

# Our Communities, Our Customers

## WE GREW UP HERE

We've operated for over 160 years with a focus on serving our customers and investing in our communities. It's not just what we do, but how we do it.



# Community & Customer Highlights



**CONTINUED TO RECEIVE  
TOP-LEVEL CUSTOMER  
SATISFACTION SCORES  
IN J.D. POWER AND  
ESCALENT STUDIES**

Bills remained low, about  
**↓ 30% LESS**  
than they were 15 years ago



Intensified our efforts  
to help low-income  
and COVID-affected  
customers pay their  
bills and stay warm

**ISSUED A RECORD**

**\$40  
MILLION**

in bill credits to  
Oregon customers  
in 2022 related to  
revenues in 2021



**DONATED  
\$1.7 MILLION**  
to local nonprofits and  
heightened our focus  
on organizations that  
demonstrate a commit-  
ment to diversity,  
equity and inclusion

**USED \$2.2 MILLION**  
to fund energy-efficiency programs  
for low-income customers in Oregon



Resumed community outreach events in  
summer 2021 with the launch of an engaging  
new campaign to increase public awareness  
of renewable natural gas



**Deployed our Catering & Events team to help nonprofit partners feed communities  
in need when community events continued to be cancelled due to COVID**

# Caring For Our Customers

We're a key employer and an essential service provider, and we look for ways to lead beyond our walls, with programs to assist our most vulnerable community members, robust support for local nonprofits, and substantial civic involvement.

## Superior service and customer satisfaction

In 2021, our customer service center answered more than 700,000 calls, and our service technicians, along with other field resources, responded to about 200,000 requests. Our internal customer satisfaction survey continued to show high satisfaction ratings<sup>33</sup> among contacted customers:

	OVERALL	PHONE	SERVICE TECH
2021	83.5%	86.2%	96.2%
2020	77.1%	86.3%	92.9%

## Top Two in J.D. Power Customer Satisfaction Study for 18 Years

Thanks to our customers, NW Natural scored second in the West for large utilities in the [2021 J.D. Power Gas Utility Residential Customer Satisfaction Study](#). We continue to be a customer favorite, placing in the top two for the 18th time in the West Large segment, which represents utilities serving 500,000 or more residential customers. The study measures residential customer satisfaction with natural gas utilities across six categories: safety and reliability; billing and payment; price; corporate citizenship; communications; and customer service.

"We're honored to receive this recognition from our customers who trust us to deliver safe, reliable and affordable energy, and provide excellent customer service. It is a testament to the hard work and dedication of our employees committed to serving our customers and communities with great care."  
 — David Anderson, NW Natural president and CEO

<sup>33</sup> Percentage of customers rated us either 9 or 10 on a 10-point scale, where 1 means poor and 10 excellent.

## Customer Champion in Escalent study

NW Natural earned the designation of [Customer Champion](#) in the 2021 Syndicated Utility Trusted Brand & Customer Engagement™ Residential study by Escalent, placing third among all gas, electric and combo utilities in the West. The study goes beyond J.D. Power customer satisfaction scores to gauge the level to which customers want to do business with utility brands. It benchmarks and trends performance of the largest 140 utilities on the Engaged Customer Relationship (ECR) score, a composite index of service satisfaction, brand trust and product experience performance based on customer interviews.



## A Great Customer Experience on Any Device

Excellent service includes investing in easy-to-use customer-facing technology. In October 2020, NW Natural launched a new website that is designed to give customers a seamless experience on any device. The redesign was developed with input from customers to create an experience tailored to their needs. With accessibility features such as keyboard navigation, larger font sizes, and transcripts available for videos, the site can also serve a more diverse set of customers.



In 2021, we saw an upsurge in adoption of self-service features available on our redesigned customer [website](#). Total online self-service transactions increased more than 36% over 2020, and online payments increased 35%, with over 5.4 million payments processed. To further promote online transactions and paperless billing to conserve resources, during Earth Month in April we promoted paperless billing. We also promote paperless billing to customers throughout the year via their bills, print and electronic newsletters, and more.

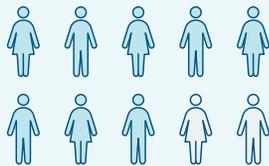
## Homebuyers have a strong preference for natural gas

An independent [study](#) of energy preferences shows that homebuyers in NW Natural's service territory prefer natural gas to electricity for heating and cooking. They consider it a key feature when looking for their "ideal" single-family home, and they are willing to pay more for it.

