



250 SW Taylor Street
Portland, OR 97204

503-226-4211
nwnatural.com

November 15, 2024

NWN WUTC Advice No. 24-15

VIA ELECTRONIC FILING

Jeff Killip, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503

Re: Schedule 231 – Residential Bill Discount Program Annual Cost Recovery Update

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), herewith files the following revisions to its Tariff WN U-6, stated to become effective January 1, 2025.

First Revision of Sheet 231.1	Schedule 231	Temporary Adjustments to Rates for Residential Bill Discount Program
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Purpose

The purpose of this filing is to revise Schedule 231 to reflect adjustments to rates for the 2025 forecasted costs of the residential bill discount program and a true-up of costs from 2024. In addition, NW Natural plans to move future annual updates of these costs to coincide with the Company's Purchased Gas Adjustment (PGA) filing; to enable this, the enclosed rates have been designed to recover costs through October 31, 2025. The Company would next update Schedule 231 in a filing on or around September 15, 2025, with an effective date of November 1, 2025, which would be coincident with the PGA rate update.

The adjustments proposed in this filing are requested to become effective January 1, 2025, coincident with the requested effective date of the Company's update to Schedule 308 that is separately being filed as NW Natural's WUTC Advice No. 24-16.

Background

NW Natural began offering its residential bill discount program on January 1, 2024, in alignment with RCW 80.28.068 and as outlined in the Company's tariff Schedule L. The bill discount program provides bill discounts of up to 80% for income-qualified residential customers.

Through September 2024, the bill discount program has 7,322 participants, with nearly \$900,000 in total discounts applied.

Proposed Changes

The proposed Schedule 231 updates reflecting the 2025 forecast and true-up for 2024 costs will increase the Company's annual Washington revenues by \$695,702, or about 0.57%. The average residential Schedule 2 customer using 57 therms would see an increase of \$0.43 per month, and the average Schedule 3 commercial customer using 254 therms would see a bill increase of \$1.71 per month. The bill impact for customers on other residential rate schedules is shown on page 2 of Exhibit A.

The proposed rate change will affect all of NW Natural's Washington sales and transportation service customers. NW Natural currently serves approximately 90,256 residential customers and 7,326 commercial, and 72 industrial customers in the Company's Washington service territory.

Conclusion

NW Natural respectfully requests an effective date of January 1, 2025.

NW Natural will provide notice to customers in a manner consistent with WAC 480-90-194(3). This notice will include the impact of both the proposed rate changes in this filing as well as the impact of the proposed update to Schedule 308 that has been separately filed in NW Natural's WUTC Advice No. 24-16. The combined notice is intended to reduce confusion for customers since both rate changes are requested to become effective January 1, 2025. A copy of this notice is included with this filing.

In accordance with WAC 480-90-193 and WAC 480-90-195(3), copies of this letter and the attached filing are available in the Company's main office in Portland, Oregon, and on its website at www.nwnatural.com.

As requested by WAC 480-80-103(4)(a), I certify that I have authority to issue tariff revisions on behalf of NW Natural.

For the purposes of establishing a service list for this docket, and for any questions, please address correspondence on this matter to me with copies to the following:

eFiling
NW Natural Rates & Regulatory Affairs
250 SW Taylor Street
Portland, Oregon 97204
Fax: (503) 220-2579
Telephone: (503) 610-7330
eFiling@nwnatural.com

Respectfully submitted,

/s/ Kyle Walker

Kyle Walker
Senior Manager, Rates/Regulatory Affairs
NW Natural
250 SW Taylor Street
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Attachments:

NEW-NWN-WUTC-Advice-24-15-Trf-Sheet-231-1-11-15-24
NEW-NWN-WUTC-Advice-24-15-Exh-A-11-15-24
NEW-NWN-WUTC-Advice-24-15-Exh-A-WP-11-15-24

NORTHWEST NATURAL GAS COMPANY

WN U-6

First Revision of Sheet 231.1

Cancels Original Sheet 231.1

SCHEDULE 231 TEMPORARY ADJUSTMENTS TO RATES FOR RESIDENTIAL BILL DISCOUNT PROGRAM

APPLICABLE:

To identify adjustments to rates in the Rate Schedules listed below that relate to the amortization of a balancing account for the Company's residential bill discount program (Schedule L).

