

September 15, 2025

NWN OPUC Advice No. 25-11A / ADV 1764

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: REPLACEMENT FILING
REQUEST FOR INCLUSION IN RATES OF CERTAIN NON-GAS COST ACCOUNTS
RELATING TO: Commission Order No. 20-364 Corporate Activity Tax (CAT)**

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 October 31, 2025, as follows:

Eighth Revision of Sheet 177-2	Schedule 177	Adjustment for Oregon Corporate Activity Tax (continued)
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This filing replaces, in the entirety, the tariff sheet and Exhibit A originally filed under NWN OPUC Advice No. 25-11 (ADV 1764), dated July 31, 2025.

Purpose

The purpose of this filing is to request an inclusion of costs related the Corporate Activity Tax (CAT) based on changes in pass-through gross revenues for items effective October 31, 2025.

Background

As part of the Comprehensive Stipulation adopted by the Commission in Order No. 20-364 in docket UG 388, NW Natural's annual PGA filings will include a component to recover the CAT to reflect changes in gross revenue and cost of goods sold that occur as a result of the PGA and simultaneous filings.

Proposed Changes

The net effect of the removal of the current temporary adjustments applied to rates effective November 1, 2024, and the application of the new temporary adjustments is to decrease the Company's annual revenues by \$314,308 or 0.03%.

The monthly bill of the average residential customer served under Rate Schedule 2 using 54 therms will see a decrease of \$0.03. The monthly decrease for the average industrial Rate Schedule 3 customer using about 1,204 therms is \$0.42, the average industrial Rate Schedule 31 firm sales

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.

customer using 5,317 therms will see a monthly decrease of about \$1.41, and the average industrial Rate Schedule 32 firm sales customer using about 20,914 therms will see a monthly decrease of about \$4.49.

In compliance with OAR 860-022-0025 the Company states that the number of customers affected by the proposed change in this filing is 644,678 residential customers, 62,097 commercial customers, and 822 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 Michael Lewis at Michael.Lewis@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 177-2
Cancels Seventh Revision of Sheet 177-2**SCHEDULE 177**
ADJUSTMENT FOR OREGON CORPORATE ACTIVITY TAX
(continued)**APPLICATION TO RATE SCHEDULES (continued):**

Effective: October 31, 2025

(C)

The adjustments applicable to each Rate Schedule is shown in the table below:

Schedule	Block	CAT		Schedule	Block	CAT
2		(\$0.00008)		32 ITF	Block 1	(\$0.00001)
3 CSF		(\$0.00006)			Block 2	(\$0.00001)
3 ISF		(\$0.00005)			Block 3	\$0.00000
27		(\$0.00007)			Block 4	\$0.00000
31 CSF	Block 1	(\$0.00004)			Block 5	\$0.00000
	Block 2	(\$0.00004)			Block 6	\$0.00000
31 CTF	Block 1	(\$0.00002)		32 CSI	Block 1	(\$0.00003)
	Block 2	(\$0.00002)			Block 2	(\$0.00003)
31 ISF	Block 1	(\$0.00004)			Block 3	(\$0.00003)
	Block 2	(\$0.00004)			Block 4	(\$0.00003)
31 ITF	Block 1	(\$0.00005)			Block 5	(\$0.00003)
	Block 2	(\$0.00004)			Block 6	(\$0.00002)
32 CSF	Block 1	(\$0.00004)		32 ISI	Block 1	(\$0.00003)
	Block 2	(\$0.00004)			Block 2	(\$0.00003)
	Block 3	(\$0.00003)			Block 3	(\$0.00003)
	Block 4	(\$0.00003)			Block 4	(\$0.00003)
	Block 5	(\$0.00003)			Block 5	(\$0.00003)
	Block 6	(\$0.00003)			Block 6	(\$0.00002)
32 ISF	Block 1	(\$0.00003)		32 CTI	Block 1	(\$0.00001)
	Block 2	(\$0.00003)			Block 2	(\$0.00001)
	Block 3	(\$0.00003)			Block 3	\$0.00000
	Block 4	(\$0.00003)			Block 4	\$0.00000
	Block 5	(\$0.00003)			Block 5	\$0.00000
	Block 6	(\$0.00003)			Block 6	\$0.00000
32 CTF	Block 1	(\$0.00001)		32 ITI	Block 1	(\$0.00001)
	Block 2	(\$0.00001)			Block 2	(\$0.00001)
	Block 3	(\$0.00001)			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
				33 (all)		\$0.00000