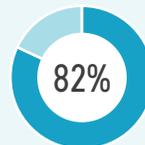
Our vision to deliver renewable molecules through our existing pipelines honors customer preferences for reliable, comfortable heat and the ease of a flame for cooking.



### RESEARCH CONFIRMS A STRONG PREFERENCE FOR NATURAL GAS



**8 IN 10** prospective homebuyers say natural gas is preferable to electricity for heating and cooking



**82%** would pay \$50,000 more for natural gas



**83%** choose a natural gas home

# Natural gas is the most affordable utility bill our customers have

Reductions in bills in 2021 from 15 years ago



↓ **27%**

**RESIDENTIAL BILLS**

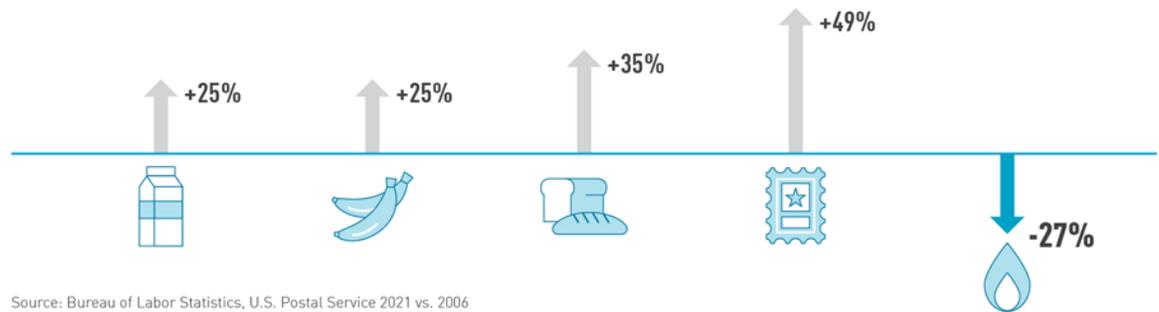


↓ **32%**

**SMALL COMMERCIAL BILLS**

## GAS BILLS REMAIN AFFORDABLE

NW Natural customers paid nearly 30% less for their bills in 2021 than they did 15 years ago



Source: Bureau of Labor Statistics, U.S. Postal Service 2021 vs. 2006

In 2021, our residential and small-commercial customers paid about 30% less for natural gas than they did 15 years ago. NW Natural works to maintain affordability of natural gas utility bills by focusing on effective and efficient operations. Affordability also depends on the wider economic dynamics of our service territory and the cost of the natural gas commodity. The Portland metro area continues to be one of the most affordable cities on the West Coast. A typical monthly gas bill for a residential customer using 50 MMBtu or 100 MMBtu of gas delivered per year is \$45.74 and \$83.48, respectively.

During the first quarter of 2022, NW Natural customers in Oregon received a record \$40 million in bill credits. That's after Oregon customers received \$9 million of credits on their bills during the winter of 2021. The credits are a result of our efficient pipeline capacity management and effective use of the company's underground natural gas storage facility. The 2022 credits mark the 19th year NW Natural has issued credits to customers, resulting in a total \$212 million of savings passed on to Oregon customers.

## RESIDENTIAL AVERAGE MONTHLY UTILITY BILLS

Natural Gas <sup>34</sup>	Electricity <sup>35</sup>		Water & Sewer <sup>36</sup>	Cell Phone <sup>37</sup>
Gas Space & Water Heating	Has Gas Space & Water Heating	All-Electric Home	\$112	\$147
\$57	\$69	\$150		
\$126				

<sup>34</sup> Natural gas bill data for NW Natural customers from 11/1/20 – 10/31/21 using normal weather assumptions

<sup>35</sup> Electric bill information uses rates for 2021 in NW Natural's service territory and data obtained from 2020 Oregon Public Utility Commission Stat Book (latest data available) and other regional sources for usage information

<sup>36</sup> Water and wastewater bill is from the Bluefield Insight Report: U.S. Municipal Water & Wastewater Utility Rate Index, 2021 (published in August 2021). Average Oregon rates could differ from this.

