

July 31, 2025

NWN OPUC Advice No. 25-19 / ADV 1772

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
P.O. Box 1088
Salem, OR 97308-1088

**Re: REQUEST FOR UPDATED AMORTIZATION RATES OF CERTAIN NON-GAS COST
DEFERRED ACCOUNTS RELATING TO: Mist Recall**

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), files herewith the following revisions to its Tariff P.U.C. Or. 25, stated to become effective on October 31, 2025.

Fifth Revision of Sheet 187-1	Schedule 187	Special Rate Adjustment for Mist Capacity Recall
-------------------------------	--------------	--

Purpose

The purpose of this filing is to include the cost to recall 15,000 dekatherms per day (Dth/day) of the Company's Mist storage capacity that was recalled away from interstate/intrastate storage customers to core utility customers. The Company revises rates for this purpose periodically; the last adjustments under Schedule 187 went into effect November 1, 2024, which will be reflected in base rates with the conclusion of the UG 520 rate case proceeding at which time the enacted 2024 Schedule 187 rates will be set to zero.

Background

This Mist capacity recall is based on core customer supply needs as identified in the 2022 Integrated Resource Plan (IRP), in conjunction with our current gas supply portfolio. The Mist storage requirement for the 2025-26 heating season is 340,000 Dth/day. This is an incremental core customer need of 15,000 Dth/day. The portions of assets being recalled include reservoir capacity, compression, Miller Station, and other assets as described in Exhibit B.

Proposed Changes

The effect of adding the permanent adjustment to rates effective October 31, 2025, is an increase to the Company's annual revenues by \$82,915, or 0.01%.

The monthly bill of the average residential customer served under Rate Schedule 2 using 54 therms per month will increase by \$0.01, or 0.0%. The monthly increase for the average Rate Schedule 3 commercial customer using 270 therms is \$0.02, or 0.00%, the monthly increase for the average Rate Schedule 27 customer using 36 therms is \$0.00, or 0.0% and the monthly increase for the average commercial Rate Schedule 31 firm sales customer using 2,744 therms is approximately \$0.17, or 0.0%. The average industrial Rate Schedule 32 firm sales customer using 9,861 therms will see a monthly increase of approximately \$0.30, or 0.0%. Work papers supporting the rate and bill impact calculations will be separately submitted in electronic format.

The number of customers affected by the proposed change is 644,678 residential customers, and 62,919 commercial and industrial customers.

Conclusion

NW Natural respectfully request the Commission approve this tariff change to become effective October 31, 2025.

In accordance with ORS 757.205, copies of this letter and the filing made herewith are available in the Company's main office in Portland, 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
NW Natural Rates & Regulatory Affairs
250 SW Taylor Street
Portland, OR 97204
Phone: (503) 610-7330
eFiling@nwnatural.com

Respectfully submitted,

/s/ Kyle Walker, CPA

Kyle Walker, CPA
Rates/Regulatory Senior Manager
NW Natural
250 SW Taylor Street
Portland, OR 97204
(503) 610-7051
kyle.walker@nwnatural.com

Attachments: Exhibit A – Supporting Materials
Exhibit B – Supporting Materials: Mist Recall Memorandum

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Fifth Revision of Sheet 187-1
Cancels Fourth Revision of Sheet 187-1

SCHEDULE 187 SPECIAL RATE ADJUSTMENT FOR MIST CAPACITY RECALL

PURPOSE:

The purpose of this Schedule is to reflect the rate effects of the Company's recall of Mist storage capacity for use by the Company's core Sales Service Customers.

APPLICABLE:

To the following Rate Schedules of this Tariff:

Rate Schedule 2

Rate Schedule 3
Rate Schedule 27

Rate Schedule 31
Rate Schedule 32

APPLICATION TO RATE SCHEDULES:

Effective: October 31, 2025

(C)

The Total Adjustment amounts shown below are included in the Base Adjustments reflected in the above-listed Rate Schedules. NO ADDITIONAL ADJUSTMENT TO RATES IS REQUIRED.

Rate Schedule/Class	Block	Mist Recall Base Adjustment		Schedule	Block	Mist Recall Base Adjustment
2		\$0.00014		31 CSF	Block 1	\$0.00006
03 CSF		\$0.00010			Block 2	\$0.00006
03 ISF		\$0.00007		31 ISF	Block 1	\$0.00005
27		\$0.00012			Block 2	\$0.00004
32 CSF	Block 1	\$0.00004		32 CSI	Block 1	\$0.00003
	Block 2	\$0.00003			Block 2	\$0.00002
	Block 3	\$0.00002			Block 3	\$0.00002
	Block 4	\$0.00001			Block 4	\$0.00001
	Block 5	\$0.00001			Block 5	\$0.00001
	Block 6	\$0.00000			Block 6	\$0.00000
32 ISF	Block 1	\$0.00003		32 ISI	Block 1	\$0.00002
	Block 2	\$0.00003			Block 2	\$0.00002
	Block 3	\$0.00002			Block 3	\$0.00002
	Block 4	\$0.00001			Block 4	\$0.00001
	Block 5	\$0.00001			Block 5	\$0.00001
	Block 6	\$0.00000			Block 6	\$0.00000