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(R)
(R)Issued September 15, 2025
NWN OPUC Advice No. 25-11AEffective with service on
and after October 31, 2025

EXHIBIT A

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

NW NATURAL SUPPORTING MATERIALS

Non-Gas Cost Inclusion of
Corporate Activity Tax (CAT)

NWN OPUC Advice No. 25-11A / ADV 1764

September 15, 2025

NW NATURAL

EXHIBIT A

Supporting Materials

Non-Gas Cost Inclusion of Corporate Activity Tax (CAT)

NWN OPUC ADVICE NO. 25-11A / ADV 1764

Description	Page
Calculation of Increments Allocated on Equal Percentage of Revenue	1
Effects on Average Bill by Rate Schedule	2
Basis for Revenue Related Costs	3
PGA Effects on Revenue	4
Oregon Revenue Requirement – With and Without Oregon CAT	5
CAT Incremental Supporting Schedule	6

NW Natural
Rates & Regulatory Affairs
2025-26 PGA - Oregon: September Filing
Calculation of Increments Allocated on the EQUAL PERCENTAGE OF REVENUE
ALL VOLUMES IN THERMS

		Billing					Proposed Amount:			
Oregon PGA		Rate from					Revenue Sensitive Multi		Corporate Activity Tax (CAT), Incremental	
Volumes page		Rates, page		Volumetric			Customer		(50.105) Temporary Increment	
Column F		Column A		Revenues			Charge		n/a rev sensitive factor is built in	
							Customers		(50.105) to all classes and schedules	
							Total		Amount to Amortize:	
							Revenues			

Sources for line 2 above:									
Inputs page									
Tariff Schedules									
Rate Adjustment Schedule									

Note: Rate increment calculation is made by dividing the allocation to the rate schedule by the PGA volumes.

