

July 15, 2025

NWN WUTC Advice No. 25-02

VIA ELECTRONIC FILING AND FEDEX MAIL

Jeff Killip, Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503

**RE: Schedule 303—NW Natural’s Environmental Cost Recovery Mechanism
Annual Tariff Adjustment Filing and 2024 Annual Report**

Dear Mr. Killip:

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), files the following proposed revisions to its Tariff Schedule 303:

Sixth Revision of Sheet 303.3	Schedule 303	Washington Environmental Cost Recovery Mechanism
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Purpose

The purpose of this filing is to adjust Schedule 303 to recover NW Natural’s environmental remediation expenses incurred between January 1, 2024 and December 31, 2024, consistent with the Washington Utilities and Transportation Commission (Commission) Order 06 in docket UG-181053.¹

Background

Commission Order 01 in docket UG-110199 authorized NW Natural to defer costs associated with environmental remediation efforts at certain sites impacted by the Gasco manufactured gas plant. Order 02 in that same docket required annual reporting and a summary of status for each project. In NW Natural’s 2018 rate case in docket UG-181053, the Company requested, and received, approval to implement an Environmental Cost Recovery Mechanism (ECRM). The ECRM provides for an annual prudence review and cost recovery mechanism of the deferred expenses, subject to certain limitations detailed in Schedule 303. NW Natural provides the enclosed report of NW Natural’s environmental remediation expenses incurred between January 1, 2024 and December 31, 2024. The four exhibits attached to the report are as follows:

¹ See *Washington Utilities and Transportation Commission vs Northwest Natural Gas Company dba NW Natural*, Docket UG-181053, Order 06 ¶ 62.

Exhibit A - Deferred Environmental Remediation Costs and Insurance Proceeds
Exhibit B - Task Detail - Deferred Environmental Remediation Costs and Insurance Proceeds
Exhibit C - Rate Calculation Schedules, Deferral and Amortization Workpapers
Exhibit D - Major Reports and Communications with Environmental Regulators²

The report also provides a summary of the status of remediation at Gasco.

Proposed Changes

The proposed Schedule 303 adjustments are calculated on an equal-percentage-of margin basis; the calculation of rates for each rate schedule is provided on page 1 of Exhibit C. It should be noted that the proposed Schedule 303 adjustments represent just one of the deferred accounts that will be proposed to be applied to customer rates effective November 1, 2025, due to the Company's upcoming Purchased Gas Adjustment (PGA) filings anticipated to be made on or around September 15, 2024. As such, the bill effects stated herein are provided for illustrative purposes only, and reflect the effect of applying the proposed Schedule 303 adjustments to current billing rates. If there were no other adjustments to rates effective November 1, 2025, the effect of the proposed rates in Schedule 303 is an increase of \$37,310.³ The average residential Schedule 2 customer using 56 therms would see an increase of \$0.03 per month, and the average Schedule 3 commercial customer using 261 therms would see a bill increase of \$0.10 per month. The bill impact for customers on the other residential and commercial rate schedules is shown on page 2 of Exhibit C.

In support of this filing, the Company provides worksheets showing the derivation of the proposed Schedule 303 adjustments to rates, a worksheet showing deferral accounts 186175 through 186180 balances and the 2024 Annual ECRM Report.

The Company will provide notice to customers as part of the customer notice for the PGA filings that will have the same effective date of November 1, 2025, in accordance with WAC 480-90-194(5). A copy of this notice will be included with the Company's PGA combined effects filing, expected to be made on or around September 15, 2025.

The proposed rate change will affect all of NW Natural's Washington sales and transportation service customers. NW Natural currently serves approximately 91,114 residential customers and 7,462 commercial and industrial customers in the Company's Washington service territory.

Conclusion

NW Natural respectfully requests that the Commission approve this tariff change to be effective November 1, 2025.

² Exhibit D will be provided via USB drive and physically mailed following the electronic submission of this report due to its voluminous nature. Only files currently in PDF format will be provided. Any non-PDF communications will be available upon request.

³ Includes revenue sensitive factor of 4.357%; additional details can be found within Exhibit C.

Washington Utilities and Transportation Commission
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In accordance with WAC 480-80-103(4)(a), I certify that I have authority to issue tariff revisions on behalf of NW Natural.