<sup>37</sup> Cell phone bill data is from J.D. Power's 2021 U.S. Wireless Purchase Experience Full-Service Performance Study

## NW NATURAL GAS UTILITY STATS

Sector	Customers (as of 12/31/2021)	Gas Delivered (During 2021)		Natural Gas Rate (Weighted Average Rates from 11/1/20 - 10/31/21)	
		THERMS	MMBtu	VARIABLE RATE PER THERM	FIXED RATE PER MONTH
Residential	715,958	445,550,116	44,555,012	\$0.91	\$8
Commercial	68,864	257,503,592	25,750,359	\$0.80	\$24
Industrial	762	90,848,827	9,084,883	\$0.61	\$244
Transportation	313	390,871,096	39,087,110	\$0.11	\$889
<b>TOTAL</b>	<b>785,897</b>	<b>1,184,773,631</b>	<b>118,477,364</b>		

## Caring For Our Communities

We're investing time and resources to benefit the communities we live in and serve. Our customers, our neighbors, our families and friends are key stakeholders in our business. Community matters are overseen by our Public Affairs and Environmental Policy Committee of our board of directors. Our VP of public affairs and sustainability is the NW Natural executive tasked with primary responsibility for community and government affairs and community involvement.

### Stakeholder Engagement

We value our community stakeholders, and we actively seek a broad range of perspectives in our decision-making processes. Our senior management and board of directors use feedback received through our various outreach activities to help inform business strategy and decisions. Our community of stakeholders starts with our employees and extends to our customers, business partners, suppliers, organized labor unions, shareholders, lenders, financial analysts, regulators, government officials, community leaders, the media and nonprofits and other organizations. Our Human Rights Policy sets forth our public commitment to work to engage with stakeholders where appropriate to better enable us to listen to, learn from, collaborate with and incorporate the views of stakeholders into our business.

As a regulated utility, we remain transparent through regular public meetings, workshops and proceedings before the public utility commissions in the states where we do business. Approximately every two years, we develop our [integrated resource plan](#) (IRP), which describes how we plan to meet our customers' energy

needs now and in the future while working to help the region achieve important climate goals. The IRP is developed through a process open to the public, informed by feedback, reviewed by a diverse set of interested parties, and ultimately filed with the public utility commissions that regulate our business.

Service ethic is one of our core values, and one way we foster this value is by engaging regularly with customers and community members through satisfaction and opinion surveys and our website, newsletter and social media channels. Our government affairs team regularly solicits feedback from governments, legislators, nonprofit organizations and community members on important issues, trends and policies so we can be responsive to the communities we serve. We also engage with our communities through partnership, programs and philanthropic support of nonprofit organizations that provide essential services. In 2021, continued community and customer needs associated with the pandemic resulted in additional direct engagement with nonprofits serving those most vulnerable.

We aim to be the employer of choice and regularly engage with employees through a wide variety of channels such as internal and external websites, meetings and events, communications and surveys, including our annual engagement survey that is designed to enable company leaders to gather valuable feedback and guidance from

employees. In 2021, we also engaged more frequently via “pulse” surveys and other means in order to attend to employee concerns related to COVID-19, remote work and NW Natural’s return to office plans. We have a hotline, maintained by a third party, available for our employees, our communities or anyone else to anonymously raise concerns.

## NOTABLE ENGAGEMENTS IN 2021

- Conducted residential customer surveys in an online format for the first full year, allowing us to gain feedback from more than 9,000 customers, compared to 1,800 in 2019, when customer surveys were conducted via telephone, and 3,650 in 2020, when customer surveys moved online during the year
- Participated in ongoing policy, renewables project and climate action planning discussions at the federal, state and local level, and worked with elected officials, community leaders and nongovernmental organizations to share our low carbon pathway goals and pipeline decarbonization strategies
- Launched an online customer survey and digital platform to engage with customers on our Low Carbon Pathway. Through this process, customers who have a greater interest in these issues can receive updates from the company and are provided with more opportunities to engage with NW Natural and with policymakers as part of an ongoing dialogue and feedback loop
- Created and staffed two positions focused on community engagement and partnership to continue to improve participation in low income and community serving programs and to increase responsiveness to complex needs of frontline communities
- Continued funding and enhanced community outreach on arrearage management resources, including partnering with community organizations to reach populations experiencing hardship during COVID-19
- Developed partnerships with local Community Action Agencies to increase awareness of low-income assistance and weatherization resources
- Resumed in-person community event engagement on a limited basis with COVID-19 protocols in place, attending 36 events and directly engaging with over 12,000 individuals on topics ranging from natural gas safety to renewable energy education
- Established a framework for a Community and Equity Advisory Group, which is expected to be launched in 2022, to better incorporate underrepresented voices into our feedback channels, processes and programs
- Launched a website specific to vendors in furtherance of our efforts to engage with diverse suppliers and promote sustainable procurement
- Conducted a survey of NW Natural headquarters employees on returning to the office, which informed the development of NW Natural’s flexible workplan



