

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Third Revision of Sheet 400-1
Cancels Second Revision of Sheet 400-1

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 associated with their natural gas use by purchasing high quality project-based carbon offsets and renewable natural gas. Priority will be given to projects that help bring biogas to the region. All carbon offsets purchased on behalf of Customers will be verified and retired.

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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.

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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, or (3) Volumetric Rate to address their carbon emissions associated with natural gas usage.

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

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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.

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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.

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(continue to Sheet 400-2)

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Third Revision of Sheet 400-2
Cancels Second Revision of Sheet 400-2

SCHEDULE 400 SMART ENERGY™ PROGRAM (continued)

MONTHLY RATES (continued):

Commercial Customer Class Option.

Commercial Customers may choose a Fixed Rate of their choice (not less than \$10 per bill) or a negotiated price, pursuant to the execution of a written contract, for non-residential customers who use an aggregate of 50,000 therms or more annually. Under the Fixed Rate Option, the Fixed Rate can be in any amount of Customer's choosing, but cannot be less than \$10 per monthly bill per account enrolled.

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Industrial Customer Class Option.

Monthly pricing for Industrial Customers will be subject to negotiation, pursuant to the execution of a written contract.

SMART ENERGY™ ACCOUNT:

By the 20th of the month following the Billing Month, the amount billed for Smart Energy™, net of an allowance for uncollectibles, will be deposited into a market-based interest-bearing bank account dedicated to the Smart Energy™ Program (Smart Energy™ Account). The reserve for uncollectibles shall be in an amount equal to NW Natural's average percentage of residential net write-offs.

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The Company will be reimbursed from the Smart Energy™ Account each month for actual program administration costs incurred.

REPORTS:

- 1) Annual Report. The Company will file a report with the Commission within ninety (90) days following the end of the calendar year. The report will include annual participation details, program funding received for that year, demand of total offsets and renewable natural gas obligated per year, and a list of projects or sources from which the offsets and renewable natural gas have been secured.
- 2) Customer Report. The Company will annually provide participating Smart Energy™ Customers with a report detailing the current number of program participants and the volume of offsets and renewable natural gas that have been funded on behalf of Smart Energy™ Customers.

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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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