(R) (R)

(R) (R)

GENERAL TERMS:

Service under this Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this, any other schedules that by their terms or by the terms of this Schedule apply to service under this Schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

Issued July 31, 2025
NWN OPUC Advice No. 25-19

Effective with service on
and after October 31, 2025

EXHIBIT A

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

NW NATURAL SUPPORTING MATERIALS

Non-Gas Cost Deferral Amortizations Relating to:

Mist Recall

NWN OPUC Advice No. 25-19 / ADV 1772

July 31, 2025

NW NATURAL

EXHIBIT A

Supporting Materials

Non-Gas Cost Deferral Amortizations Relating to:

Mist Recall

NWN OPUC ADVICE NO. 25-19 / ADV 1772

Description	Page
Calculation of Increments Allocated on the Equal Percentage of Margin Basis	1
Effects on Average Bill by Rate Schedule	2
Basis for Revenue Related Costs	3
PGA Effects on Revenue	4
Determination of Cost of Service	5

NW Natural
Rates & Regulatory Affairs

2025-26 PGA - Oregon: August Filing

Calculation of Increments Allocated on the EQUAL PERCENTAGE OF MARGIN BASIS

ALL VOLUMES IN THERMS

		Oregon PGA	Oregon PGA	Billing	WACOG &	Temps from							Proposed Amount:	Mist Recall		
		Volumes page,	Volume- EITEs	Rate from	Demand from	Temporary	MARGIN	Volumetric	EITE volume	Customer	Customers	Total	Revenue Sensitive Multiplier:	82,971	Temporary Increment	
		Column F		Column A	Column B+C+D*	Increment page,	Rate	Margin		Charge		Margin	Amount to Amortize:	82,971	N/A rev sensitive factor is built in	
							F=C-D-E					K= (I*J*12)/G		82,971	to all sales	
Schedule	Block	A	B	C	D	E	F	G = I * A	H	I	J	K		Multiplier	Allocation to RS	Increment
2R		421,439,949	421,439,949	\$1.33108	\$0.53640	(\$0.01390)	\$0.80858	\$340,767,914	\$340,767,914	\$9.84	644,678	\$416,919,035		1.0	\$57,254	\$0.00014
3C Firm Sales		191,560,213	191,560,213	\$1.18176	\$0.53640	(\$0.06288)	\$0.70824	\$135,670,605	\$135,670,605	\$15.00	59,039	\$146,297,625		1.0	\$20,090	\$0.00010
3I Firm Sales		4,897,917	4,897,917	\$1.05417	\$0.53640	\$0.03439	\$0.48338	\$2,367,555	\$2,367,555	\$15.00	339	\$2,428,575		1.0	\$334	\$0.00007
27 Dry Out		739,110	739,110	\$1.17668	\$0.53640	(\$0.01906)	\$0.65934	\$487,325	\$487,325	\$8.00	1,731	\$653,501		1.0	\$90	\$0.00012
31C Firm Sales	Block 1	12,710,926	12,710,926	\$0.74499	\$0.43366	(\$0.03470)	\$0.34603	\$7,952,487	\$7,952,487	\$325.00	727	\$10,787,787		1.0	\$1,481	\$0.00006
	Block 2	11,231,948	11,231,948	\$0.71467	\$0.43366	(\$0.03542)	\$0.31643							1.0		\$0.00006
31C Firm Trans	Block 1	1,171,263	1,171,263	\$0.31490	\$0.00000	\$0.01154	\$0.30336	\$717,091	\$717,091	\$575.00	55	\$1,096,591		0.0	\$0	\$0.00000
	Block 2	1,305,394	1,305,394	\$0.28781	\$0.00000	\$0.01067	\$0.27714							0.0		\$0.00000