APPLICABLE:

Schedule 1 Schedule 2 Schedule 3 Schedule 27 Schedule 41 Schedule 42
Schedule 43

APPLICATION TO RATE SCHEDULES:

Effective: January 1, 2025

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

(C)

Schedule	Block	Adjustment (per therm)
1R		\$0.03795
1C		\$0.03294
2		\$0.02188
3C		\$0.01944
3I		\$0.01785
27		\$0.03162
41C FS	Block 1	\$0.01563
	Block 2	\$0.01377
41I FS	Block 1	\$0.01340
	Block 2	\$0.01181
41C SI	Block 1	\$0.01483
	Block 2	\$0.01307
41I SI	Block 1	\$0.01403
	Block 2	\$0.01236
41C FT	Block 1	\$0.01544
	Block 2	\$0.01360
41I FT	Block 1	\$0.01418
	Block 2	\$0.01250
42C SF	Block 1	\$0.00869
	Block 2	\$0.00778
	Block 3	\$0.00597
	Block 4	\$0.00477
	Block 5	\$0.00318
	Block 6	\$0.00119
42I SF	Block 1	\$0.00843
	Block 2	\$0.00754
	Block 3	\$0.00578
	Block 4	\$0.00463
	Block 5	\$0.00309
	Block 6	\$0.00116
43TF		\$0.00019
43TI		\$0.00019

Schedule	Block	Adjustment (per therm)
42C SI	Block 1	\$0.00642
	Block 2	\$0.00575
	Block 3	\$0.00441
	Block 4	\$0.00353
	Block 5	\$0.00235
	Block 6	\$0.00088
42I SI	Block 1	\$0.00764
	Block 2	\$0.00683
	Block 3	\$0.00524
	Block 4	\$0.00419
	Block 5	\$0.00279
	Block 6	\$0.00105
42 CTF	Block 1	\$0.00546
	Block 2	\$0.00489
	Block 3	\$0.00375
	Block 4	\$0.00300
	Block 5	\$0.00200
	Block 6	\$0.00075
42 ITF	Block 1	\$0.00546
	Block 2	\$0.00489
	Block 3	\$0.00375
	Block 4	\$0.00300
	Block 5	\$0.00200
	Block 6	\$0.00075
42C TI	Block 1	\$0.00642
	Block 2	\$0.00575
	Block 3	\$0.00441
	Block 4	\$0.00353
	Block 5	\$0.00235
	Block 6	\$0.00088
42I TI	Block 1	\$0.00764
	Block 2	\$0.00683
	Block 3	\$0.00524
	Block 4	\$0.00419
	Block 5	\$0.00279
	Block 6	\$0.00105

(I) (I)

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(continue to Sheet 231.2)

Issued November 15, 2024
NWN WUTC Advice No. 24-15

Effective with service on
and after January 1, 2025

EXHIBIT A

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

NW NATURAL SUPPORTING MATERIALS
RESIDENTIAL BILL DISCOUNT PROGRAM ANNUAL COST
RECOVERY UPDATE

NWN WUTC Advice No. 24-15

November 15, 2024

NW NATURAL

EXHIBIT A

Supporting Materials

RESIDENTIAL BILL DISCOUNT PROGRAM ANNUAL COST

RECOVERY UPDATE

NWN WUTC ADVICE NO. 24-15

Description	Page
Calculation of Increments Allocated on Equal Percentage of Margin Basis	1
Effects on Average Bill by Rate Schedule	2
Estimate of Bill Discount Cost	3
Effect on Revenue	4
Customer Notice	5

NW Natural
 Rates & Regulatory Affairs
 2024-2025 PGA Filing - Washington: September Filing
 Calculation of Increments Allocated on the EQUAL PERCENTAGE OF MARGIN BASIS