## Bill Payment Assistance

As a partner in the communities we serve, we care deeply about equity, and we have multiple [programs](#) to financially assist our most vulnerable community members. More than \$4.5 million was disbursed to 12,488 households in need during the 2021 program year—the largest distribution in a decade.

As the pandemic took a financial toll on many households in 2021, we intensified our efforts to help low-income and COVID-affected customers pay their bills and stay warm. Our focus was on assisting customers who fell behind in making payments during the 18 months we suspended our normal disconnection practices to help the community through the pandemic and prevent disconnections. We provided flexible payment arrangements and offered new options for our customers.

- We introduced an Arrearage Management Program (AMP) in Oregon for our low-income residential customers. A COVID-19 Assistance Program (CAP) was also introduced in Washington that offered grants for low-income residential customers in need. NW Natural provided up to 1% of our 2020 retail revenues to fund these programs and help customers reduce or eliminate past-due balances and avoid disconnection.
- We doubled the amount of time for customers to make payments through our Time Payment Agreement program (TPA) for Oregon, to 24 months.
- We launched a comprehensive outreach program to inform customers in need about options for bill assistance. In addition to working with organizations that assist low-income and elderly customers, we did four extensive outbound calling campaigns to proactively reach customers, and we created communication materials in multiple languages to reach diverse communities.
- We made changes to our business processes, adopting new practices that encourage openness and flexibility in our interactions with customers.
- We provided bill forgiveness for customers whose homes or businesses were destroyed by wildfires.

As a result of our efforts and changes to our practices, we saw a reduction in the number of customers disconnected for nonpayment after we resumed normal business processes in August 2021. In 2021, we had a 0.36% disconnection rate for residential customers, compared to a 0.5% rate in early 2020. For 2021, 57% of customers were reconnected within 20 days.



### PROGRAMS TO ASSIST CUSTOMERS

- Suspension of disconnections during extreme winter weather events, prolonged periods of extreme cold, poor air quality, the winter holidays, and wildfires
- Arrearage Management Program (AMP) in Oregon that provides grants to help residential customers reduce their balance and avoid disconnection
- COVID-19 Assistance Program (CAP) in Washington that provides grants to help low-income customers in need reduce their past-due balances and avoid disconnection
- Time Payment Agreements (TPAs) that allow low-income customers in need pay a portion of their bill in installments for up to 24 months in Oregon to avoid disconnection
- Energy assistance programs that provide funding to our low-income customers
- Installment payment plans
- Medical Certificate exemptions and TPAs for customers with medical conditions

## Gas Assistance Program

In addition to amounts provided by the company, customers and shareholders contributed \$163,000 to NW Natural's [Gas Assistance Program](#) (GAP) in 2021 to help the most vulnerable low-income families and seniors in our communities cover heating costs. Since GAP began in 1982, it has raised more than \$6.5 million for community action agencies to distribute directly to those in need. NW Natural covers the program's administrative costs so 100% of the funds raised can be donated. GAP supplements federal and state assistance programs.

## Low-Income Energy-Efficiency Programs

For many customers, upgrading to energy-efficient equipment is too costly. The Oregon and Washington Low-Income Energy-Efficiency Programs paid for by public purpose charges help income-qualified customers weatherize and upgrade to high-efficiency equipment. Households earning less than 200% of the federal poverty level can receive assistance at no cost. Improvements include caulking and sealing, insulation, window upgrades and furnace tuneups or replacements.

Starting in 2020, NW Natural added \$1.7 million each year to the energy-efficiency funds dedicated to low-income customers in Oregon and now provides \$4.8 million total each plan year. Funding goes toward weatherization projects and deeper energy-efficiency upgrades, reaching additional low-income households and supporting the development of new programs each year. The expansion to reach more households faster is made possible by establishing new partnerships with affordable-housing agencies, serving multifamily properties in addition to single-family homes, and allowing low-income customers to access Energy Trust of Oregon efficiency incentives.