31I Firm Sales	Block 1	3,428,826	3,428,826	\$0.72950	\$0.43366	\$0.03140	\$0.26444	\$2,635,170	\$2,635,170	\$325.00	172	\$3,305,970		1.0	\$454	\$0.00005
	Block 2	7,225,968	7,225,968	\$0.70365	\$0.43366	\$0.03079	\$0.23920							1.0		\$0.00004
31I Firm Trans	Block 1	12,735	12,735	\$0.26830	\$0.00000	\$0.00948	\$0.25882	\$10,546	\$10,546	\$575.00	5	\$45,046		0.0	\$0	\$0.00000
	Block 2	31,024	31,024	\$0.24243	\$0.00000	\$0.00873	\$0.23370							0.0		\$0.00000
32C Firm Sales ¹	Block 1	36,364,305	36,364,305	\$0.65293	\$0.43366	\$0.03026	\$0.18901	\$8,956,042	\$8,956,042	\$675.00	561	\$13,623,303		1.0	\$1,871	\$0.00004
	Block 2	11,181,417	11,181,417	\$0.62396	\$0.43366	\$0.02947	\$0.16083							1.0		\$0.00003
	Block 3	1,968,034	1,968,034	\$0.57579	\$0.43366	\$0.02811	\$0.11402							1.0		\$0.00002
	Block 4	888,550	888,550	\$0.52745	\$0.43366	\$0.02675	\$0.06704							1.0		\$0.00001
	Block 5	16,644	16,644	\$0.49273	\$0.43366	\$0.02578	\$0.03329							1.0		\$0.00001
	Block 6	0	0	\$0.47626	\$0.43366	\$0.02531	\$0.01729							1.0		\$0.00000
32I Firm Sales ¹	Block 1	8,628,593	8,628,593	\$0.60345	\$0.43366	\$0.02798	\$0.14181	\$2,600,115	\$2,600,115	\$675.00	193	\$4,209,050		1.0	\$578	\$0.00003
	Block 2	7,972,562	7,972,562	\$0.58223	\$0.43366	\$0.02757	\$0.12100							1.0		\$0.00003
	Block 3	2,916,083	2,916,083	\$0.54675	\$0.43366	\$0.02688	\$0.08621							1.0		\$0.00002
	Block 4	2,877,605	2,877,605	\$0.51141	\$0.43366	\$0.02621	\$0.05154							1.0		\$0.00001
	Block 5	443,011	443,011	\$0.48672	\$0.43366	\$0.02573	\$0.02733							1.0		\$0.00001
	Block 6	0	0	\$0.47429	\$0.43366	\$0.02549	\$0.01514							1.0		\$0.00000
32C Firm Trans	Block 1	2,769,074	2,666,976	\$0.14137	\$0.00000	\$0.00506	\$0.13631	\$712,425	\$686,157	\$925.00	28	\$1,038,614		0.0	\$0	\$0.00000
	Block 2	2,051,764	1,976,113	\$0.11998	\$0.00000	\$0.00451	\$0.11547							0.0		\$0.00000
	Block 3	656,440	632,236	\$0.08442	\$0.00000	\$0.00358	\$0.08084							0.0		\$0.00000
	Block 4	951,036	915,970	\$0.04883	\$0.00000	\$0.00265	\$0.04618							0.0		\$0.00000
	Block 5	42,214	40,658	\$0.02745	\$0.00000	\$0.00210	\$0.02535							0.0		\$0.00000
	Block 6	0	0	\$0.01327	\$0.00000	\$0.00173	\$0.01154							0.0		\$0.00000
32I Firm Trans	Block 1	11,405,325	6,480,052	\$0.13314	\$0.00000	\$0.00469	\$0.12845	\$5,551,950	\$3,154,397	\$925.00	102	\$6,829,126		0.0	\$0	\$0.00000
	Block 2	16,248,048	9,231,495	\$0.11308	\$0.00000	\$0.00426	\$0.10882							0.0		\$0.00000
	Block 3	9,930,036	5,641,852	\$0.07964	\$0.00000	\$0.00351	\$0.07613							0.0		\$0.00000
	Block 4	21,832,878	12,404,573	\$0.04622	\$0.00000	\$0.00277	\$0.04345							0.0		\$0.00000
	Block 5	22,413,473	12,734,445	\$0.02609	\$0.00000	\$0.00231	\$0.02378							0.0		\$0.00000