Schedule	Block	PGA Column A	Billing Rates from Column B	WACOG & Demand from Column C	Temps from Temporary Increment page, Column A	MARGIN Rate	Volumetric Margin	Customer Charge	Customers	Total Margin	Residential Bill Discount Program							
											Proposed Amount:	Multiplier	Allocation to RS					
											\$1,853,391	4.357%	rev sensitive factor is built in					
											Revenue Sensitive Multiplier:	Amount to Amortize:	All Customers					
											E-E-C-D	F-E*A	G	H	I = (G*H*12)*F	Multiplier	Allocation to RS	Increment
											V	W	X					
1R		329,987	\$1,911.07	\$0.53611	\$0.54027	\$0.83469	\$275,437	\$5.50	1,878	\$390,385	1.0	\$12,523	\$0.03795					
1C		15,693	\$1,916.70	\$0.53611	\$0.51751	\$0.86308	\$13,545	\$7.00	35	\$16,485	1.0	\$517	\$0.03294					
2R		60,818,465	\$1,564.19	\$0.53611	\$0.46988	\$0.55820	\$33,948,867	\$8.00	88,378	\$42,433,155	1.0	\$1,330,567	\$0.02188					
3 CFS		20,700,936	\$1,528.36	\$0.53611	\$0.45875	\$0.53350	\$11,043,949	\$22.00	6,785	\$12,835,189	1.0	\$402,470	\$0.01944					
3 IFS		219,194	\$1,480.49	\$0.53611	\$0.40053	\$0.54385	\$119,209	\$22.00	21	\$124,753	1.0	\$3,912	\$0.01785					
27		60,524	\$1,355.25	\$0.53611	\$0.50661	\$0.31253	\$18,915	\$9.00	390	\$61,035	1.0	\$1,914	\$0.03162					
41C Firm Sales	Block 1	1,451,662	\$1,290.38	\$0.43274	\$0.44156	\$0.41608	\$1,468,123	\$250	97	\$1,759,123	1.0	\$55,160	\$0.01563					
	Block 2	2,356,915	\$1,232.73	\$0.43274	\$0.43336	\$0.36663					1.0		\$0.01377					
41I Firm Sales	Block 1	380,477	\$1,198.13	\$0.43274	\$0.36992	\$0.37147	\$419,001	\$250.00	21	\$482,001	1.0	\$15,114	\$0.01340					
	Block 2	848,324	\$1,151.55	\$0.43274	\$0.39150	\$0.32731					1.0		\$0.01181					
41C Interr Sales	Block 1	0	\$1,215.94	\$0.43274	\$0.39867	\$0.38453	\$0	\$250.00	0	\$0	1.0	\$0	\$0.01483					
	Block 2	0	\$1,162.72	\$0.43274	\$0.39118	\$0.33880					1.0		\$0.01307					
41I Interr Sales	Block 1	0	\$1,154.05	\$0.43274	\$0.35753	\$0.36378	\$0	\$250.00	0	\$0	1.0	\$0	\$0.01403					
	Block 2	0	\$1,108.28	\$0.43274	\$0.35504	\$0.32050					1.0		\$0.01236					
41C Firm Trans	Block 1	169,476	\$0.89162	\$0.00000	\$0.51377	\$0.37785	\$158,308	\$500.00	8	\$206,308	1.0	\$6,469	\$0.01544					
	Block 2	283,174	\$0.84484	\$0.00000	\$0.51193	\$0.33291					1.0		\$0.01360					
41I Firm Trans	Block 1	0	\$0.88012	\$0.00000	\$0.51231	\$0.36781	\$0	\$500.00	0	\$0	1.0	\$0	\$0.01418					
	Block 2	0	\$0.83470	\$0.00000	\$0.51064	\$0.32406					1.0		\$0.01250					
42C Firm Sales	Block 1	665,308	\$1,050.04	\$0.43274	\$0.41120	\$0.20610	\$362,313	\$1,300.00	8	\$487,113	1.0	\$15,274	\$0.00869					
	Block 2	902,132	\$1,024.33	\$0.43274	\$0.40711	\$0.18448					1.0		\$0.00778					
	Block 3	353,351	\$0.97327	\$0.43274	\$0.39903	\$0.14150					1.0		\$0.00597					
	Block 4	77,473	\$0.93993	\$0.43274	\$0.39371	\$0.11318					1.0		\$0.00477					
	Block 5	0	\$0.89479	\$0.43274	\$0.38660	\$0.07545					1.0		\$0.00318					
	Block 6	0	\$0.83874	\$0.43274	\$0.37772	\$0.02828					1.0		\$0.00119					
42I Firm Sales	Block 1	966,970	\$0.98466	\$0.43274	\$0.38551	\$0.16641	\$279,180	\$1,300.00	11	\$450,780	1.0	\$14,135	\$0.00843					
	Block 2	708,323	\$0.96593	\$0.43274	\$0.38424	\$0.14895					1.0		\$0.00754					
	Block 3	102,042	\$0.92867	\$0.43274	\$0.38171	\$0.11422					1.0		\$0.00578					
	Block 4	12,115	\$0.90415	\$0.43274	\$0.38003	\$0.09138					1.0		\$0.00463					
	Block 5	0	\$0.87148	\$0.43274	\$0.37780	\$0.06094					1.0		\$0.00309					
	Block 6	0	\$0.83059	\$0.43274	\$0.37502	\$0.02283					1.0		\$0.00116					
