

Is WARM the right choice for me?

If you do not use gas for space heating at all or use very little during the winter months, you should consider opting out of WARM because your gas use likely will not vary much due to changes in weather.



In many states, a weather adjustment mechanism is mandatory and is simply part of the utility's normal rate structure.

Can I see how WARM affects my current monthly bill?

Yes. Please visit the Manage Billing Options section of nwnatural.com. This will show you what your most recent bill would be with and without WARM. You can also request billing information for past December-May billing periods to see how weather affected your bill under both the WARM opt-in and opt-out options.

How can I opt out of WARM?

See the table in this pamphlet to determine when you may change your status and when the change will become effective. Then visit nwnatural.com or call **800-422-4012** to opt out.

If I opt out, can I opt in later?

Yes, you can return to WARM for the next heating season. To return to WARM for the coming heating season you must contact us before Sept. 30. If you make your

selection after Sept. 30, your status in WARM will become effective the following heating season.

What is average weather?



Average weather is calculated for each day of the WARM period based on the 25-year average temperature for that day. The 25-year period used for the calculation is approved by the Public Utility Commission of Oregon. The average temperature comes from the National Oceanic and Atmospheric Administration (NOAA).

If I am on Equal Pay, how will WARM affect me?

Equal Pay operates the same way, whether or not you are in WARM. Your Equal Pay amount may be adjusted during your plan year, if necessary, to bring your account into better balance by the adjustment month.



WARM

BILLING PROGRAM

The Weather Adjusted Rate Mechanism (WARM) is NW Natural's default billing method that adjusts customers' bills for the December 1-May 15 heating season. WARM was first approved by the Public Utility Commission of Oregon (OPUC) in 2003. Customers can decide each year if they want to participate in WARM for the coming winter period. See **"Changing Your WARM Status"** inside.





How WARM works

WARM is intended to smooth out fluctuations in winter bills caused by weather variances. WARM calculates a bill adjustment that offsets the effect that colder- or warmer-than-average winter temperatures have on customers' gas use. If weather is colder than average, WARM will lower the billing rate; if weather is warmer than average, WARM will increase the billing rate.

The benefit for NW Natural is that WARM evens out revenues during the heating season, which helps ensure the company does not under-collect or over-collect its ongoing operating costs.

Changing your WARM status

Your account will be billed under WARM unless you opt out. Your status will stay the same even if you move unless you contact NW Natural again to request a change. If you move to a location without gas space heat, you should consider opting out. See the table at right to determine when you may opt out and when it will become effective.



To change your WARM status, please visit nwnatural.com or call us at **800-422-4012**.

Frequently asked questions

How do I know if I am in WARM?

Look for a WARM message on your bill. You can also visit nwnatural.com or call us at **800-422-4012** and ask to speak with a customer service representative. Compressed Natural Gas vehicle fueling equipment usage is not eligible for WARM.

How will WARM affect my winter bills?

The impact of WARM on your bill will vary from month to month, and from one winter to the next, depending on weather conditions.



For the typical customer who uses gas space heating full time during the WARM period from **December 1-May 15**, the billing rate for a colder-than-average billing month will be lower than it would have been without WARM. The billing rate for a warmer-than-average billing month will be higher than it would have been. If a customer has zero gas use during any given winter month, there will be no WARM adjustment on that bill.

Is there a limit on how much WARM will affect my bill?

There are limits on the amount that can be billed or credited from the WARM program during the WARM period. In a warmer-than-average month, WARM cannot cause a residential customer bill to increase or decrease more than \$12 or 25%, whichever is less. (For commercial customers, the monthly cap is \$35 or 25%.)

How will WARM affect my summer bills?

WARM will not affect your summer bills because the mechanism does not apply from May 16 until the WARM period begins December 1.



Why is WARM the default billing method?

NW Natural covers most of its operating costs through revenues from gas use charges. Without WARM, NW Natural could over-collect revenues in a colder-than-average winter because gas use typically increases. And it could under-collect revenues in a warmer-than-average winter when gas use typically decreases. WARM allows NW Natural to collect the revenues that the OPUC has ruled are necessary to serve customers.

Why is WARM optional?

WARM is optional so that customers who do not use natural gas full time for space heating, or customers who simply prefer to pay the standard billing rate throughout the year, have a choice. →

TIMING	CURRENT CUSTOMER	NEW CUSTOMER*
Between May 16 and September 30 (outside of the heating season)	Opt-out of WARM for upcoming heating season	Opt-out of WARM for upcoming heating season
Between October 1 and May 15 (during the heating season) Certain exceptions may apply. Please call us at 800-422-4012 to learn more.	• No opt-out allowed for current heating season • Opt-out allowed to begin with next heating season	• Opt-out allowed within 30 days of receipt of NW Natural's welcome packet • After 30 days, opt-out allowed to begin with next heating season

* A "new customer" is a customer who has not had an active account with NW Natural at all during the prior 12 months. If you were a NW Natural customer before you moved to your current address, your WARM status will continue at your new address unless you request a change of WARM status.