	Block 6	7,541,214	4,284,618	\$0.01279	\$0.00000	\$0.00202	\$0.01077							0.0		\$0.00000
32C Interr Sales	Block 1	4,420,212	4,420,212	\$0.61838	\$0.43366	\$0.02823	\$0.15649	\$2,321,244	\$2,321,244	\$675.00	66	\$2,855,844		1.0	\$392	\$0.00003
	Block 2	6,619,668	6,619,668	\$0.59472	\$0.43366	\$0.02766	\$0.13340							1.0		\$0.00002
	Block 3	3,569,981	3,569,981	\$0.55521	\$0.43366	\$0.02671	\$0.09484							1.0		\$0.00002
	Block 4	5,246,915	5,246,915	\$0.51568	\$0.43366	\$0.02575	\$0.05627							1.0		\$0.00001
	Block 5	3,398,942	3,398,942	\$0.49198	\$0.43366	\$0.02518	\$0.03314							1.0		\$0.00001
	Block 6	0	0	\$0.47465	\$0.43366	\$0.02477	\$0.01622							1.0		\$0.00000
32I Interr Sales	Block 1	4,783,726	4,783,726	\$0.59896	\$0.43366	\$0.02796	\$0.13734	\$2,374,516	\$2,374,516	\$675.00	91	\$3,111,616		1.0	\$427	\$0.00002
	Block 2	6,385,368	6,385,368	\$0.57835	\$0.43366	\$0.02749	\$0.11720							1.0		\$0.00002
	Block 3	3,622,167	3,622,167	\$0.54400	\$0.43366	\$0.02670	\$0.08364							1.0		\$0.00002
	Block 4	10,367,186	10,367,186	\$0.50962	\$0.43366	\$0.02591	\$0.05005							1.0		\$0.00001
	Block 5	4,928,689	4,928,689	\$0.48899	\$0.43366	\$0.02544	\$0.02989							1.0		\$0.00001
	Block 6	0	0	\$0.47389	\$0.43366	\$0.02509	\$0.01514							1.0		\$0.00000
32C Interr Trans	Block 1	780,580	780,580	\$0.12838	\$0.00000	\$0.00387	\$0.12451	\$491,240	\$491,240	\$925.00	3	\$524,540		0.0	\$0	\$0.00000
	Block 2	1,586,918	1,586,918	\$0.10895	\$0.00000	\$0.00347	\$0.10548							0.0		\$0.00000
	Block 3	1,034,205	1,034,205	\$0.07661	\$0.00000	\$0.00283	\$0.07378							0.0		\$0.00000
	Block 4	3,340,006	3,340,006	\$0.04425	\$0.00000	\$0.00221	\$0.04204							0.0		\$0.00000
	Block 5	431,793	431,793	\$0.02486	\$0.00000	\$0.00183	\$0.02303							0.0		\$0.00000
	Block 6	0	0	\$0.01194	\$0.00000	\$0.00157	\$0.01037							0.0		\$0.00000
32I Interr Trans	Block 1	5,825,488	809,888	\$0.12678	\$0.00000	\$0.00443	\$0.12235	\$4,400,511	\$611,781	\$925.00	68	\$5,155,311		0.0	\$0	\$0.00000
	Block 2	9,678,292	1,345,523	\$0.10765	\$0.00000	\$0.00401	\$0.10364							0.0		\$0.00000
	Block 3	6,123,269	851,287	\$0.07583	\$0.00000	\$0.00334	\$0.07249							0.0		\$0.00000
	Block 4	14,253,538	1,981,596	\$0.04395	\$0.00000	\$0.00266	\$0.04129							0.0		\$0.00000
	Block 5	29,505,433	4,101,990	\$0.02486	\$0.00000	\$0.00225	\$0.02261							0.0		\$0.00000
	Block 6	96,966,741	13,480,790	\$0.01213	\$0.00000	\$0.00197	\$0.01016							0.0		\$0.00000
33		0	0	\$0.00465	\$0.00000	\$0.00127	\$0.00338	\$0	\$0	\$38,000.00	0	\$0		0.0	0	\$0.00000
Special Contracts		74,098,618	3,989,237	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0	\$0	\$0.00	7	\$0		0.0	\$0	\$0.00000
TOTALS		1,121,821,307						\$ 518,016,736	\$ 511,804,185		\$ 618,881,534		\$ 604,192,306	\$ 82,971		