Please address any correspondence on this matter to me with copies to the following:

eFiling
NW Natural Rates and Regulatory Affairs
250 SW Taylor Street
Portland, Oregon 97204
Fax: (503) 220-2579
Telephone: (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
Telephone: (503) 610-7051
kyle.walker@nwnatural.com

Enclosures:

NEW-NWN-2024-ECRM-Rpt-Advice-25-02-Trf-Sheet-303-3-07-15-25
NEW-NWN-2024-ECRM-Rpt-Advice-25-02-Rpt-07-15-25
NEW-NWN-2024-ECRM-Rpt-Advice-25-02-Exh-A-07-15-25
NEW-NWN-2024-ECRM-Rpt-Advice-25-02-Exh-B-07-15-25
NEW-NWN-2024-ECRM-Rpt-Advice-25-02-Exh-C-07-15-25
NEW-NWN-2024-ECRM-Rpt-Advice-25-02-Exh-D-07-15-25 (USB drive by FedEx mail)

NORTHWEST NATURAL GAS COMPANY

WN U-6

Sixth Revision of Sheet 303.3

Cancels Fifth Revision of Sheet 303.3

SCHEDULE 303

WASHINGTON ENVIRONMENTAL COST RECOVERY MECHANISM

(continued)

APPLICATION TO RATE SCHEDULES:

Effective: November 1, 2025

The Total Adjustment amount shown below is included in the Temporary Adjustments reflected in the above-listed Rate Schedules. NO ADDITIONAL ADJUSTMENT TO RATES IS REQUIRED.

Schedule	Block	Adjustment (per therm)	Schedule	Block	Adjustment (per therm)
1R		\$0.01858	42C SI	Block 1	\$0.00252
1C		\$0.01244		Block 2	\$0.00226
2		\$0.00853		Block 3	\$0.00173
3C		\$0.00752		Block 4	\$0.00138
3I		\$0.00695		Block 5	\$0.00092
27		\$0.01901		Block 6	\$0.00035
41C FS	Block 1	\$0.00598	42I SI	Block 1	\$0.00296
	Block 2	\$0.00527		Block 2	\$0.00265
41I FS	Block 1	\$0.00542		Block 3	\$0.00203
	Block 2	\$0.00478		Block 4	\$0.00163
41C SI	Block 1	\$0.00578		Block 5	\$0.00108
	Block 2	\$0.00509		Block 6	\$0.00041
41I SI	Block 1	\$0.00547	42 CTF	Block 1	\$0.00219
	Block 2	\$0.00482		Block 2	\$0.00196
41C FT	Block 1	\$0.00616		Block 3	\$0.00150
	Block 2	\$0.00543		Block 4	\$0.00120
41I FT	Block 1	\$0.00553		Block 5	\$0.00080
	Block 2	\$0.00487		Block 6	\$0.00030
42C SF	Block 1	\$0.00340	42 ITF	Block 1	\$0.00231
	Block 2	\$0.00304		Block 2	\$0.00207
	Block 3	\$0.00233		Block 3	\$0.00159
	Block 4	\$0.00187		Block 4	\$0.00127
	Block 5	\$0.00124		Block 5	\$0.00085
	Block 6	\$0.00047		Block 6	\$0.00032
42I SF	Block 1	\$0.00347	42C TI	Block 1	\$0.00213
	Block 2	\$0.00311		Block 2	\$0.00191
	Block 3	\$0.00238		Block 3	\$0.00146
	Block 4	\$0.00191		Block 4	\$0.00117
	Block 5	\$0.00127		Block 5	\$0.00078
	Block 6	\$0.00048		Block 6	\$0.00029
43TF		\$0.00000	42I TI	Block 1	\$0.00211
43TI		\$0.00000		Block 2	\$0.00189
				Block 3	\$0.00145
				Block 4	\$0.00116
				Block 5	\$0.00077
				Block 6	\$0.00029

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.