42C Firm Trans	Block 1	251,608	\$0.65836	\$0.00000	\$0.50394	\$0.15442	\$224,401	\$1,550.00	1	\$243,001	1.0	\$7,620	\$0.00524					
	Block 2	503,215	\$0.64160	\$0.00000	\$0.50336	\$0.13824					1.0		\$0.00469					
	Block 3	503,215	\$0.60820	\$0.00000	\$0.50220	\$0.10600					1.0		\$0.00360					
	Block 4	738,618	\$0.58625	\$0.00000	\$0.50144	\$0.08461					1.0		\$0.00288					
	Block 5	0	\$0.55995	\$0.00000	\$0.50041	\$0.06554					1.0		\$0.00192					
	Block 6	0	\$0.52036	\$0.00000	\$0.49916	\$0.02120					1.0		\$0.00072					
42I Firm Trans	Block 1	1,054,570	\$0.65571	\$0.00000	\$0.50410	\$0.15161	\$842,181	\$1,550.00	8	\$990,981	1.0	\$31,074	\$0.00559					
	Block 2	1,523,772	\$0.63920	\$0.00000	\$0.50349	\$0.13571					1.0		\$0.00501					
	Block 3	1,376,179	\$0.60635	\$0.00000	\$0.50229	\$0.10406					1.0		\$0.00384					
	Block 4	3,236,161	\$0.58477	\$0.00000	\$0.50151	\$0.08326					1.0		\$0.00307					
	Block 5	1,132,591	\$0.55596	\$0.00000	\$0.50046	\$0.05550					1.0		\$0.00205					
	Block 6	0	\$0.51997	\$0.00000	\$0.49915	\$0.02082					1.0		\$0.00077					
42C Interr Sales	Block 1	256,616	\$0.96570	\$0.43274	\$0.36424	\$0.16872	\$145,599	\$1,300.00	2	\$176,799	1.0	\$5,544	\$0.00642					
	Block 2	488,108	\$0.94503	\$0.43274	\$0.36126	\$0.15103					1.0		\$0.00575					
	Block 3	219,844	\$0.90383	\$0.43274	\$0.35529	\$0.11580					1.0		\$0.00441					
	Block 4	33,747	\$0.87675	\$0.43274	\$0.35137	\$0.09264					1.0		\$0.00353					
	Block 5	0	\$0.84967	\$0.43274	\$0.34615	\$0.06178					1.0		\$0.00235					
	Block 6	0	\$0.79550	\$0.43274	\$0.33959	\$0.02317					1.0		\$0.00088					
42I Interr Sales	Block 1	124,246	\$0.94438	\$0.43274	\$0.34811	\$0.16353	\$31,890	\$1,300.00	1	\$47,490	1.0	\$1,489	\$0.00764					
	Block 2	79,054	\$0.92603	\$0.43274	\$0.34691	\$0.14638					1.0		\$0.00683					
	Block 3	0	\$0.88951	\$0.43274	\$0.34452	\$0.11225					1.0		\$0.00524					
	Block 4	0	\$0.86548	\$0.43274	\$0.34293	\$0.08981					1.0		\$0.00419					
	Block 5	0	\$0.83342	\$0.43274	\$0.34082	\$0.05986					1.0		\$0.00279					
	Block 6	0	\$0.79339	\$0.43274	\$0.33821	\$0.02244					1.0		\$0.00105					
42C Inter Trans	Block 1	0	\$0.64538	\$0.00000	\$0.50369	\$0.14169	\$0	\$1,550.00	0	\$0	1.0	\$0	\$0.00546					
	Block 2	0	\$0.62998	\$0.00000	\$0.50313	\$0.12685					1.0		\$0.00489					
	Block 3	0	\$0.59927	\$0.00000	\$0.50200	\$0.09727					1.0		\$0.00375					
	Block 4	0	\$0.57908	\$0.00000	\$0.50126	\$0.07782					1.0		\$0.00300					
	Block 5	0	\$0.55216	\$0.00000	\$0.50027	\$0.05189					1.0		\$0.00200					
	Block 6	0	\$0.51849	\$0.00000	\$0.49904	\$0.01944					1.0		\$0.00075					
42I Inter Trans	Block 1	978,826	\$0.64823	\$0.00000	\$0.50393	\$0.14430	\$899,467	\$1,550.00	10	\$1,085,467	1.0	\$34,037	\$0.00546					
	Block 2	1,713,725	\$0.63252	\$0.00000	\$0.50335	\$0.12917					1.0		\$0.00489					
	Block 3	1,330,900	\$0.60123	\$0.00000	\$0.50218	\$0.09905					1.0		\$0.00375					
	Block 4	3,813,650	\$0.58067	\$0.00000	\$0.50142	\$0.07925					1.0		\$0.00300					
	Block 5	1,945,561	\$0.55324	\$0.00000	\$0.50040	\$0.05284					1.0		\$0.00200					
	Block 6	0	\$0.51895	\$0.00000	\$0.49914	\$0.01981					1.0		\$0.00075					
43 Firm Trans		0	\$0.50331	\$0.00000	\$0.49840	\$0.00491	\$0	\$38,000.00	0	\$0	1.0	\$0	\$0.00019					
43 Interr Trans		0	\$0.50331	\$0.00000	\$0.49840	\$0.00491	\$0	\$38,000.00	0	\$0	1.0	\$0	\$0.00019					
Intentionally blank																		
Totals		112,726,745					\$50,250,385		\$61,799,065		\$61,799,065		1,937,819					