		Oregon PGA		Normal	Minimum	11/1/2024	11/1/2024	Proposed	Proposed	Advice 25-11A	
		Normalized		Therms				10/31/2025	10/31/2025	See note [8]	
		Volumes page,	Therms in	Monthly	Monthly	Billing	Current	Schedule 177	Schedule 177	Schedule 177	
		Column D	Block	Average use	Charge	Rates	Average Bill	Rates	Average Bill	% Bill Change	
		A	B	C	D	E	F=D+(C * E)	Y	Z = D+(C * Y)	AA = (Z - F)/F	
		Schedule	Block				F		Z	AA	
7	25F	374,907,494	N/A	54	\$10.00	\$1.33108	\$81.88	\$1.33060	\$81.85	0.0%	
7	2MF	46,532,455	N/A	54	\$8.00	\$1.33108	\$79.88	\$1.33060	\$79.85	0.0%	
8	3C Firm Sales	191,560,213	N/A	270	\$15.00	\$1.18176	\$334.08	\$1.18138	\$333.97	0.0%	
9	3I Firm Sales	4,897,917	N/A	1,204	\$15.00	\$1.05417	\$1,284.22	\$1.05382	\$1,283.80	0.0%	
10	27 Dry Out	739,110	N/A	36	\$8.00	\$1.17668	\$50.36	\$1.17625	\$50.35	0.0%	
11	31C Firm Sales	Block 1 12,710,926	2,000	2,969	\$325.00	\$0.74499	\$2,507.50	\$0.74471	\$2,506.66	0.0%	
12		Block 2 11,231,948	all additional			\$0.71467		\$0.71439			
13	31C Firm Trans	Block 1 1,171,263	2,000	3,753	\$575.00	\$0.31490	\$1,709.33	\$0.31475	\$1,708.79	0.0%	
14		Block 2 1,305,394	all additional			\$0.28781		\$0.28767			
15	31I Firm Sales	Block 1 3,428,826	2,000	5,317	\$325.00	\$0.72950	\$4,118.01	\$0.72923	\$4,116.60	0.0%	
16		Block 2 7,225,968	all additional			\$0.70365		\$0.70339			
17	31I Firm Trans	Block 1 12,735	2,000	729	\$575.00	\$0.26830	\$770.59	\$0.26815	\$770.48	0.0%	
18		Block 2 31,024	all additional			\$0.24243		\$0.24230			
19	32C Firm Sales	Block 1 36,364,305	10,000	7,883	\$675.00	\$0.65293	\$5,822.05	\$0.65268	\$5,820.08	0.0%	
20		Block 2 11,181,417	20,000			\$0.62396		\$0.62371			
21		Block 3 1,968,034	20,000			\$0.57579		\$0.57557			
22		Block 4 888,550	100,000			\$0.52745		\$0.52724			
23		Block 5 16,644	600,000			\$0.49273		\$0.49253			
24		Block 6 0	all additional			\$0.47626		\$0.47607			
25	32I Firm Sales	Block 1 8,628,593	10,000	20,914	\$675.00	\$0.60345	\$13,063.96	\$0.60323	\$13,059.47	0.0%	
26		Block 2 7,972,562	20,000			\$0.58223		\$0.58202			
27		Block 3 2,916,083	20,000			\$0.54675		\$0.54655			
28		Block 4 2,877,605	100,000			\$0.51141		\$0.51122			
29		Block 5 443,011	600,000			\$0.48672		\$0.48654			
30		Block 6 0	all additional			\$0.47429		\$0.47411			
31	32C Firm Trans	Block 1 2,769,074	10,000	19,258	\$925.00	\$0.14137	\$3,449.47	\$0.14131	\$3,448.32	0.0%	
32		Block 2 2,051,764	20,000			\$0.11998		\$0.11992			
33		Block 3 656,440	20,000			\$0.08442		\$0.08438			
34		Block 4 951,036	100,000			\$0.04883		\$0.04881			
35		Block 5 42,214	600,000			\$0.02745		\$0.02744			
36		Block 6 0	all additional			\$0.01327		\$0.01326			
37	32I Firm Trans	Block 1 11,405,325	10,000	73,016	\$925.00	\$0.13314	\$7,174.60	\$0.13309	\$7,172.04	0.0%	
38		Block 2 16,248,048	20,000			\$0.11308		\$0.11303			
39		Block 3 9,930,036	20,000			\$0.07964		\$0.07961			
40		Block 4 21,832,878	100,000			\$0.04622		\$0.04620			
41		Block 5 22,413,473	600,000			\$0.02609		\$0.02608			
42		Block 6 7,541,214	all additional			\$0.01279		\$0.01278			
43	32C Interr Sales	Block 1 4,420,212	10,000	53,833	\$675.00	\$0.61838	\$31,834.00	\$0.61817	\$31,822.97	0.0%	
44		Block 2 6,619,668	20,000			\$0.59472		\$0.59451			
45		Block 3 3,569,981	20,000			\$0.55521		\$0.55501			
46		Block 4 5,246,915	100,000			\$0.51568		\$0.51549			
47		Block 5 3,398,942	600,000			\$0.49198		\$0.49180			
48		Block 6 0	all additional			\$0.47465		\$0.47448			
49	32I Interr Sales	Block 1 4,783,726	10,000	50,145	\$675.00	\$0.59896	\$29,185.49	\$0.59875	\$29,175.37	0.0%	
50		Block 2 6,385,368	20,000			\$0.57835		\$0.57815			
51		Block 3 3,622,167	20,000			\$0.54400		\$0.54380			
52		Block 4 10,367,186	100,000			\$0.50962		\$0.50943			
53		Block 5 4,928,689	600,000			\$0.48899		\$0.48881			
54		Block 6 0	all additional			\$0.47389		\$0.47372			
55	32C Interr Trans	Block 1 780,580	10,000	199,264	\$925.00	\$0.12838	\$11,569.70	\$0.12833	\$11,566.51	0.0%	
56		Block 2 1,586,918	20,000			\$0.10895		\$0.10891			
57		Block 3 1,034,205	20,000			\$0.07661		\$0.07659			
58		Block 4 3,340,006	100,000			\$0.04425		\$0.04424			
59		Block 5 431,793	600,000			\$0.02486		\$0.02485			
60		Block 6 0	all additional			\$0.01194		\$0.01194			
61	32I Interr Trans	Block 1 5,825,488	10,000	198,962	\$925.00	\$0.12678	\$11,474.60	\$0.12673	\$11,471.41	0.0%	
62		Block 2 9,678,292	20,000			\$0.10765		\$0.10761			
63		Block 3 6,123,269	20,000			\$0.07583		\$0.07581			
64		Block 4 14,253,538	100,000			\$0.04395		\$0.04394			
65		Block 5 29,505,433	600,000			\$0.02486		\$0.02485			
66		Block 6 96,966,741	all additional			\$0.01213		\$0.01213			
67	33	0	N/A	0.0	\$38,000.00	\$0.00465	\$38,000.00	\$0.00465	\$38,000.00		
68	Special Contracts	74,098,618	N/A	0	\$0	\$0.00000	\$0.00	\$0.00000	\$0.00		
69											
70	Totals	1,121,821,307									