Issued July 15, 2025
NWN WUTC Advice No. 25-02

Effective with service on
and after November 1, 2025

NW Natural's ECRM Annual Tariff Adjustment Filing
and 2024 Annual Report

Exhibit A

Deferred Environmental Remediation Costs and Insurance Proceeds

July 15, 2025

NW Natural
UM 1732 - Exhibit A
Deferred Environmental Remediation Costs and Insurance Proceeds
For the period of January 1, 2024 through December 31, 2024

Refer to Exhibit B for the deferred costs for each site broken out by work tasks

Debit (Credit)

Month/Year	GASCO (1)	HARBOR	CENTRAL	TOTAL REMEDATION SPEND	INSURANCE & 3RD PARTY RECOVERY
(a)	(b)	(c)	(d)	(e) = sum (b):(d)	(f)
Jan-24	2,255,075	43,335		2,298,410	-
Feb-24	3,471,336	98,760		3,570,096	-
Mar-24	1,735,283	88,661		1,823,944	(532)
Apr-24	2,737,270	142,008		2,879,278	-
May-24	1,860,411	80,615		1,941,025	-
Jun-24	1,502,191	67,068		1,569,259	(4,294)
Jul-24	930,435	70,788		1,001,223	-
Aug-24	2,235,416	6,173		2,241,589	-
Sep-24	2,133,657	59,019		2,192,676	(2,866)
Oct-24	2,870,245	161,720		3,031,965	-
Nov-24	802,996	76,911		879,907	-
Dec-24	1,848,355	69,374		1,917,729	(1,504,994)
	24,382,671	964,429	-	25,347,099	(1,512,685)

Notes:

(1) Includes the operating costs of Gasco Source Control.

NW Natural's ECRM Annual Tariff Adjustment Filing
and 2024 Annual Report

Exhibit B

Task Detail - Deferred Environmental Remediation Costs and Insurance Proceeds

July 15, 2025

NW Natural
Docket XX - Exhibit B
Task Detail - Deferred Environmental Remediation Costs and Insurance Proceeds
For the period of January 1, 2024 through December 31, 2024

Note: Monthly totals by site agree to the amounts presented in the Exhibit A Summary