Sources for line 2 above:

Input's page	Column G	Line 50
Tariff Schedules:		
Schedule #		Sched 231

Note: Allocation to rate schedules or blocks with zero volumes is calculated on an overall margin percentage change basis.

NW Natural
 Rates & Regulatory Affairs
 2024-2025 PGA Filing - Washington: September Filing
 PGA Effects on Average Bill by Rate Schedule
 Calculation of Effect on Customer Average Bill by Rate Schedule [1]

Schedule	Block	Washington PGA Normalized Volumes page, Column D	Therms in Block	Normal Therms Monthly Average use	Minimum Monthly Charge	Current CCA Monthly Avg. Credit	Current Net Minimum Monthly Charge	Proposed CCA Monthly Avg. Credit	Proposed Net Minimum Monthly Charge	Current 11/1/2024 Billing Rates	Proposed 11/1/2024 Current Average Bill[2]	Proposed 1/1/2025 RBDP Average Bill	Proposed 1/1/2025 RBDP Average Bill	Proposed
														F=D+(C * E)
A	B	C	D	E	F	S	T	U						
1R		329,987	N/A	15.0	\$5.50	\$5.10	\$0.40	\$2.47	\$3.03	\$1.91107	\$29.07	\$1.92483	\$29.27	0.7%
1C		15,693	N/A	37.0	\$7.00	\$16.67	(\$9.67)	\$7.27	(\$0.27)	\$1.91670	\$61.25	\$1.92917	\$61.71	0.7%
2R		60,818,465	N/A	57.0	\$8.00	\$19.36	(\$11.36)	\$14.16	(\$6.16)	\$1.56419	\$77.80	\$1.57180	\$78.23	0.6%
3 CFS		20,700,936	N/A	254.0	\$22.00	\$81.50	(\$59.50)	\$59.64	(\$37.64)	\$1.52836	\$328.70	\$1.53507	\$330.41	0.5%
3 IFS		219,194	N/A	870.0	\$22.00	\$396.95	(\$374.95)	\$175.70	(\$153.70)	\$1.48049	\$913.08	\$1.48684	\$918.60	0.6%
27		60,524	N/A	13.0	\$9.00	\$0.00	\$9.00	\$0.00	\$9.00	\$1.35525	\$26.62	\$1.37244	\$26.84	0.8%
41C Firm Sales	Block 1	1,451,662	2,000	3,272.0	\$250.00	\$1,244.55	(\$994.55)	\$700.67	(\$450.67)	\$1.29038		\$1.29601		
	Block 2	2,356,915	all additional							\$1.23273		\$1.23769		
	TOTAL										\$3,154.24		\$3,171.81	0.6%
41I Firm Sales	Block 1	380,477	2,000	4,876.0	\$250.00	\$1,492.26	(\$1,242.26)	\$847.09	(\$597.09)	\$1.19813		\$1.20275		
	Block 2	848,324	all additional							\$1.15155		\$1.15562		
	TOTAL										\$4,465.86		\$4,486.80	0.5%
41C Interr Sales	Block 1	0	2,000	0.0	\$250.00	\$1,244.55	(\$994.55)	\$700.67	(\$450.67)	\$1.21594		\$1.22080		
	Block 2	0	all additional							\$1.16272		\$1.16700		
	TOTAL										(\$994.55)		(\$994.55)	0.0%
41I Interr Sales	Block 1	0	2,000	0.0	\$250.00	\$1,492.26	(\$1,242.26)	\$847.09	(\$597.09)	\$1.15405		\$1.15898		
	Block 2	0	all additional							\$1.10828		\$1.11262		
	TOTAL										(\$1,242.26)		(\$1,242.26)	0.0%
41C Firm Trans	Block 1	169,476	2,000	4,715.0	\$500.00	\$1,244.55	(\$744.55)	\$700.67	(\$200.67)	\$0.89162		\$0.89697		
	Block 2	283,174	all additional							\$0.84484		\$0.84955		
	TOTAL										\$3,332.43		\$3,355.92	0.7%
41I Firm Trans	Block 1	0	2,000	0.0	\$500.00	\$1,492.26	(\$992.26)	\$847.09	(\$347.09)	\$0.88012		\$0.88509		
	Block 2	0	all additional							\$0.83470		\$0.83908		
	TOTAL										(\$992.26)		(\$992.26)	0.0%
42C Firm Sales	Block 1	665,308	10,000	20,815.0	\$1,300.00	\$10,512.74	(\$9,212.74)	\$6,995.00	(\$5,695.00)	\$1.05004		\$1.05279		
	Block 2	902,132	20,000							\$1.02433		\$1.02680		
	Block 3	353,351	20,000							\$0.97327		\$0.97516		
	Block 4	77,473	100,000							\$0.93963		\$0.94114		
	Block 5	0	600,000							\$0.89479		\$0.89580		
	Block 6	0	all additional							\$0.83874		\$0.83912		
	TOTAL										\$12,365.79		\$12,420.00	0.4%
