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July 24, 2026 NWN OPUC Advice No. 26-04

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Post Office Box 1088
Salem, Oregon 97308-1088

Re: Schedule 400 – Smart Energy™ Program

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 September 19, 2026**.**

Third Revision of Sheet 400-1	Schedule 400	Smart Energy™ Program

Purpose

The purpose of this filing is to provide an additional pricing option for residential customers who opt to participate in the voluntary Smart Energy Program. Smart Energy currently offers both a volumetric and fixed price option for residential customers. The current fixed price option of $8.00 is based on addressing the carbon emissions associated with natural gas from an average home that uses 630 therms per year. In this filing, NW Natural proposes an additional fixed price option wherein a residential customer can choose a whole dollar amount with a minimum of $4.00 per bill.

Background

In 2008, NW Natural became the first standalone natural gas company in the country to offer a voluntary carbon offset program with Smart Energy. Over the life of the Program, participants have funded over 2.8 million metric tons of carbon offsets,[1] which is the equivalent to the greenhouse gas emissions from over 650 thousand gasoline-powered passenger vehicles driven for one year.[2] Today, about 14 percent of Oregon residential customers are actively enrolled in Smart Energy.

Smart Energy currently offers two price options for residential customers who choose to participate in the Program. The Fixed Rate is based on addressing carbon emissions associated with natural gas from an average residential home that uses 630 therms per year, which is currently $8 per monthly bill. The Volumetric Rate provides the option to address carbon emissions associated with natural gas usage based on the Customer's actual monthly usage, at a price of $0.15246 per therm.

[1] As of December 31, 2025, Smart Energy has retired 2,820,820 metric tons of carbon offsets. NW Natural's 2025 Smart Energy Reconciliation Report available at https://edocs.puc.state.or.us/efdocs/HAQ/rg2haq344772112.pdf

[2] Equivalent to GHG emissions in 657,971 gasoline-powered cars removed from the road for one year. https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

The Smart Energy Program is wholly self-funded – only customers who elect to participate in the program pay for Smart Energy.

Proposed Changes

NW Natural proposes to add a new pricing option in the Smart Energy Program that allows residential customers to select a fixed price of a whole dollar amount with a minimum of $4.00 per bill. This option, when compared to the existing fixed priced option of $8.00 per bill, provides an opportunity for customers to choose a custom amount that is affordable for each customer, making Smart Energy more accessible to more residential customers.

NW Natural intends to test the messaging for the new option in 2026 by including such messaging in outbound calling efforts before finalizing the information that is included on the Smart Energy web page. Customers calling into NW Natural's customer contact center to sign up for Smart Energy will also have the opportunity to select the new fixed price option.

Smart Energy participants that select the new proposed flexible fixed price option still receive the same mix of high-quality, project-based carbon offsets and renewable natural gas as all other residential and commercial Smart Energy customers. And all costs of the Smart Energy Program will continue to be borne solely by Program participants.

The proposed addition of the fixed price option described above will make the Smart Energy Program more accessible to more residential customers and build upon the Program's success in helping customers address the carbon emissions from their natural gas use.

The Company also proposes a few ministerial wording changes to the Program Description and Monthly Rates sections of the tariff.

The Smart Energy Program will continue to be self-funded, with only those customers that choose to participate paying for Smart Energy.

Conclusion

NW Natural respectfully requests that the Commission approve this tariff change to become effective September 19, 2026.

In compliance with OAR 860-022-0025, the Company states that the tariff changes proposed in this filing will affect those customers who elect to participate in the Smart Energy Program; therefore, the number of customers affected is not known at this time. There is no impact to NW Natural's annual revenue resulting from the proposed tariff change.

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 me with copies to the following:

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Respectfully submitted,

/s/ Natasha Siores

Natasha Siores
Senior Manager, Regulatory Affairs

Enclosure

SCHEDULE 400
SMART ENERGY™ PROGRAM

PURPOSE:
To set forth the terms and conditions for billing, payment and disbursement of funds collected under the Smart Energy™ Program (Program).

AVAILABLE:
This Program is available to all Customers receiving service within the State of Oregon.

PROGRAM DESCRIPTION:
Smart Energy™ is a voluntary program that enables all Customers to address carbon emissions (T)
associated with their natural gas use by purchasing high quality project-based carbon offsets and (T)
renewable natural gas. Priority will be given to projects that help bring biogas to the region. All (T)
carbon offsets purchased on behalf of Customers will be verified and retired. (T)

Within twenty-four months of issuing a bill for Smart Energy™, the Company will contractually obligate the amount billed less uncollectibles for either an immediately available or a future stream of carbon offsets and/or renewable natural gas. (T)

PROGRAM PARTICIPATION:
Customers may enroll in the Program at any time. The rates for participation in this Program will be reflected on the Customer's next regular monthly bill following the date of enrollment.

Customers may terminate participation in the Program at any time by notifying NW Natural in writing, by telephone or by Internet. The termination will be reflected with the Customer's next regular monthly bill following the date of termination.

MONTHLY RATES:
For each Customer class, the Monthly Rates for service under this Schedule are as follows:

Residential Customer Class Options.
Residential Customers may choose one of three rate options: (1) Fixed Rate, (2) Flexible Fixed Rate, (T)(N)
or (3) Volumetric Rate to address their carbon emissions associated with natural gas usage. (T)

	Available to Residential Customers enrolled before January 1, 2024	Available to All Residential Customers	
			(T)(C)
Mitigation resources	Carbon Offsets	Blend of Carbon Offsets and RNG	(T)
Fixed Rate:	$5.50 per bill	$8.00 per bill	
Flexible Fixed Rate:	N/A	Selected whole dollar amount, minimum $4.00 per bill	(N)
Volumetric Rate:	$0.10486 per therm	$0.15246 per therm	

The Fixed Rate option is based on addressing the carbon emissions associated with natural gas from an average residential home that uses 630 therms per year. (T)

The Volumetric Rate provides the option to address carbon emissions associated with natural gas usage on the basis of the Customer's actual monthly usage. (T)

(continue to Sheet 400-2)