We spent \$2.2 million of those funds on low-income projects in Oregon last year as the impacts of COVID continued to disrupt program operations. The remainder of the funds collected are expected to be used in 2022 to support our community action partners and promote NW Natural's Open Solicitation Program (OSP), which extends support to tenant buildings that do not fit into the standard low-income weatherization program.

## Helping Homes for Good

Homes for Good in Eugene, Oregon, serves as a hub for affordable housing and owns over 1,000 low-income units it operates on a limited maintenance budget. In 2021, NW Natural worked on a plan to further support weatherization for this housing group and in 2022, NW Natural took action and was able to put dollars to work helping income-qualified homeowners and renters improve their quality of life and reduce energy use in their homes with services and upgrades such as duct sealing, heating-equipment repairs, insulation, improved ventilation, and health and safety repairs.

"We are beyond grateful for our partnership with NW Natural."

— Ela Kubok, Homes for Good communication director

Not to be used for investment purposes—see NW Natural and NW Natural Holdings most recent Form 10-Ks as updated by the most recent quarterly and periodic reports for information relevant to investment decisions.

## 2021 ENERGY-EFFICIENCY PROJECTS EQUAL SAVINGS FOR LOW-INCOME CUSTOMERS



**341 OREGON DWELLINGS**

SAVING OVER 60,000 THERMS OR 6,000 MMBTU



**11 WASHINGTON HOMES**

SAVING ABOUT 3,500 THERMS OR 350 MMBTU



**20% REDUCTION**

AVERAGE ANNUAL GAS USAGE REDUCTION



# Charitable Donations

NW Natural gave \$1.7 million to local nonprofits in 2021 through our shareholder-funded corporate philanthropy fund. These funds go to more than 200 organizations and focus on the needs and resiliency of children and families at risk, with additional support for education and health; diversity, equity and inclusion; environmental stewardship; and arts and culture. NW Natural increased contributions to support families and children at risk in 2021 in response to the pandemic’s impacts on housing and family stability. Donations in that category alone totaled more than \$950,000.

Diversity, equity and inclusion (DE&I) guide our priorities for giving, and we heightened that focus in 2021. We’re committed to working with the community to improve outcomes for people who face barriers based on racial, social, economic and geographic inequalities. We prioritize requests from organizations that demonstrate actions, programming and practices that align with a commitment to DE&I principles.

## Spirit of Giving

Responding to the great needs they continued to see in 2021, employees gave generously to their favorite local nonprofits through the company’s annual Spirit of Giving campaign. Together with a 100% company match from the shareholder Corporate Philanthropy Fund, employees and retirees contributed nearly \$280,000 to local charities.

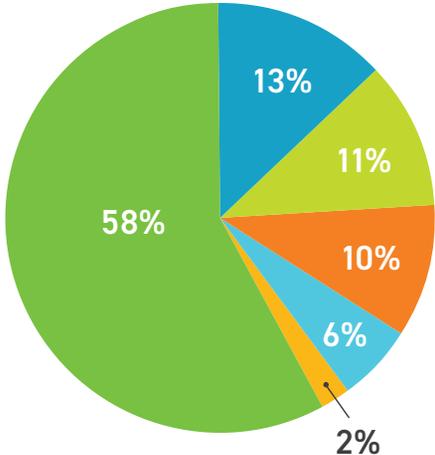
### Top 10 Employee-Supported Nonprofits in 2021

**BASED ON THE NUMBER OF EMPLOYEE CONTRIBUTIONS:**

<ol style="list-style-type: none"> <li>1. Portland Homeless Family Solutions</li> <li>2. Oregon Food Bank</li> <li>3. Oregon Humane Society</li> <li>4. CASA for Children</li> <li>5. Janus Youth Programs</li> </ol>	<ol style="list-style-type: none"> <li>6. Planned Parenthood of the Columbia Willamette</li> <li>7. Meals on Wheels</li> <li>8. Oregon Community Warehouse</li> <li>9. Black United Fund of Oregon</li> <li>10. A Village for One / Oregon Public Broadcasting / United Way of the Columbia-Willamette</li> </ol>
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## 2021 CORPORATE CONTRIBUTIONS BY CATEGORY

- Families & Children in Crisis
- Youth Services & Education
- Environmental Stewardship
- Diversity Equity & Inclusion
- Arts & Culture
- Civic



## Dollars for Doers

Through our Dollars for Doers program, NW Natural makes financial contributions to the nonprofit organizations employees support with their time. The program, funded with shareholder dollars through the corporate philanthropy fund, is one of the ways NW Natural supports our culture of caring and the good work employees do in the community.