42I Firm Sales	Block 1	966,970	10,000	13,556.0	\$1,300.00	\$13,852.77	(\$12,552.77)	\$5,367.41	(\$4,067.41)	\$0.98466		\$0.98822		
	Block 2	708,323	20,000							\$0.96593		\$0.96911		
	Block 3	102,042	20,000							\$0.92867		\$0.93110		
	Block 4	12,115	100,000							\$0.90415		\$0.90610		
	Block 5	0	600,000							\$0.87148		\$0.87279		
	Block 6	0	all additional							\$0.83059		\$0.83108		
	TOTAL										\$728.68		\$775.59	6.4%
42C Firm Trans	Block 1	251,608	10,000	166,388.0	\$1,550.00	\$10,512.74	(\$8,962.74)	\$6,995.00	(\$5,445.00)	\$0.65836		\$0.65985		
	Block 2	503,215	20,000							\$0.64160		\$0.64293		
	Block 3	503,215	20,000							\$0.60820		\$0.60922		
	Block 4	738,618	100,000							\$0.58625		\$0.58707		
	Block 5	0	600,000							\$0.55695		\$0.55750		
	Block 6	0	all additional							\$0.52036		\$0.52056		
	TOTAL										\$90,369.16		\$90,522.07	0.2%
42I Firm Trans	Block 1	1,054,570	10,000	86,701.0	\$1,550.00	\$13,852.77	(\$12,302.77)	\$5,367.41	(\$3,817.41)	\$0.65571		\$0.65749		
	Block 2	1,523,772	20,000							\$0.63920		\$0.64080		
	Block 3	1,376,179	20,000							\$0.60635		\$0.60758		
	Block 4	3,236,161	100,000							\$0.58477		\$0.58575		
	Block 5	1,132,591	600,000							\$0.55596		\$0.55662		
	Block 6	0	all additional							\$0.51997		\$0.52022		
	TOTAL										\$40,626.97		\$40,737.34	0.3%
42C Interr Sales	Block 1	256,616	10,000	41,596.0	\$1,300.00	\$10,512.74	(\$9,212.74)	\$6,995.00	(\$5,695.00)	\$0.96570		\$0.96786		
	Block 2	488,108	20,000							\$0.94503		\$0.94696		
	Block 3	219,844	20,000							\$0.90383		\$0.90531		
	Block 4	33,747	100,000							\$0.87675		\$0.87794		
	Block 5	0	600,000							\$0.84067		\$0.84146		
	Block 6	0	all additional							\$0.79550		\$0.79579		
	TOTAL										\$29,825.67		\$29,903.03	0.3%
42I Interr Sales	Block 1	124,246	10,000	16,942.0	\$1,300.00	\$13,852.77	(\$12,552.77)	\$5,367.41	(\$4,067.41)	\$0.94438		\$0.94717		
	Block 2	79,054	20,000							\$0.92603		\$0.92852		
	Block 3	0	20,000							\$0.88951		\$0.89142		
	Block 4	0	100,000							\$0.86548		\$0.86701		
	Block 5	0	600,000							\$0.83342		\$0.83444		
	Block 6	0	all additional							\$0.79339		\$0.79377		
	TOTAL										\$3,319.53		\$3,364.72	1.4%
42C Inter Trans	Block 1	0	10,000	0.0	\$1,550.00	\$10,512.74	(\$8,962.74)	\$6,995.00	(\$5,445.00)	\$0.64538		\$0.64729		
	Block 2	0	20,000							\$0.62998		\$0.63169		
	Block 3	0	20,000							\$0.59927		\$0.60058		
	Block 4	0	100,000							\$0.57908		\$0.58013		
	Block 5	0	600,000							\$0.55216		\$0.55286		
	Block 6	0	all additional							\$0.51848		\$0.51874		
	TOTAL										(\$8,962.74)		(\$8,962.74)	0.0%
42I Inter Trans	Block 1	978,826	10,000	81,522.0	\$1,550.00	\$13,852.77	(\$12,302.77)	\$5,367.41	(\$3,817.41)	\$0.64823		\$0.65000		
	Block 2	1,713,725	20,000							\$0.63252		\$0.63411		
	Block 3	1,330,900	20,000							\$0.60123		\$0.60245		
	Block 4	3,813,650	100,000							\$0.58067		\$0.58164		
	Block 5	1,945,561	600,000							\$0.55324		\$0.55389		
	Block 6	0	all additional							\$0.51895		\$0.51919		
	TOTAL										\$37,156.41		\$37,262.89	0.3%
43 Firm Trans		0	N/A	0.0	\$38,000.00		\$38,000.00	0.0		\$0.50331	\$38,000.00	\$0.50338	\$38,000.00	0.0%
43 Interr Trans		0	N/A	0.0	\$38,000.00		\$38,000.00	0.0		\$0.50331	\$38,000.00	\$0.50338	\$38,000.00	0.0%