Sum of Val/COArea Crzy		2024												Grand Total
Row Labels		1	2	3	4	5	6	7	8	9	10	11	12	
(1)	B1 - Downstream Navigation Channel	46,505	25,698	162,809	66,693	21,279	36,927	(85)	106,460	22,667	39,193	1,457	41,275	570,877
	DEQ			664	506	684	333	330		374		407	2,306	5,603
	EPA			113,971	14,133				74,391					202,494
	Legal - PLG - Gasco Sediments Remedy	140	-	(475)	368	630	2,100	(415)	700	6,985	3,435	1,050	2,073	16,590
	Trustees	14,398	360										2,852	17,610
	Third Phase PDI Eval Report	31,967	25,338											57,305
	Basis of Design Report			48,649	51,687	19,965	34,495		31,369	15,308	35,758		34,045	271,275
	B1 - US Moorings	38,025	179,355	173,705	185,145	132,060	44,374	(85)	124,421	215,379	90,589	2,750	59,338	1,245,057
(1)	DEQ			643	506			1,050	330		374	3,305	1,160	165
	EPA			113,971	29,700				74,391					218,061
	Legal - PLG - Gasco Sediments Remedy	710	368	(475)	2,783	630	1,050	(415)	5,296	(535)	(38)	1,590	1,623	12,585
	Trustees	18,463	525											3,816
	Second Phase PDI Implementation	18,852	178,463	49,522	79,130	117,272	20,242		22,565	184,221	13,248		12,449	695,964
	Second Phase PDI Evaluation Reporting				23,327	6,492	18,292		17,212	28,844	55,662		18,018	167,846
	Basis of Design Report			10,043	49,700	7,666	3,740		4,958	2,475	18,413		23,268	120,264
(1)	Gasco Sediments	826,574	2,032,459	408,881	933,578	648,467	333,296	96,799	597,806	413,247	752,748	24,728	520,780	7,589,362
	DEQ			-					70,473	601	3,819		7,031	81,925
	EPA		214,375	113,971					74,391				165,823	568,560
	Interim Design						23,447		31,638	66,314	130,665	12,478	221,718	486,258
	Legal - PLG - Gasco Sediments Remedy	14,410	3,913	17,883	16,265	21,201	16,468	30,883	1,822	17,683	3,283	12,250	(398)	155,660
	Meetings, Budget, Schedule	15,562	23,684	21,567	40,305	13,008	20,502		16,348	37,343	81,578		53,885	323,779
	Preliminary Design	134,639	514,493	203,020	673,028	474,429	218,242	65,916	295,369	155,696	298,373		44,435	3,077,640
	Trustees	30,482	1,425										4,589	36,496
	Pilot Study Construction (ISS)	631,482	1,274,569		22,094									1,928,145
(1)	Pulot Study Long Term Monitoring			52,441	181,887	139,830	54,638		107,766	135,611	235,031		23,698	930,901
	Gasco Source Control	875,603	687,872	396,446	720,113	630,006	545,622	766,536	598,376	895,586	736,485	686,707	680,832	8,220,184
	Legal - PLG - Gasco Source Controls	6,010	2,565	(2,100)	2,363	577	2,100	(420)	211	630	1,138	915	858	14,846
	NWN Direct Costs	11,711	15,502	11,591	11,696	44,327	17,913	11,956	16,666	14,963	7,185	10,792	15,278	189,581
	Optimization of Source Control O&M	857,882	669,805	386,954	706,054	585,102	525,608	755,000	581,499	879,993	728,162	675,000	664,697	8,015,757
(1)	Gasco Uplands	468,367	545,951	593,443	831,742	428,599	541,972	67,270	808,353	586,778	1,251,231	87,354	546,130	6,757,190
	DEQ								355,324	10,622	28,294		14,801	409,041
	Final RI	60,040	52,196	51,874	104,446	30,132	16,926	2,937	33,738	59,635	169,503		15,888	597,315
	Interim Action Maintenance		2,557	1,617	4,879	230	4,116		9,416	2,028	5,584		1,537	31,963
	Legal - PLG - Gasco Site Remedy	17,938	31,588	33,810	24,718	18,308	17,293	8,338	15,572	9,258	42,178	24,065	16,900	259,963
	Restoration Evaluation	6,345	8,292	8,369	155	9,425	3,785		2,009	464	77		309	39,228
	Site Wide FS	203,952	258,779	294,483	380,082	190,252	246,065	15,835	230,609	324,208	722,262	13,264	322,019	3,201,810
	Site-Wide Technical Services	65,469	142,584	108,851	82,189	56,366	66,111	5,100	61,217	44,214	110,977	18,688	73,054	834,820
	Strategic Planning	3,706	2,058	13,990	57,021	31,534	36,602		12,081	57,633	68,868		43,829	327,323
	Technical Coordination	20,321	16,815	26,188	31,082	22,473	27,414	29,560	27,637	28,191	30,721	31,338	18,225	309,964
	Technical Support for Allocation Process	51,598	31,082	54,262	147,171	69,880	123,660		60,752	50,526	72,768		24,567	686,265
	Gasco - Direct Costs	39,000						5,500					15,000	59,500
	Harbor	43,335	98,760	88,661	142,008	80,615	67,068	70,788	6,173	59,019	161,720	76,911	69,374	964,429
	Legal - PLG	28,643	86,855	81,533	127,727	55,410	63,618	52,463	19,589	58,180	160,295	76,436	70,574	881,321
	Legal - PLG NRD	4,693	1,905	(2,873)	4,281	25,205	3,450	18,325	(13,416)	839	1,425	475	(1,200)	43,108
	Thomas J Imeson Consulting	10,000	10,000	10,000	10,000									40,000
	Grand Total	2,298,410	3,570,096	1,823,944	2,879,278	1,941,025	1,569,259	1,001,223	2,241,589	2,192,676	3,031,965	879,907	1,917,729	25,347,099

Σ(1) Total Gasco (SC, Uplands, Sediments, Siltronic, B1) 2,255,075 3,471,336 1,735,283 2,737,270 1,860,411 1,502,191 930,435 2,235,416 2,133,657 2,870,245 802,996 1,848,355 24,382,671

NW Natural's ECRM Annual Tariff Adjustment Filing
and 2024 Annual Report

Exhibit C

Rates Calculation Schedules, Deferral and Amortization Workpapers

July 15, 2025

NW Natural
Rates & Regulatory Affairs
2025-2026 ECRM Filing - Washington
Calculation of Increments Allocated on the EQUAL PERCENTAGE OF MARGIN BASIS