2	Oregon PGA Normalized		Normal Therms	Minimum	11/1/2024	11/1/2024	Proposed 10/31/2025	Proposed 10/31/2025	Proposed 10/31/2025		
3	Volumes page,		Therms in	Monthly	Monthly	Billing	Current	Schedule 187 Mist Recall	Schedule 187 Mist Recall	Schedule 187 Mist Recall	
4	Column D		Block	Average use	Charge	Rates	Average Bill	Rates	Average Bill	% Bill Change	
5							F=D+(C * E)		AF = D+(C * AE)	AG = (AF- F)/F	
6	Schedule	Block	A	B	C	D	E	F	AE	AF	AG
7	2SF		374,907,494	N/A	54	\$10.00	\$1.33108	\$81.88	\$1.33122	\$81.89	0.0%
8	2MF		46,532,455	N/A	54	\$8.00	\$1.33108	\$79.88	\$1.33122	\$79.89	0.0%
9	3C Firm Sales		191,560,213	N/A	270	\$15.00	\$1.18176	\$334.08	\$1.18186	\$334.10	0.0%
10	3I Firm Sales		4,897,917	N/A	1,204	\$15.00	\$1.05417	\$1,284.22	\$1.05424	\$1,284.30	0.0%
11	27 Dry Out		739,110	N/A	36	\$8.00	\$1.17668	\$50.36	\$1.17680	\$50.36	0.0%
12	31C Firm Sales	Block 1	12,710,926	2,000	2,744	\$325.00	\$0.74499	\$2,346.69	\$0.74505	\$2,346.86	0.0%
13		Block 2	11,231,948	all additional			\$0.71467		\$0.71473		
14	31C Firm Trans	Block 1	1,171,263	2,000	3,753	\$575.00	\$0.31490	\$1,709.33	\$0.31490	\$1,709.33	0.0%
15		Block 2	1,305,394	all additional			\$0.28781		\$0.28781		
16	31I Firm Sales	Block 1	3,428,826	2,000	5,162	\$325.00	\$0.72950	\$4,008.94	\$0.72955	\$4,009.17	0.0%
17		Block 2	7,225,968	all additional			\$0.70365		\$0.70369		
18	31I Firm Trans	Block 1	12,735	2,000	729	\$575.00	\$0.26830	\$770.59	\$0.26830	\$770.59	0.0%
19		Block 2	31,024	all additional			\$0.24243		\$0.24243		
20	32C Firm Sales	Block 1	36,364,305	10,000	7,489	\$675.00	\$0.65293	\$5,564.79	\$0.65297	\$5,565.09	0.0%
21		Block 2	11,181,417	20,000			\$0.62396		\$0.62399		
22		Block 3	1,968,034	20,000			\$0.57579		\$0.57581		
23		Block 4	888,550	100,000			\$0.52745		\$0.52746		
24		Block 5	16,644	600,000			\$0.49273		\$0.49274		
25		Block 6	0	all additional			\$0.47626		\$0.47626		
26	32I Firm Sales	Block 1	8,628,593	10,000	9,861	\$675.00	\$0.60345	\$6,625.62	\$0.60348	\$6,625.92	0.0%
27		Block 2	7,972,562	20,000			\$0.58223		\$0.58226		
28		Block 3	2,916,083	20,000			\$0.54675		\$0.54677		
29		Block 4	2,877,605	100,000			\$0.51141		\$0.51142		
30		Block 5	443,011	600,000			\$0.48672		\$0.48673		
31		Block 6	0	all additional			\$0.47429		\$0.47429		
32	32C Firm Trans	Block 1	2,769,074	10,000	19,258	\$925.00	\$0.14137	\$3,449.47	\$0.14137	\$3,449.47	0.0%
33		Block 2	2,051,764	20,000			\$0.11998		\$0.11998		
34		Block 3	656,440	20,000			\$0.08442		\$0.08442		
35		Block 4	951,036	100,000			\$0.04883		\$0.04883		
36		Block 5	42,214	600,000			\$0.02745		\$0.02745		
37		Block 6	0	all additional			\$0.01327		\$0.01327		
38	32I Firm Trans	Block 1	11,405,325	10,000	73,016	\$925.00	\$0.13314	\$7,174.60	\$0.13314	\$7,174.60	0.0%
39		Block 2	16,248,048	20,000			\$0.11308		\$0.11308		
40		Block 3	9,930,036	20,000			\$0.07964		\$0.07964		
41		Block 4	21,832,878	100,000			\$0.04622		\$0.04622		
42		Block 5	22,413,473	600,000			\$0.02609		\$0.02609		
43		Block 6	7,541,214	all additional			\$0.01279		\$0.01279		
44	32C Interr Sales	Block 1	4,420,212	10,000	29,363	\$675.00	\$0.61838	\$18,374.36	\$0.61841	\$18,375.05	0.0%
45		Block 2	6,619,668	20,000			\$0.59472		\$0.59474		
46		Block 3	3,569,981	20,000			\$0.55521		\$0.55523		
47		Block 4	5,246,915	100,000			\$0.51568		\$0.51569		
48		Block 5	3,398,942	600,000			\$0.49198		\$0.49199		
49		Block 6	0	all additional			\$0.47465		\$0.47465		
50	32I Interr Sales	Block 1	4,783,726	10,000	27,552	\$675.00	\$0.59896	\$16,815.80	\$0.59898	\$16,816.35	0.0%
51		Block 2	6,385,368	20,000			\$0.57835		\$0.57837		
52		Block 3	3,622,167	20,000			\$0.54400		\$0.54402		
53		Block 4	10,367,186	100,000			\$0.50962		\$0.50963		
54		Block 5	4,928,689	600,000			\$0.48899		\$0.48900		
55		Block 6	0	all additional			\$0.47389		\$0.47389		
56	32C Interr Trans	Block 1	780,580	10,000	199,264	\$925.00	\$0.12838	\$11,569.70	\$0.12838	\$11,569.70	0.0%
57		Block 2	1,586,918	20,000			\$0.10895		\$0.10895		
58		Block 3	1,034,205	20,000			\$0.07661		\$0.07661		
59		Block 4	3,340,006	100,000			\$0.04425		\$0.04425		
60		Block 5	431,793	600,000			\$0.02486		\$0.02486		
61		Block 6	0	all additional			\$0.01194		\$0.01194		
62	32I Interr Trans	Block 1	5,825,488	10,000	198,962	\$925.00	\$0.12678	\$11,474.60	\$0.12678	\$11,474.60	0.0%
63		Block 2	9,678,292	20,000			\$0.10765		\$0.10765		
64		Block 3	6,123,269	20,000			\$0.07583		\$0.07583		
65		Block 4	14,253,538	100,000			\$0.04395		\$0.04395		
66		Block 5	29,505,433	600,000			\$0.02486		\$0.02486		
67		Block 6	96,966,741	all additional			\$0.01213		\$0.01213		
68	33		0	N/A	0.0	\$38,000.00	\$0.00465	\$38,000.00	\$0.00465	\$38,000.00	
69	Special Contracts		74,098,618	N/A	0	\$0	\$0.00000	\$0.00	\$0.00000	\$0.00	
70	Totals		1,121,821,307								

