of TSA Security Directive 2 O&M	<u>2,266,041</u>
TOTAL OF ALL COMPONENTS OF RATE CHANGES	<u><u>(\$327,483)</u></u>
2023 Oregon Earnings Test Normalized Total Revenues	\$975,829,919
Effect of this filing, as a percentage change (line 12 ÷ line 16)	-0.03%

NW Natural
Rates & Regulatory Affairs
2024-2025 PGA Filing - June Filing
Summary of Deferred Accounts Included in the PGA

Account	Balance 6/30/2024	Jul-Oct Estimated Activity	Jul-Oct Interest	Estimated Balance 10/31/2024	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	5.40%		G = E + F2
42 151804 TSA SECURITY DIRECTIVE COS DEFERRAL	1,345,500	87,826	0	1,433,326			
43 151809 TSA SECURITY DIRECTIVE 2 COS DEFERRAL	123,712	102,882	0	226,594			
44 151805 TSA SECURITY DIRECTIVE COS AMORTIZATION (UG 435)	150,925	(93,234)	1,947	59,638			
45 Return on Rate Base for 151804 Deferral				250,228			
46 Return on Rate Base for 151809 Deferral				231,342			
47	1,620,137	97,473	1,947	2,201,128	5.40%	64,913	2,266,041

Company: Northwest Natural Gas Company
 State: Oregon
 Description: OR TSA SECURITY DIRECTIVE COS AMORT
 Account Number: 151805

Debit (Credit)

	Month/Year (a)	Note (b)	Amortization (c)	Transfers (d)	Interest Rate (e)	Interest (f)	Activity (g)	Balance (h)
1	Beginning Balance							0.00
33	Jun-23		(18,038.59)		1.820%	76.54	(17,962.05)	41,525.48
34	Jul-23		(14,363.79)		1.820%	52.09	(14,311.70)	27,213.78
35	Aug-23		(12,110.03)		1.820%	32.09	(12,077.94)	15,135.84
36	Sep-23		(13,056.00)		1.820%	13.06	(13,042.94)	2,092.90
37	Oct-23		(18,893.59)		1.820%	(11.15)	(18,904.74)	(16,811.84)
38	Nov-23	OLD	(23,944.26)		1.820%	(43.66)	(23,987.92)	(40,799.76)
39	Nov-23	NEW	(23,417.09)	714,320.68	5.130%	3,003.67	693,907.26	653,107.51
40	Dec-23		(90,970.24)		5.130%	2,597.59	(88,372.65)	564,734.86
41	Jan-24		(111,885.98)		5.130%	2,175.09	(109,710.89)	455,023.97
42	Feb-24		(94,613.05)		5.130%	1,742.99	(92,870.06)	362,153.91
43	Mar-24		(86,087.00)		5.130%	1,364.20	(84,722.80)	277,431.11
44	Apr-24		(57,105.14)		5.130%	1,063.96	(56,041.18)	221,389.93
45	May-24		(43,525.24)		5.130%	853.41	(42,671.83)	178,718.10
46	Jun-24		(28,496.44)		5.130%	703.11	(27,793.33)	150,924.77
47	Jul-24	<i>Forecasted</i>	<i>(18,086.88)</i>		5.130%	606.54	(17,480.34)	133,444.43
48	Aug-24	<i>Forecasted</i>	<i>(16,264.13)</i>		5.130%	535.71	(15,728.42)	117,716.01
49	Sep-24	<i>Forecasted</i>	<i>(18,167.79)</i>		5.130%	464.40	(17,703.39)	100,012.62
50	Oct-24	<i>Forecasted</i>	<i>(40,715.63)</i>		5.130%	340.52	(40,375.11)	59,637.51
51								
52								
53								

(1) History truncated for ease of viewing

NW Natural
 Determination of Cost of Service
 TSA Security Directive 2 - Deferral Costs
 OREGON