[1] Rate Schedule 41 and 42 customers may choose demand charges at a volumetric rate or based on MDDV. For convenience of presentation, demand charges are not included in the calculations for those schedules.

[2] Residential current bill as of April 1, 2023. Assumes customer receives CCA credit.

[3] Proposed rates include the effect of removing the current Schedule 215 adjustment and applying the proposed Schedule 215 adjustment. The rate shown is for illustrative purposes only and assumes no other changes to rates occur November 1.

Sources:

Direct Inputs	per Tariff	per Tariff
Rates in summary	Column A	

NW Natural
Rates & Regulatory Affairs
Estimate for 2025 Washington Bill Discount Program

From PGA		From GL	
Average Residential use	684	Account 151921 balance Oct 2024	\$230,001.89 amount under-collected
RS 2 Fixed	\$8.00 excludes CCA credit		
RS 2 Volumetric	\$1.06693 excludes CCA charge		
Average monthly bill	\$68.82		
Average annual bill	\$825.78		

Analysis and other data		Amount to collect 2025	
Sep 2024 residential customers	89,716	Previous under-collection	\$230,001.89
BDP count at Sep 2024	7,322	Forecast for 2024	\$2,224,473.50
BDP count as % of res customers	8.16%	Total	\$2,454,475.39 excludes revenue-sensitive costs
From EBA - est. low income customers	17,800	November & December Weighted Exclusion	24.49% 601,084
BDP count as % of low income customers	41.1%	January - October Weighted Total	75.51% 1,853,391
		Revenue Sensitive Multiplier	4.36% 84,429
Forecast for 2025		Total to Amortize	1,937,820
From EBA - est. low income customers	17,800	Placed in rates for 2024	\$1,242,118.00 includes revenue-sensitive costs
Forecast - 60% of low income customers	10,680	Increase	\$695,701.91
Growth from Sep 2024 count	3,358		56.0% percent increase
half-year convention on growth	1,679		

Disc tiers	% discount	% at Sep 2024	Annual cost of current participants	Incremental Cost for 2025	Total cost for 2025 update
Level - 80%	80.0%	12.1%	\$584,652	\$134,066	\$718,718
Level - 40%	40.0%	25.6%	\$619,996	\$142,171	\$762,166
Level - 20%	20.0%	13.2%	\$160,201	\$36,736	\$196,937
Level - 15%	15.0%	49.0%	\$444,683	\$101,970	\$546,652
			\$1,809,532	\$414,942	\$2,224,473

**NW Natural
 Rates & Regulatory Affairs
 November 2024 Filing
 Tariff Advice 24-15: Schedule 231 Residential Bill Discount Program**

	<u>Amount</u>	<u>Reference</u>
1		
2		
3		
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18		

	<u>Amount</u>	<u>Reference</u>
<u>Temporary Increments</u>		
<u>Removal of Current Temporary Increments</u>		
Amortization of Bill Discount Program	(1,242,118)	NWN 2023-24 WA PGA rate development file September_CCA.xlsx
<u>Addition of Proposed Temporary Increments</u>		
Amortization of Bill Discount Program	<u>\$ 1,937,820</u>	NWN 2024-25 WA PGA rate development file September.xlsx
TOTAL OF ALL COMPONENTS OF RATE CHANGES	<u><u>\$695,702</u></u>	
2023 Washington CBR Normalized Total Revenues	\$121,797,100	
Effect of this filing, as a percentage change	0.57%	



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November 15, 2024

Lower rates for NW Natural customers in Washington started November 1 Further reductions possible starting January 1, 2025

Lower rates for NW Natural customers in Washington took effect Nov. 1, 2024, to reflect the annual Purchased Gas Adjustment for the expected cost of natural gas. On Nov. 15, 2024, NW Natural requested other rate changes with the Washington Utilities & Transportation Commission (WUTC). If all rate changes are approved by the WUTC as filed, starting Jan. 1, 2025, residential and small-commercial bills will further decrease, but the amount will depend on the State of Washington's rules regarding when your premises was connected to NW Natural's system OR if you are an Identified Low-Income Customer.