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

		Twelve Months	
		<u>Ended 06/30/25</u>	
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]	<u>\$ 2,209,884</u>	<u>0.232% Line 8 ÷ Line 4</u>
9			
10	Total		<u>3.018%</u> Sum lines 6-8

11

12

13 **Note:**

14 [1] Dollar figure is set at statutory level of 0.450% times Total Oregon Revenues (line 4).

15 Because the fee changed since our last general rate case, the difference between the previous fee of 0.430%

16 and the new fee of 0.450%, as it affects our base rates, is being captured as a temporary deferral.

17 [2] Represents the normalized net write-offs based on a three-year average.

NW Natural
Rates & Regulatory Affairs
2025-2026 PGA Filing - Oregon: August Filing
PGA Effects on Revenue
Schedule 187: Mist Recall

**Including
Revenue Sensitive
Amount**

1		
2	<u>Permanent Increments</u>	
3		
4	<u>Addition of Proposed Permanent Increments</u>	
5	Amortization of of Mist Recall	82,971
6		<hr/> 82,971
7		
8	TOTAL OF ALL COMPONENTS OF RATE CHANGES	<u><u>\$82,971</u></u>
9		
10		
11		
12	2024 Oregon Earnings Test Normalized Total Revenues	\$939,254,783
13		
14	Effect of this filing, as a percentage change (line 8 ÷ line 12)	0.01%

NW Natural
Mist Recall to Core from Interstate - June 2025
Determination of Cost of Service (\$000)

Input Capital Costs and Rates			
Cost of Capital			Weighted
	% of Capital	Cost	Cost
Debt	50.00%	4.712%	2.356% per UG 490
Preferred Equity	0.00%	0.000%	0.000% per UG 490
Common Equity	50.00%	9.400%	4.700% per UG 490
	<u>100.00%</u>		<u>7.056%</u> per UG 490
State Tax Rate			7.60% per UG 490
Federal Tax Rate			21.00% per UG 490
Revenue Sensitive Rate			3.02% Per 25-26 PGA
Depreciation Rate			1.55%
Property Tax Rate			1.37% per UG 490
Investment			\$691,472 <i>Oregon Recall</i>

		<u>OR share</u>
1	Depreciation	10,692
2	Property Taxes	9,506
	Taxes on Equity Return	
3	State	3,358
4	Federal	8,572
5	Total Taxes	<u>11,930</u>
	Return on Rate Base	
6	Debt	16,165
7	Preferred Equity	0
8	Common Equity	32,248
9	Total Return	<u>48,413</u>
10	Subtotal Cost of Service	80,540
11	Revenue Sensitive Items	<u>2,431</u>
12	Total Cost of Service	<u><u>\$82,971</u></u>

Rate Base - (Plant less Depreciation & Deferred Taxes) \$686,126

Income Taxes		
Gross up of Equity Return		44,178
Less: State tax		3,358
Federal Taxable Income		<u>40,820</u>
Less: Federal Tax		8,572
Return		<u>32,248</u>

EXHIBIT B

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

NW NATURAL SUPPORTING MATERIAL

Non-Gas Cost Deferral Amortizations Relating to:
Mist Recall

NWN OPUC Advice No. 24-19 / ADV 1772
July 31, 2025

NW NATURAL

EXHIBIT B

Supporting Material

Non-Gas Cost Deferral Amortizations Relating to:

Mist Recall

NWN OPUC ADVICE NO. 25-19 / ADV 1772

Description	Page
Mist Recall Memorandum	1



250 SW Taylor Street
Portland, OR 97204

503-226-4211
nwnatural.com

Date: May 1, 2025
To: File; Distribution list
From: Dave Weber and Brody Wilson
Subject: Recall and Transfer of Storage Assets from Interstate to Core Service

Summary

The purpose of this memo is to document the recall of Mist storage assets from Interstate Storage to Core customers and the associated transfer of \$776,760 in net utility plant from Interstate Storage to Core customers.

This recall is based on core customer supply needs as identified in the integrated resource planning process, in conjunction with our current gas supply portfolio. The Mist storage requirement for the 2025-26 heating season is 340,000 Dth/day as shown in Attachment A. This is an incremental Core customer need of 15,000 Dth/day. The assets being recalled include reservoir capacity from the Busch and Schlicker reservoirs. The 15,000 Dth/day of reservoir deliverability equates to ~21% of the Sapphire project which includes the Busch, Schlicker and Als reservoirs. Miller Station and other assets are also being transferred as discussed below.