	11/30/2023	12/31/2023	1/31/2024	2/29/2024	3/31/2024	4/30/2024	5/31/2024	6/30/2024	FORECAST 7/31/2024	FORECAST 8/31/2024	FORECAST 9/30/2024	FORECAST 10/31/2024
Depreciation	200,213.92	19,187.49	19,187.49	19,187.49	19,187.49	19,187.49	19,187.49	19,187.49	19,187.49	19,187.49	19,187.49	19,187.49
O&M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Property Taxes	2,989.23	2,966.05	2,942.86	2,919.68	2,896.49	2,873.31	2,850.12	2,826.94	2,803.75	2,780.57	2,757.38	2,734.20
Taxes on Equity Return												
State	947.46	921.72	914.47	907.22	899.96	892.71	885.45	878.20	870.95	863.69	856.44	849.18
Federal	2,617.97	2,546.87	2,526.82	2,506.78	2,486.74	2,466.69	2,446.65	2,426.60	2,406.56	2,386.52	2,366.47	2,346.43
Total Taxes	3,565.43	3,468.59	3,441.29	3,413.99	3,386.70	3,359.40	3,332.10	3,304.80	3,277.51	3,250.21	3,222.91	3,195.62
Return on Rate Base												
Debt	4,459.95	4,338.81	4,304.67	4,270.52	4,236.38	4,202.23	4,168.09	4,133.94	4,099.79	4,065.65	4,031.50	3,997.36
Preferred Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	12,466.54	12,127.93	12,032.49	11,937.04	11,841.60	11,746.15	11,650.71	11,555.26	11,459.82	11,364.37	11,268.93	11,173.48
Total Return	16,926.49	16,466.74	16,337.15	16,207.56	16,077.97	15,948.38	15,818.79	15,689.20	15,559.61	15,430.02	15,300.43	15,170.84
Subtotal Cost of Service	223,695.08	42,088.87	41,908.79	41,728.72	41,548.65	41,368.58	41,188.50	41,008.43	40,828.36	40,648.28	40,468.21	40,288.14
Revenue Sensitive Items	6,305.42	1,186.38	1,181.31	1,176.23	1,171.16	1,166.08	1,161.00	1,155.93	1,150.85	1,145.78	1,140.70	1,135.62
Total Cost of Service	230,000.50	43,275.25	43,090.10	42,904.95	42,719.80	42,534.65	42,349.51	42,164.36	41,979.21	41,794.06	41,608.91	41,423.76
Amount to Deferral Account	203,203.15	22,153.53	22,130.35	22,107.16	22,083.98	22,060.79	22,037.61	22,014.42	21,991.24	21,968.05	21,944.87	21,921.68
Return on Rate Base + Rev Sens	28,797.35	21,121.71	20,959.75	20,797.79	20,635.82	20,473.86	20,311.90	20,149.93	19,987.97	19,826.01	19,664.04	19,502.08
												TOTAL
												250,228.21
Plant												
Gross plant - beginning balance	2,897,425.73	2,897,425.73	2,897,425.73	2,897,425.73	2,897,425.73	2,897,425.73	2,897,425.73	2,897,425.73	2,897,425.73	2,897,425.73	2,897,425.73	2,897,425.73
Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accumulated depreciation	2,897,425.73	2,897,425.73	2,897,425.73	2,897,425.73	2,897,425.73	2,897,425.73	2,897,425.73	2,897,425.73	2,897,425.73	2,897,425.73	2,897,425.73	2,897,425.73
Net Plant	2,473,846.50	2,454,659.01	2,435,471.53	2,416,284.04	2,397,096.55	2,377,909.06	2,358,721.58	2,339,534.09	2,320,346.60	2,301,159.11	2,281,971.63	2,262,784.14
Deferred Taxes	32,331.85	-16,552.52	-16,552.52	-16,552.52	-16,552.52	-16,552.52	-16,552.52	-16,552.52	-16,552.52	-16,552.52	-16,552.52	-16,552.52
Rate Base	2,506,178.36	2,438,106.49	2,418,919.00	2,399,731.51	2,380,544.03	2,361,356.54	2,342,169.05	2,322,981.57	2,303,794.08	2,284,606.59	2,265,419.10	2,246,231.62
Deferred Taxes												
Book Depreciation	200,213.92	19,187.49	19,187.49	19,187.49	19,187.49	19,187.49	19,187.49	19,187.49	19,187.49	19,187.49	19,187.49	19,187.49
Beg. Balance	80,484.05	80,484.05	80,484.05	80,484.05	80,484.05	80,484.05	80,484.05	80,484.05	80,484.05	80,484.05	80,484.05	80,484.05
Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax Depreciation	80,484.05	80,484.05	80,484.05	80,484.05	80,484.05	80,484.05	80,484.05	80,484.05	80,484.05	80,484.05	80,484.05	80,484.05
Book-Tax Difference	-119,729.87	61,296.56	61,296.56	61,296.56	61,296.56	61,296.56	61,296.56	61,296.56	61,296.56	61,296.56	61,296.56	61,296.56
Tax Effect	-32,331.85	16,552.52	16,552.52	16,552.52	16,552.52	16,552.52	16,552.52	16,552.52	16,552.52	16,552.52	16,552.52	16,552.52
MACRS Depreciation	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
MACRS Depreciation - additions - mid-month convent	16.67%	16.67%	16.67%	16.67%	16.67%	16.67%	16.67%	16.67%	16.67%	16.67%	16.67%	16.67%
Tax Calculation Check												
MACRS Depreciation	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
MACRS Depreciation - Bonus	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Rate	27.004%	27.004%	27.004%	27.004%	27.004%	27.004%	27.004%	27.004%	27.004%	27.004%	27.004%	27.004%