The combined effects of new rate adjustments

- **Premises connected to the natural gas system before July 25, 2021:** If approved, bills will decrease by a combined total of about \$5 a month for residential customers using an average of 57 therms per month. Small-commercial rates will decrease by about \$30 based on average usage of 254 therms per month.
- **Premises connected to the natural gas system after July 25, 2021:** If approved, bills will decrease by a combined total of about \$14 a month for residential customers using an average of 57 therms per month. Small-commercial rates will decrease by about \$63 based on average usage of 254 therms per month.
- **Low-income customers:** If approved, bills will increase by less than \$1 a month for residential low-income customers using an average of 57 therms per month. Low-income customers are held harmless from all Climate Commitment Act costs.

This means NW Natural customers will be paying less than they did 20 years ago for their natural gas bills.

How NW Natural is keeping natural gas affordable

The company has taken several steps to maximize affordability, such as locking in gas purchases at lower rates, smart investments in energy storage, and energy-efficiency measures. The combined effects of the following filings contribute to rate changes for customers in Washington as shown on the next page.

What are the components of the rate adjustments?

Starting Nov. 1, the Purchased Gas Adjustment portion of residential rates—reflecting the commodity cost of natural gas—decreased by about \$8 a month for customers using an average of 57 therms per month. Small-commercial rates decreased by about \$33 based on average usage of 254 therms per month. This rate adjustment was approved by the WUTC.

Additionally, two other rate adjustments have been filed by NW Natural and are pending approval by the WUTC. If approved as filed, these adjustments would go into effect Jan. 1, 2025:

- The Climate Act Fee to comply with Washington's Climate Commitment Act would decrease bills by about \$6 per month for residential customers and \$32 per month for small-commercial customers. For customers who connected to the natural gas system after July 25, 2021, a residential customer will see monthly bill decreases of about \$15 and small-commercial customers will see a decrease of about \$65 per month.
- The Washington Bill Discount Program, which funds assistance for low-income NW Natural customers in Washington would increase bills by less than \$1 per month for residential customers and about \$2 per month for small-commercial customers.

Continued on page 2

Relief for income-qualified customers

We know households are facing financial pressures with continued cost increases for everyday goods and services. NW Natural offers **bill discounts of 15% to 80%** to cut energy costs for customers whose household income is at or below 80% of area median income or federal poverty level.

Our **Equal Pay payment plan** is another way that could help make the winter heating season more affordable. Equal Pay is designed to take the ups and downs out of monthly gas bills, which would typically rise and fall depending on the weather and gas use. With Equal Pay, customers may receive steady, predictable bills throughout the year.

Type of Service	Schedule Number	Current Total Billing Rate	Proposed Total Billing Rate	Percent Change in Average Bill*
General Residential Sales Service	1	\$1.91107	\$1.66830	-1.2%
General Commercial Sales Service	1	\$1.91670	\$1.67264	3.8%
Residential Sales Service	2	\$1.56419	\$1.31527	-6.9%
Commercial Sales Service	3	\$1.52836	\$1.27854	-9.2%
Industrial Sales Service	3	\$1.48049	\$1.23031	5.5%
Residential Heating Dry-Out Service	27	\$1.35525	\$1.11591	-11.7%
Commercial Firm Sales	41	\$1.25470	\$1.00339	-2.9%
Commercial Firm Transportation	41	\$0.86235	\$0.61077	-13.7%
Industrial Firm Sales	41	\$1.16597	\$0.91368	-8.1%
Industrial Firm Transportation	41	N/A	N/A	0.00%
Large Volume Commercial Firm Sales	42	\$1.02058	\$0.76647	0.4%
Large Volume Commercial Interruptible Sales	42	\$0.93896	\$0.68430	-17.5%
Large Volume Industrial Firm Sales	42	\$0.97351	\$0.72031	0.6%
Large Volume Industrial Interruptible Sales	42	\$0.93724	\$0.68339	2.0%
Large Volume Commercial Firm Transportation	42	\$0.61482	\$0.35937	-41.1%
Large Volume Industrial Firm Transportation	42	\$0.60337	\$0.34803	-30.1%

*Estimates include Climate Act Credits available for customers connected to the gas system prior to July 25, 2021. Identified low-income customers are not subject to the Climate Commitment Act. For more information, visit nwnatural.com/cca

NW Natural's filings are requests, subject to public review and a decision by the WUTC. Customers may comment on the proposed rate changes by clicking "Submit a Comment" at www.utc.wa.gov, emailing comments@utc.wa.gov, calling 1-888-333-9882 (WUTC), or mailing Washington Utilities and Transportation Commission, PO Box 47250, Olympia, WA 98504-7250. Customers can also request more information, review the filing, and find out about open meetings. For more information, visit the Rates and Regulations section of nwnatural.com.