The transfer of Mist deliverability and capacity from Interstate Storage to Core customers is effective as of May 1, 2025. Customer impacts of this recall will begin on November 1, 2025, when the next PGA is implemented.

Reservoirs

Mist reservoirs are to be recalled starting with the oldest, most depreciated projects and then moving to the next oldest through time. The oldest reservoir project on the Interstate Storage books is the Sapphire project which includes the Busch, Schlicker and Als reservoirs. Sapphire's total deliverability is 70,000 Dth/day and 5,000 Dth/day has already been recalled to Core customers. Of the remaining deliverability on the Interstate Storage books 15,000 Dth/day is being recalled in 2025. This recall of Sapphire project deliverability, and the related capacity, equals \$1,054,220 in net utility plant with \$279,182 of associated deferred taxes for a net rate base impact of \$775,039 as shown in Attachment B. The updated capacity allocated between core and Interstate Storage is shown on Attachment D.

Subsequent reservoir projects on the Interstate books include Pearl 1 (Als and Bruer Reservoirs) with 50,000 Dth/day of reservoir deliverability and Pearl 2 (Flora and Meyer Reservoirs) with 70,000 Dth/day of reservoir deliverability.

Compression

We note that as of this recall date, compression is sufficiently allocated to Core customers as follows: The GC300, GC400 and GC500 compressors were original to the Miller Station facility prior to any Interstate expansion. The GC600 was added later and is subject to recall. The GC600 has a



250 SW Taylor Street
Portland, OR 97204

503-226-4211
nwnatural.com

maximum compressed flow rate of 255 MMscfd which is to be recalled consistent with Core and Interstate needs through to the end of the Mist Recall process.

As was noted in our 2024 Mist Recall Memo, there have been several modeling improvements to our Mist Storage deliverability modeling. First, the heat content of the gas stored at Mist has increased and stabilized between 1060 btu/cf and 1065 btu/cf, which increases the total energy deliverability and storage capacity at Mist. Second, an analysis of peak day Mist deliverability has revealed that while we expect to withdrawal the 515 MMscfd maximum facility deliverability for several hours on a peak day, this would not be sustained for the full 24-hour period. This modeling indicates that we should expect 480 MMscfd over the full 24-hour period. As such, we are allocating the Mist compression assets over this denominator, which at a 1062.5 btu/cf heat content (mid-point of recently observed range) would be 510,000 Dth/day of deliverability. The following table allocates the existing compression to this 510,000 Dth/day of deliverability and we note that 28% of the GC600 would be allocated to Core after this recall and the current accounting records will approximate this allocation. We also note, that while the heat content continues to shift and modeling continues to improve, we will continue with this basis for GC600 compressor allocation as it remains reasonable, and we will start to recall GC600 assets in the next Mist recall.

	MMSCFD	Allocation	Dth @ 1062.5	Core	ISS
GC300	55	51	54,466	54,466	-
GC400	55	51	54,466	54,466	-
GC500	150	140	148,544	148,544	-
GC600	255	238	252,524	65,524	185,000
Total	515	480	510,000	325,000	185,000

Miller Station and other assets

A portion of Miller Station and other asset costs currently in Interstate Storage should be allocated to Core and are included in the amounts being recalled. These assets will serve utility customers and are being allocated using the remaining deliverability to be recalled. The current recall includes 15,000 of the remaining 185,000, leaving 170,000 for future recall. The total 2025 recall of Miller Station and other assets equals \$2,147 in net utility plant with \$426 of associated deferred taxes for a net rate base impact of \$1,721, as shown in Attachment C.



250 SW Taylor Street
Portland, OR 97204

503-226-4211
nwnatural.com

Dehydration

There are two dehydration units at Mist. The large dehydration unit, which was in-service prior to the startup of Interstate Storage, has a capacity of 350 MMscfd. The small dehydration unit, which was constructed to allow for Interstate Storage service, has a capacity of 165 MMscfd. Accordingly, this recall does not impact the small dehydration unit's allocation to Interstate Storage. This unit will be subject to recall in the future.

System Compression

There are two system compressor sites in addition to the compression at Miller Station. These compressor sites, Molalla and Deer Island, were constructed for Interstate Storage and enable the full deliverability of Mist Storage by moving Mist supplies onto NW Pipeline for re-delivery to other citygates. Molalla compression is rated at 80 MMscfd and Deer Island is rated at 50 MMscfd. This cumulative 130 MMscfd of system compression is still used to meet Interstate customer deliverability requirements and no recall of these assets is required at this time.