[Watch a video about Dollars for Doers](#)

26	Number of 2021 Dollars for Doers grants
2,640	Estimated Dollars for Doers volunteer hours in 2021
9.2	Average number of years Dollars for Doers volunteers have been engaged with their organizations

# Focusing on Safety with our Communities



## Living NW Natural's core value of caring

John Budiao, NW Natural's 2021 Volunteer of the Year, is a Marine veteran committed to saving veterans' lives. The suicide rate for veterans in Oregon is significantly higher than the national rate, and Budiao created Operation Spartan Flags to reduce suicide and the effects of PTSD. Veterans come together to learn a craft through creating flag-themed products from salvaged wood, but Budiao notes that it's more about support, healing and connecting with others who have experienced the trauma of war. Budiao himself was deployed to hot spots all over East Asia and the Middle East while he was in the Marines. "I made a pact with myself that if I made it back, I would do whatever I needed to help young men know that their lives are worthwhile," he said. Since joining NW Natural in 2003, Budiao has served in the U.S. Air Force Reserves and the Coast Guard. Now a communications and controls technician, he appreciates the company's flexibility in allowing him time off to meet his military commitments.



Watch a video about John Budiao and Operation Spartan Flags

NW Natural features safety messages, like call 811 before you dig, at local community events

## Programs of Focus

Through Programs of Focus, NW Natural is giving a total of a half million dollars over three years (2020 - 2022) to five local organizations that support children and families at risk. The funding is for unrestricted operational support and in addition NW Natural provides in-kind resources and volunteer support from NW Natural's employees. Organizations are selected through a competitive process by a selection committee of NW Natural employees from across the company.



**A Village for One** empowers each member of the community to unite with others to heal the impact of commercial sexual exploitation on our youth and our community.



**Community Warehouse** is the only furniture bank serving the greater Portland area. Its mission is to provide essential household furnishings to neighbors in need.



**Bonneville Environmental Foundation's "Clean Energy, Bright Futures"** is a national K-12 education program that supports educator leadership and seeks to illuminate pathways to clean energy careers for all students.



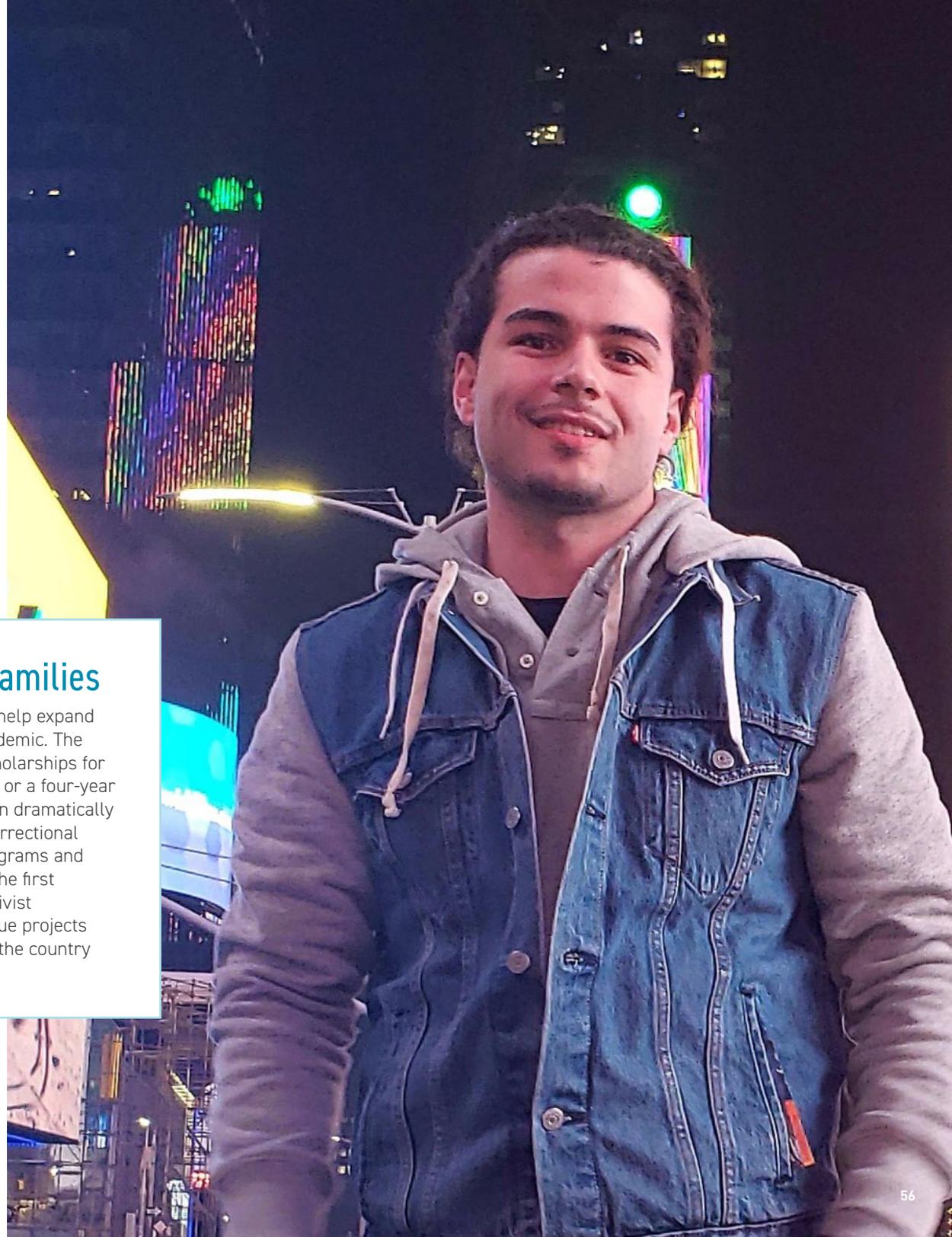
**Portland Homeless Family Solutions** empowers homeless families with children to get into housing and stay long term.