NW Natural
Rates and Regulatory Affairs
2025-2026 PGA Filing - OREGON
Basis for Revenue Related Costs

	Twelve Months Ended 06/30/25	
1		
2		
3	Total Billed Gas Sales Revenues	\$ 947,586,013
4	Total Oregon Revenues	\$ 952,494,446
5		
6	Regulatory Commission Fees [1]	n/a 0.450% Statutory rate
7	City License and Franchise Fees	\$ 22,248,348 2.336% Line 7 ÷ Line 4
8	Net Uncollectible Expense [2]	\$ 2,209,884 0.232% Line 8 ÷ Line 4
9		
10	Total	<u>3.018%</u> Sum lines 6-8

Note:

[1] Dollar figure is set at statutory level of 0.450% times Total Oregon Revenues (line 4).

Because the fee changed since our last general rate case, the difference between the previous fee of 0.430 and the new fee of 0.450%, as it affects our base rates, is being captured as a temporary deferral.

[2] Represents the normalized net write-offs based on a three-year average.

NW Natural
Rates & Regulatory Affairs
2025-2026 PGA Filing - Oregon: September Filing
PGA Effects on Revenue
Schedule 177: Corporate Activity Tax (CAT)

	Including Revenue Sensitive Amount
1	
2 <u>Temporary Increments</u>	
3	
4 <u>Current Temporary Increments</u>	
5 Corporate Activity Tax (CAT)	<u>(264,203)</u>
6	
7	
8 <u>Addition of Proposed Incremental Temporary Increments</u>	
9 Corporate Activity Tax (CAT)	<u>(50,105)</u>
10	
11	
12 TOTAL OF ALL COMPONENTS OF RATE CHANGES	<u>(\$314,308)</u>
13	
14	
15	
16 2024 Oregon Earnings Test Normalized Total Revenues	\$939,254,783
17	
18 Effect of this filing, as a percentage change (line 12 ÷ line 16)	-0.03%

NW Natural
Rates & Regulatory Affairs
2025-2026 PGA Filing - Oregon: September Filing
(\$000)

Oregon Revenue Requirement - With and Without Oregon CAT					
Line No.			(1) Without CAT	Change	With CAT
1	Revenue Requirement/PGA	A	16,715	(50)	16,665
2	Misc. Revenues/Amortization	B	(36,642)		(36,642)
3	Total Operating Revenues	C	(19,926)		(19,976)
4	Gas Purchased (PGA)	D	(31,264)		(31,264)
5	Other O&M and Bad Debt/SRRM	E	12,028		12,028
6	Total Operating Expenses		(19,236)		(19,236)
7	Federal Income Tax	F	-		-
8	State Income/Excise Tax	G	-		-
9	Property Tax	H	-		-
10	Federal Payroll Tax	I	-		-
11	Other Payroll Tax	J	-		-
12	Franchise Tax	K = 2.291% x C	3.018% (601)	-	(601)
13	OPUC Annual Fee	L = 0.43% x C	0.450% (90)	-	(90)
14	DOE Fee	M	-		-
15	Oregon CAT	N	-	(50)	(50)
16	Other Tax	O	-		-
17	Depreciation and Amortization	P	-		-
18	Total Operating Deductions		(691)		(741)
19	Net Revenue (before interest and other)		0	(0)	(0)
	<i>Check Figure (Revenue solves for this)</i>		-		-

Total CAT Incremental	
\$	(50,105.00)

Oregon Corporate Activity Tax - Regulatory Calculation:					
20	Total Gross Revenue				(19,976)
21	Less Excludable Revenue Collected For:				
22	Federal Income Taxes	1.24 x F	1.240		-
23	Property Taxes	1.0 x H	1.000		-
24	Federal Payroll Taxes	1.0 x I	1.000		-
25	Local Franchise Tax	1.025 x K	1.025		(616)
26	OPUC Utility Fee	1.004 x L	1.004		(90)
27	Total Excludable Revenue			3.5%	(706)
28	Less 35% of Cost of Goods Sold	35% x D x Rev%	35.00%		(10,555)
29	Taxable Commercial Activity for CAT				(8,715)
30	Less \$1 million Exclusion				-
31	Net Taxable Commercial Activity				(8,715)
32	CAT Rate				0.57%
33	CAT Tax Liability				(50)