Revenue Requirement Inputs			
Rev Sens Rate	2.82%		
	% of Capital	Cost	Weighted Cost
Debt	50.00%	4.271%	2.136%
Preferred Equity	0.00%	0.000%	0.000%
Common Equity	50.00%	9.400%	4.700%
	100.00%		6.836%
State Tax Rate			7.60%
Federal Tax Rate			21.00%
Property Tax Rate			1.450%

NW Natural
 Determination of Cost of Service
 TSA Security Directive 2 - Deferral Costs
 OREGON

	11/30/2023	12/31/2023	1/31/2024	2/29/2024	3/31/2024	4/30/2024	5/31/2024	6/30/2024	FORECAST 7/31/2024	FORECAST 8/31/2024	FORECAST 9/30/2024	FORECAST 10/31/2024
Depreciation	1,100.35	1,100.35	1,100.35	11,312.33	21,524.32	21,524.32	21,524.32	21,524.32	21,524.32	21,524.32	21,524.32	21,524.32
O&M	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	222.09	220.76	219.43	4,365.14	4,339.13	4,313.12	4,287.12	4,261.11	4,235.10	4,209.09	4,183.08	4,157.07
Taxes on Equity Return												
State	54.39	54.06	53.73	1,071.98	1,062.55	1,056.15	1,049.74	1,043.33	1,036.92	1,030.52	1,024.11	1,017.70
Federal	150.28	149.37	148.47	2,962.06	2,936.00	2,918.30	2,900.59	2,882.89	2,865.19	2,847.48	2,829.78	2,812.08
Total Taxes	204.66	203.43	202.20	4,034.04	3,998.55	3,974.44	3,950.33	3,926.22	3,902.11	3,878.00	3,853.89	3,829.78
Return on Rate Base												
Debt	325.14	323.19	321.23	6,408.78	6,352.41	6,314.11	6,275.80	6,237.50	6,199.20	6,160.89	6,122.59	6,084.28
Preferred Equity	-	-	-	-	-	-	-	-	-	-	-	-
Common Equity	715.60	711.29	706.98	14,105.03	13,980.96	13,896.66	13,812.35	13,728.05	13,643.74	13,559.44	13,475.14	13,390.83
Total Return	1,040.75	1,034.48	1,028.21	20,513.81	20,333.37	20,210.76	20,088.16	19,965.55	19,842.94	19,720.33	19,597.72	19,475.12
Subtotal Cost of Service	2,567.85	2,559.02	2,550.19	40,225.32	50,195.37	50,022.65	49,849.92	49,677.19	49,504.47	49,331.74	49,159.01	48,986.28
Revenue Sensitive Items	72.38	72.13	71.88	1,133.85	1,414.89	1,410.02	1,405.15	1,400.28	1,395.41	1,390.54	1,385.67	1,380.80
Total Cost of Service	2,640.23	2,631.15	2,622.08	41,359.18	51,610.26	51,432.66	51,255.07	51,077.47	50,899.88	50,722.28	50,544.68	50,367.09
Amount to Deferral Account	1,322.44	1,321.11	1,319.78	15,677.47	25,863.45	25,837.44	25,811.43	25,785.42	25,759.41	25,733.41	25,707.40	25,681.39
Return on Rate Base + Rev Sens	1,317.79	1,310.04	1,302.29	25,681.70	25,746.81	25,595.22	25,443.64	25,292.05	25,140.46	24,988.87	24,837.29	24,685.70
TOTAL												231,341.88
Plant												