**Janus Youth Programs** serves at-risk youth and their families, providing more than 40 programs that provide opportunities for 6,000 children every year at critical junctures of their lives. Over half of those served are people of color.

## Supporting at-risk youth and their families

Janus Youth Programs has used Programs of Focus funds to help expand programs for housing and other critical needs during the pandemic. The funds have also helped launch new programs and provide scholarships for Janus youth to enroll in technical training, community college or a four-year college. A young man named Bobby exemplifies how Janus can dramatically change lives. Bobby spent six years at the MacLaren Youth Correctional Facility in Oregon, where he participated in various Janus programs and received a scholarship to attend college. In 2021, Bobby was the first incarcerated youth to be awarded the Soros Justice Youth Activist Fellowship, which supports outstanding young people to pursue projects focused on the U.S. criminal justice system. Today, he travels the country speaking about juvenile justice reform.



# Community Events

NW Natural's blue tents and canopies have long been a familiar sight at local gatherings, from cultural fairs and outdoor concerts to events that feed people experiencing homelessness. The tents were folded in 2020 because of the pandemic, and in summer 2021 they started popping up again.

## With events suspended, NW Natural's catering & events team came out to feed people in need

When COVID caused the cancellation of events throughout the community, NW Natural's catering & events team brought their time and culinary expertise to help our nonprofit partners feed communities in need—sometimes even on weekends. From delivering hot meals and tents for an outdoor Homeless Family Solutions event, to providing lunch supplies for homeless youth, the team demonstrated NW Natural's core value of caring.



"NW Natural's community outreach and hospitality departments teamed up to bring joy to community partners by delivering free lunches to our residents and staff. Having a special treat brought onsite meant a lot to everyone."

— Ashley Amato, events & donor relations officer at NW Natural's long-time nonprofit partner, [LifeWorks NW](#)

# Political Contributions

NW Natural makes campaign contributions to state and local candidates and political committees and caucuses, as allowed by law. Our [Code of Ethics](#) sets forth our expectations regarding the use of company funds for political purposes. We also maintain memberships in various business and trade associations that advocate on public policy. In 2021 we made campaign contributions and had lobbying expenditures totaling approximately \$579,000.<sup>38</sup>



**FOR MORE INFORMATION SEE ALSO:**  
[Supporting our Community](#)  
[Bill Assistance Programs](#)

<sup>38</sup> Calculated using Internal Revenue Service guidance