(1) From UG 388 - Revenue Requirement for Stipulated Settlement

(2) Excludable commercial activity of \$61.7 million per Section 50, subsection (KK) of Oregon 2019 House Bill 2164:

"Moneys collected or recovered, by entities listed in ORS 756.310, cable operators as defined in 47 U.S.C. 522(5), telecommunications carriers as defined in 47 U.S.C. 153(51) and providers of information services as defined in 47 U.S.C. 153(24), for fees payable under ORS 756.310, right-of-way fees, franchise fees, privilege taxes, federal taxes and local taxes"

(3) Only includes local franchise taxes in base rates (not supplemental itemized amounts not in base rates)
Separate itemized local franchise taxes are expected to be included in 'Total Gross Revenue' and 'Excludable Revenue' resulting in no change to CAT Tax Liability

CAT Incremental Supporting Schedule

		Current	Proposed	Change
Schedule 172: Intervenor Funding	Temps	\$ (526,347)	\$ 703,878	\$ 177,531
Schedule 181: Oregon Regulatory Fee	Temps	\$ (255,578)	\$ 26,825	\$ (228,753)
Schedule 183: SRRM	Temps	\$ (10,198,247)	\$ 11,944,966	\$ 1,746,719
Schedule 188: Industrial DSM	Temps	\$ (8,174,944)	\$ 10,858,714	\$ 2,683,770
Schedule 190: Decoupling	Temps	\$ 10,059,915	\$ 4,491,361	\$ 14,551,276
Schedule 195: WARM	Temps	\$ (2,835,014)	\$ 10,249,418	\$ 7,414,404
Schedule 177: Corporate Activity Tax (CAT)	Temps	\$ (264,203)	\$ (50,105)	\$ (314,308)
Schedule 168: Curtailment & Entitlement Revenues	Temps	\$ 1,894,717	\$ (332,625)	\$ 1,562,092
Schedule 178: Residual Balances	Temps	\$ 815,980	\$ (112,141)	\$ 703,839
Schedule 171: RNG Transport Allocation	Temps	\$ (416,248)	\$ 5,213,841	\$ 4,797,593
Schedule 166: Residential Rate Mitigation	Temps	\$ (738,244)	\$ 63,371	\$ (674,873)
Schedule 173: COVID	Temps	\$ (1,316,660)	\$ -	\$ (1,316,660)
Schedule 189: TSA Security Directive 2 Cost of Service	Temps	\$ (1,627,367)	\$ 1,095,891	\$ (531,476)
Schedule 180: TSA Security Directive 2 O&M	Temps	\$ -	\$ -	\$ -
Schedule 169: Transport EE	Temps	\$ -	\$ 2,056,725	\$ 2,056,725
Schedule 187: Mist Recall	Perm	\$ -	\$ 82,971	\$ 82,971
Schedule 198: RNG (Exclud. Lexington and Dakota City CoS)	Perm	\$ (571,114)	\$ 1,558,030	\$ 986,916
		\$ (14,153,354)	\$ 47,851,120	\$ 33,697,766
Gas Costs:				
Schedule 164: PGA Gas Costs and Gas Cost Deferrals	Temps	N/A	\$ (26,660,911)	\$ (26,660,911)
UG 490 vs 25-26 PGA	Gas Costs	\$ 334,329,803	\$ 328,619,739	\$ (5,710,064)
UG 490 vs 25-26 PGA	Demand Costs	\$ 70,153,537	\$ 71,260,897	\$ 1,107,360
		\$ 404,483,340	\$ 373,219,725	\$ (31,263,615)
TOTAL Revenue Proposed for 2025-26 PGA		\$ 16,587,505	\$ -	\$ 16,587,505
TOTAL Misc Rev/Amort & Franchise Tax & Reg Fees Proposed for 2025-26 PGA		\$ 35,823,183	\$ 691,046	\$ 36,514,229
TOTAL O&M Proposed for 2025-26 PGA		\$ 12,027,937	\$ -	\$ 12,027,937
TOTAL Gas Costs for 2025-26 PGA		\$ (31,263,615)	\$ -	\$ (31,263,615)