SCHEDULE 195
WEATHER ADJUSTED RATE MECHANISM
(WARM Program)

PURPOSE:
To describe the Weather Adjusted Rate Mechanism (WARM) adopted by the Public Utility Commission of Oregon in Docket UG 221, Order No. 12-408 entered October 26, 2012, as modified in Docket UM 1750 by Commission Order No. 16-223 entered June 20, 2016.

APPLICABLE:
To Residential and Commercial Customers served on the following Rate Schedules of this Tariff:

Rate Schedule 2	Rate Schedule 3

APPLICATION TO RATE SCHEDULES:
The WARM Adjustment will be applied as an adjustment to the per-therm Billing Rate on applicable Residential and Commercial Customer bills issued during the WARM Period. The WARM Period covers bills that are generated based on meters read on or after December 1st and on or before May 15th.

SPECIAL CONDITIONS:

1. The WARM Adjustment will apply to Customer bills that are based on applicable Residential Rate Schedule 2 or Commercial Rate Schedule 3 meters read on or after December 1st and on or before May 15th.

2. Residential bills --The maximum WARM Adjustment (increase or decrease) that will be made to any regular monthly bill during the WARM Period will be twelve dollars ($12.00), or twenty-five percent (25%) of the usage portion of that bill, whichever is less. For any billing period in which the total monthly WARM adjustment exceeds either $12.00 or 25% of the usage, the balance of the WARM adjustment will be deferred in accordance with Special Condition 4.

3. Commercial bills--The maximum WARM Adjustment (increase or decrease) that will be added to any regular monthly bill during the WARM Period will be thirty-five dollars ($35.00), or twenty-five percent (25%) of the usage portion of that bill, whichever is less. For any billing period in which the total monthly WARM adjustment exceeds either thirty-five dollars or 25% of the usage, the balance of the WARM adjustment will be deferred in accordance with Special Condition 4.

4. Any amounts not applied to a Residential or Commercial Customer's bill during the WARM Period due to the caps and floor described in Special Conditions 2 and 3 will be set aside in a respective Residential or Commercial WARM deferral account. Each year, concurrent with the Company's annual Purchased Gas Adjustment (PGA) filing, the balance in the Residential and Commercial WARM deferral accounts will be collected from or credited to all Rate Schedule 2 and Rate Schedule 3 customers, respectively, on an equal cent-per-therm basis. The adjustment included in the Temporary Adjustments reflected in the above-listed Rate Schedules effective October 31, 2026 are: (C)

Rate Schedule 2:	$0.02769 (I)

Adjustments reflected in the above-listed Rate Schedules effective November 1, 2026 are (C)

Rate Schedule 3:	$0.03901 (I)

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SPECIAL CONDITIONS (continued):

5. WARM is the Company's default billing method for the Rate Schedules to which this Schedule applies. Customers are included in the WARM program unless they opt-out of the program. Any customer that elects to opt-out of the WARM program will remain out of the program until such customer elects to change their opt-out status.

6. Customers will have an opportunity to change their status in the WARM program each year. Customers will be notified annually through a bill insert and bill messages that they may change their status in the program. Customers will have until September 30 to make a status change. Except as provided in Special Conditions 7 and 8, any notice received after September 30 will not become effective until the effective date of the next WARM Period.

7. Any new customer will have thirty (30) days from the date that the Company's new customer information packet is mailed to the Customer in which to opt-out. For purposes of this Schedule, a new customer is a customer that has not had a gas service account with the Company within the last twelve (12) month period, or is a customer that has been issued a new service account number by the Company due to a material change in their account.

8. Customers will not be allowed to change their status in the program after September 30, except, upon customer request, in the following circumstances:

   a. The Company can verify that the customer does not have natural gas space heating equipment installed at the service address.
   b. The customer moved from an address that used natural gas for space heating to a new address that **does not** have gas natural gas space heating equipment installed;
   c. The customer moved from an address that did not use natural gas for space heating to a new address that **does** have natural gas space heating equipment installed;
   d. The customer, or their authorized representative, can provide evidence that the customer had not received notice regarding the WARM Program;
   e. The customer, or their authorized representative, can provide evidence that the customer was not capable of understanding the written information describing the program and the opt-out instructions.
   f. The Company can verify a contact, prior to September 30, from the customer, or their authorized representative, requesting a change to their WARM status, but for whatever reason, the change was not processed;

   Status changes granted in accordance with 8.a., and 8.d. will become effective with the customer's next regular monthly bill. Status changes granted in accordance with 8.b. and 8.c. will become effective with the first day of service at the new address. When status changes are made in accordance with 8.e.and 8.f., the customer's next bill will show revised billing amounts for customer's account back to the first bill issued following the beginning of the WARM heating season.

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9. Upon request, the Company will provide Customer with historical billing information that reflects bills with and without the WARM adjustment for any month during the WARM Period.

