



September 13, 2024

NW Natural customers in Washington will see new rates starting November 1. This year's Purchased Gas Adjustment (PGA) for Washington reflects lower wholesale prices for natural gas.

If approved as initially filed, the average Washington residential customer using 57 therms per month is expected to see the PGA-affected portion of their bill go down by about \$8 per month. The average small-commercial customer can expect a reduction of about \$33 per month.

How – and why – gas rates are changing

NW Natural filed its annual Purchased Gas Adjustment (PGA) and other associated filings with the Washington Utilities and Transportation Commission (WUTC) on September 13, 2024. If approved, Washington customers will see new rates on monthly bills starting on November 1.

New rates for Washington customers will reflect changes in the expected cost of natural gas for the upcoming winter heating season, and account for differences between the estimated and actual cost of natural gas from the previous year. NW Natural does not mark-up the price of gas; the PGA is a passthrough of costs for the wholesale price and delivery of natural gas.

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.

- Purchased Gas Adjustment: A \$6.99 decrease on the average monthly residential bill, and a \$31.13 decrease on the average small-commercial bill. The filing trues up the differences between the estimated and actual cost of natural gas, and it establishes the customer costs for natural gas from Nov. 1, 2024–Oct. 31, 2025.
- Energy-Efficiency Programs: A \$0.99 decrease on the average monthly residential bill, and a \$3.97 decrease on the average monthly small-commercial bill for energy efficiency programs that support cost-effective natural gas conservation.
- Low-Income Assistance: A \$0.28 increase on the average monthly residential bill, and a \$1.13 increase on the average monthly small-commercial bill for programs that help low-income residential customers make energy improvements and stay warm.
- Environmental remediation costs: A \$0.44 increase on the average monthly residential bill, and \$1.74 increase on the average monthly small-commercial bill for costs associated with environmental site remediation costs.
- Regulatory fees: A \$0.14 decrease on the average monthly residential bill, and \$0.51 decrease on the average monthly small-commercial bill for residual costs associated with an increase in regulatory fees.
- Mist Storage Recall: A \$0.03 increase on the average monthly residential bill, and \$0.14 increase on the average monthly small-commercial bill for costs associated with recalling Company's Mist storage capacity from interstate/intrastate storage customers to core utility customers.
- Industrial customer energy efficiency: A \$0.18 increase on the average monthly small industrial bill for an industrial customer energy efficiency audit program. There is no impact of this program on residential or commercial customers.
- Property Sale Proceeds: A \$0.07 decrease on the average monthly residential bill, and \$0.28 decrease on the average monthly small-commercial bill for proceeds associated with the sale of the Company's sale of certain property located in Lincoln City, Oregon.



- Other year-to-year adjustments and true-ups related to previously approved rate adjustments (including rate mitigation). A \$0.62 decrease in the average monthly residential bill, and no impact to small commercial customers.

Type of Service	Schedule Number	Current Total Billing Rate*	Proposed Total Billing Rate*	Percent Change in Average Bill
General Residential Sales Service	1	2.04202	1.91107	-6.30%
General Commercial Sales Service	1	2.04342	1.91670	-7.10%
Residential Sales Service	2	1.70521	1.56419	-9.40%
Commercial Sales Service	3	1.65784	1.52836	-9.10%
Industrial Sales Service	3	1.59481	1.48049	-9.80%
Residential Heating Dry-Out Service	27	1.44891	1.35525	-4.40%
Commercial Firm Sales	41	1.39626	1.26797	-11.70%
Commercial Firm Transportation	41	0.86087	0.86468	0.50%
Industrial Firm Sales	41	1.28937	1.17066	-11.50%
Industrial Firm Transportation	41	N/A	N/A	0.00%
Large Volume Commercial Firm Sales	42	1.16585	1.03668	-17.90%
Large Volume Commercial Interruptible Sales	42	1.10600	0.93851	-18.90%
Large Volume Industrial Firm Sales	42	1.10037	0.97975	-69.20%
Large Volume Industrial Interruptible Sales	42	1.09850	0.93686	-45.20%
Large Volume Commercial Firm Transportation	42	0.59593	0.59699	0.20%
Large Volume Industrial Firm Transportation	42	0.60925	0.61049	0.30%

*Estimates include current state-mandated Climate Act Fees. Estimates do not include Climate Act Credits available for customers connected to the gas system prior to July 26, 2021, and Identified Low-Income Customers. For more information, visit nwnatural.com/cca

Relief for income-qualified customers

We know households are still facing financial pressures with continued cost increases for everyday goods and services. NW Natural offers **bill discounts of 15-80%** 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.

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.