Gross plant - beginning balance	185,451.97	185,451.97	185,451.97	185,451.97	3,627,693.80	3,627,693.80	3,627,693.80	3,627,693.80	3,627,693.80	3,627,693.80	3,627,693.80	3,627,693.80
Additions	-	-	-	3,442,241.83	-	-	-	-	-	-	-	-
Accumulated depreciation	(1,650.52)	(2,750.87)	(3,851.22)	(15,163.55)	(36,687.87)	(58,212.18)	(79,736.50)	(101,260.82)	(122,785.13)	(144,309.45)	(165,833.77)	(187,358.08)
Net Plant	183,801.44	182,701.09	181,600.75	3,612,530.25	3,591,005.93	3,569,481.62	3,547,957.30	3,526,432.98	3,504,908.67	3,483,384.35	3,461,860.03	3,440,335.72
Deferred Taxes	(1,093.96)	(1,093.96)	(1,093.96)	(11,246.63)	(21,399.31)	(21,399.31)	(21,399.31)	(21,399.31)	(21,399.31)	(21,399.31)	(21,399.31)	(21,399.31)
Rate Base	182,707.49	181,607.14	180,506.79	3,601,283.62	3,569,606.62	3,548,082.31	3,526,557.99	3,505,033.67	3,483,509.36	3,461,985.04	3,440,460.72	3,418,936.41
Deferred Taxes												
Book Depreciation	1,100.35	1,100.35	1,100.35	11,312.33	21,524.32	21,524.32	21,524.32	21,524.32	21,524.32	21,524.32	21,524.32	21,524.32
Beg. Balance	5,151.44	5,151.44	5,151.44	5,151.44	100,769.27	100,769.27	100,769.27	100,769.27	100,769.27	100,769.27	100,769.27	100,769.27
Additions	0.00	0.00	0.00	47,808.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax Depreciation	5,151.44	5,151.44	5,151.44	52,960.36	100,769.27	100,769.27	100,769.27	100,769.27	100,769.27	100,769.27	100,769.27	100,769.27
Book-Tax Difference	4,051.10	4,051.10	4,051.10	41,648.03	79,244.96	79,244.96	79,244.96	79,244.96	79,244.96	79,244.96	79,244.96	79,244.96
Tax Effect	1,093.96	1,093.96	1,093.96	11,246.63	21,399.31	21,399.31	21,399.31	21,399.31	21,399.31	21,399.31	21,399.31	21,399.31
MACRS Depreciation	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
MACRS Depreciation - additions - mid-month c	16.67%	16.67%	16.67%	16.67%	16.67%	16.67%	16.67%	16.67%	16.67%	16.67%	16.67%	16.67%
Tax Calculation Check												
MACRS Depreciation	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
MACRS Depreciation - Bonus	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Rate	27.004%	27.004%	27.004%	27.004%	27.004%	27.004%	27.004%	27.004%	27.004%	27.004%	27.004%	27.004%

Revenue Requirement Inputs			
Rev Sens Rate	2.82%		
	% of Capital	Cost	Weighted Cost
Debt	50.00%	4.271%	2.136%
Preferred Equity	0.00%	0.000%	0.000%
Common Equity	50.00%	9.400%	4.700%
	<u>100.00%</u>		<u>6.836%</u>
State Tax Rate			7.60%
Federal Tax Rate			21.00%
Property Tax Rate			1.450%