10. Should a change to the margin rate occur during the WARM Period, the equivalent therms used in the calculation of the WARM adjustment will be based on the entire billing period, and then prorated based upon the number of days applicable to each margin rate. The pro-rated therms are then multiplied by the applicable margin rate to determine the WARM adjustment for each rate period. Example: If a margin rate change occurred on January 1, a bill with a bill period between December 25 and January 24 would be prorated based upon 6 days at the prior margin rate and 24 days at the new margin rate. The calculations performed under the provisions of Special Conditions 2 and 3 will apply to each prorated period separately, except that the total WARM adjustment for each bill will not exceed the maximum (increase or decrease) WARM adjustment specified in Special Conditions 2 and 3.

WARM FORMULA:

1. The Formula is: WARM Adjustment = $\sum_{1}^{T}(HDD_{n,t} - HDD_{a,t}) * B * Mrgn$

   Where:

   T = the days covered by the meter read dates for an individual customer's bill
   HDDn = the 25 year average of heating degree-days for each day determined using a 25-year average temperature published by the National Oceanic and Atmospheric Administration (NOAA) as adopted for use with the Company's most recent general rate proceeding.
   HDDa = the actual heating degree-days for each day based on the individual customer's actual beginning and ending meter read dates
   B = the statistical coefficient relating heating degree-days to therm use determined in the most recent general rate case, or other Commission authorized proceeding.
   Mrgn = the relevant Rate Schedule margin defined as the current Billing Rate less the current Commodity Rate, Pipeline Capacity Charge, and any Temporary Adjustments.

2. For purposes of calculating the WARM Adjustment, the following shall apply:

   a. A Heating Degree Day (HDD) is defined as the extent by which the daily mean temperature falls below a specified set point on a specified day. The HDD calculation uses a set point temperature of 59 degrees Fahrenheit for the **Rate Schedule 2** calculation, and 58 degrees Fahrenheit for the **Rate Schedule 3** calculation;

   b. The statistical coefficients to be used in the calculation of the WARM Adjustment Factor effective with the WARM Period commencing October 31, 2025 are: (C)

Rate Schedule 2:	0.15107	Rate Schedule 3:	0.68985

(C)(C)

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WARM FORMULA: (continued)

c. The applicable margins to be used in the calculation of the WARM Adjustment Factor effective October 31, 2025 are: (C)

Rate Schedule 2:	$0.84323	Rate Schedule 3:	$0.73379

(I)(I)

Weather data used in the calculation of HDD for each customer shall be from the same weather stations and weather zones that are used in the determination of thermal units as set forth in **Rule 24.**

WARM BILL EFFECTS:
The following table depicts the impact on Residential **Rate Schedule 2** and Commercial **Rate Schedule 3** customer bills, respectively, at specified variations in HDDs.

2R	RESIDENTIAL			COMMERCIAL	
HDD Variance (+ or -)	Equivalent therms	Total Monthly WARM adjustment (+ or -)		Equivalent therms	Total Monthly WARM adjustment (+ or -)
1	0.1511	$0.13		0.6899	$0.51
5	0.7554	$0.64		3.4493	$2.53
10	1.5107	$1.27		6.8985	$5.06
15	2.2661	$1.91		10.3478	$7.59
20	3.0214	$2.55		13.797	$10.12
25	3.7768	$3.18		17.2463	$12.66
30	4.5321	$3.82		20.6955	$15.19
35	5.2875	$4.46		24.1448	$17.72
40	6.0428	$5.10		27.594	$20.25
45	6.7982	$5.73		31.0433	$22.78
50	7.5535	$6.37		34.4925	$25.31

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To calculate variations beyond or in-between specified levels, multiply the desired HDD variance by the applicable statistical coefficient, and then multiply that sum by the applicable margin.

To obtain the cent per therm effect of the Warm Adjustment, divide the WARM Adjustment by the number of therms used during the billing month.

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WARM BILL EFFECTS (continued):

Example Bill Calculation:

Here is the how the WARM adjustment is calculated for a residential **Rate Schedule 2** customer where the billing rate is $1.41220 cents per therm, the HDD variance is 50 HDDs colder than normal, and the monthly therm usage is 129 therms: (I)

HDD Differential:	Normal HDDs:	600 HDDs	
	Actual HDDs:	650 HDDs	
	HDD variance:	600 – 650 = -50 HDDs	
Equivalent Therms:	HDD variance:	-50 HDDs	
	Statistical coefficient:	0.15107	(C)
	Equivalent therms:	-50 x 0.15107 = -7.5535 therms	(C)
Total Warm Adjustment:	Equivalent therms:	-7.5535 therms	(C)
	Margin Rate:	$0.84323	(I)
	Total WARM Adj.:	-7.5535 x $0.84323 = ($6.36934)	(R)
Total WARM Adjustment converted to cents per therm:	Total WARM Adj.	($6.36934)	(R)
	Monthly usage:	129 therms	
	Cent/therm Adj.:	($6.36934) / 129 = ($0.04937)	(R)
Billing Rate per therm:	Current Rate/therm:	$1.41220	(I)
	WARM cent/therm Adj.	($0.04937)	(R)
	WARM Billing Rate:	$1.41220 + ($0.04937) = $1.36283	(I)
Total WARM Bill:	Customer Charge:	$10.00	
	Usage Charge:	$1.36283	(I)
	Total	(129 x $1.36283) + $10.00 = $185.80	(I)

GENERAL TERMS:
This Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this Tariff, 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.

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