Storage Capacity

Associated with the increased 340,000 Dth/day of Core customer deliverability is 13.082 Bcf of storage capacity which includes 15,000/70,000 for the Sapphire project including the Busch, Schlicker and Als reservoirs. This recall increases Core storage capacity by a total of 0.283 Bcf. The allocation of working gas between Core and Interstate is shown in Attachment D.

A handwritten signature in blue ink, appearing to read 'Dave Weber'.

Dave Weber, Vice President Gas Supply & Utility Support Services

A handwritten signature in black ink, appearing to read 'Brody Wilson'.

Brody Wilson, VP, Controller, Treasurer & Chief Accounting Officer

Attachments:

Attachment A: Key Resource Decisions – Mist Recall

Attachment B: Sapphire Rate Base Recall Calculations

Attachment C: Miller Station and Other Assets Rate Base Recall Calculation

Attachment D: Mist Storage Working Gas Volume

Attachment A: Key Resource Decisions – Mist Recall

NW Natural Peak Day Resource Summary

Resource Type	Max. Daily Rate (Dth/day)
Net Deliverability over Upstream Pipeline Capacity	343,237
Off-System Storage (Jackson Prairie only)	46,030
On-System Storage - Mist	325,000
On-System Storage - Portland LNG	130,800
On-System Storage - Newport LNG	78,000
Recallable Capacity and Supply Agreements	31,000
On-System Supplies	1,211
Segmented Capacity (not primary firm)	60,700
Total Peak Day Resources	1,015,978

	(Dth/day)
2025-2026 Design Day Forecast	1,032,269

	(Dth/day)
Incremental Resource Need for 2025-2026 Winter	16,291
Mist Recall Rounded to the Nearest 5,000	15,000
Total Mist Deliverability Requirement for the Core Utility	340,000

ATTACHMENT B
2025 Interstate Storage Recall of Sapphire Project Into Core
Effective May 1, 2025

	Total Assets Sapphire	Recall of Sapphire Assets Into Core
Gross Plant:		
Offsite/Gathering/Meters/Regs	\$ 706,311	\$ 162,995
Cushion Gas	\$ -	\$ -
Reservoir	\$ -	\$ -
Wells	\$ 5,454,540	\$ 1,258,740
Lines	\$ 1,355,253	\$ 312,750
Total Gross Plant	\$ 7,516,103	\$ 1,734,485
Accumulated Depreciation:		
Offsite/Gathering/Meters/Regs		\$ (76,336)
Cushion Gas		\$ -
Reservoir		\$ -
Wells		\$ (474,822)
Lines		\$ (129,107)
Total Accumulated Deprecation		\$ (680,265)
Net Plant		\$ 1,054,220
Deferred Tax Liabilities:		
Offsite/Gathering/Meters/Regs		\$ (23,033)
Cushion Gas		\$ -
Reservoir		\$ -
Wells		\$ (207,532)
Lines		\$ (48,617)
Total Deferred Tax Liabilities		\$ (279,182)
Rate Base		\$ 775,039

ATTACHMENT C
2025 Interstate Storage Recall of Other Assets Into Core
Effective May 1, 2025

	Total Assets Other	Recall of Other Assets Into Core
Gross Plant:		
Other (See Note 1 below)	\$ 37,218	\$ 3,018
Other Additions	<u>\$ -</u>	<u>\$ -</u>
Total Gross Plant	<u><u>\$ 37,218</u></u>	<u><u>\$ 3,018</u></u>
Accumulated Depreciation:		
Other (See Note 1 below)		<u>\$ (871)</u>
Total Accumulated Depreciation		<u><u>\$ (871)</u></u>
Net Plant		<u><u>\$ 2,147</u></u>
Deferred Tax Liability:		
Other (See Note 1 below)		<u>\$ (426)</u>
Total Deferred Tax Liability		<u><u>\$ (426)</u></u>
Rate Base		<u><u>\$ 1,721</u></u>

Note 1: This represents the cost of miscellaneous other assets that are recorded to non-utility, but do not fall into a specific project.

ATTACHMENT D
Mist Storage Working Gas Volume
Effective May 1, 2025

Pool	Total Physical Capacity					2025 Allocation	
	Original Pressure (Bcf)	5% Delta Pressure (Bcf)	10% Delta Pressure (Bcf)	Increased utilization (Bcf)	Total (Bcf)	Core	Interstate
Als	1.925	0.200	0.290	0.435	2.850	2.272	0.578
Bruer	3.450	0.275	0.350	0.272	4.347	3.680	0.667
Busch	-	-	0.310	0.057	0.367	0.122	0.245
Flora	3.070	0.255	0.250	0.356	3.931	3.376	0.555
Meyer	1.500	-	-	0.036	1.536	-	1.536
Reichhold	2.425	0.250	0.310	0.325	3.310	3.310	-
Schlicker	0.600	-	0.475	0.049	1.124	0.322	0.802
Total Bcf	12.970	0.980	1.985	1.530	17.465	13.082	4.383