			Jun-25 PGA Volumes	Current Billing Rate 1/1/2025	Current WACOG & Demand Rate 1/1/2025	Current Temporary Rate 1/1/2025	MARGIN Rate	Volumetric Margin	Customer Charge	Jun-25 Customers	Total Margin	ECRM			
												Proposed Amount:		\$ 717,545 Allocated to Rate Schedules	
												Revenue Sensitive Multiplier:		4.357% add revenue sensitive factor	
												Amount to Amortize:		\$750,232 All Customers	
												Multiplier	Allocation to RS		Increment
												S	T	U	
I = (G*H*12)+F															
1	Schedule	Block	A	B	C	D	E=B-C-D	F = E * A	G	H	I = (G*H*12)+F				
7	1R	n/a	179,824	\$ 1.66830	\$ 0.53611	\$ 0.29750	\$ 0.83469	\$ 150,097	\$ 5.50	1,884	\$274,441	1.0	\$3,341	\$ 0.01858	
8	n/a	n/a	18,807	\$ 1.67264	\$ 0.53611	\$ 0.27345	\$ 0.86308	\$ 16,232	\$ 7.00	36	\$19,256	1.0	\$234	\$ 0.01244	
9	2R	n/a	59,991,192	\$ 1.31527	\$ 0.53611	\$ 0.22096	\$ 0.55820	\$ 33,487,083	\$ 8.00	89,230	\$42,053,163	1.0	\$511,889	\$ 0.00853	
10	3 CFS	n/a	21,359,579	\$ 1.27854	\$ 0.53611	\$ 0.20893	\$ 0.53350	\$ 11,395,335	\$ 22.00	6,828	\$13,197,927	1.0	\$160,651	\$ 0.00752	
11	3 IFS	n/a	192,102	\$ 1.23031	\$ 0.53611	\$ 0.15035	\$ 0.54385	\$ 104,475	\$ 22.00	20	\$109,755	1.0	\$1,336	\$ 0.00695	
12	27R	n/a	34,823	\$ 1.11591	\$ 0.53611	\$ 0.26727	\$ 0.31253	\$ 10,883	\$ 9.00	403	\$54,407	1.0	\$662	\$ 0.01901	
13	41C Firm Sales	Block 1	1,665,389	\$ 1.03949	\$ 0.43274	\$ 0.19067	\$ 0.41608	\$ 1,682,279	\$ 250.00	101	\$1,985,279	1.0	\$24,166	\$ 0.00598	
14		Block 2	2,698,481	\$ 0.98116	\$ 0.43274	\$ 0.18179	\$ 0.36663					1.0		\$ 0.00527	
15	41I Firm Sales	Block 1	331,379	\$ 0.94622	\$ 0.43274	\$ 0.14201	\$ 0.37147	\$ 317,352	\$ 250.00	21	\$380,352	1.0	\$4,630	\$ 0.00542	
16		Block 2	593,487	\$ 0.89909	\$ 0.43274	\$ 0.13904	\$ 0.32731					1.0		\$ 0.00478	
17	41C Interr Sales	Block 1	-	\$ 0.96427	\$ 0.43274	\$ 0.14700	\$ 0.38453	\$ -	\$ 250.00	-	\$0	1.0	\$0	\$ 0.00578	
18		Block 2	-	\$ 0.91047	\$ 0.43274	\$ 0.13893	\$ 0.33880					1.0		\$ 0.00509	
19	41I Interr Sales	Block 1	-	\$ 0.90245	\$ 0.43274	\$ 0.10593	\$ 0.36378	\$ -	\$ 250.00	-	\$0	1.0	\$0	\$ 0.00547	
20		Block 2	-	\$ 0.85609	\$ 0.43274	\$ 0.10285	\$ 0.32050					1.0		\$ 0.00482	
21	41C Firm Transpt	Block 1	123,243	\$ 0.64044	\$ -	\$ 0.26259	\$ 0.37785	\$ 141,405	\$ 500.00	8	\$189,405	1.0	\$2,306	\$ 0.00616	
22		Block 2	284,875	\$ 0.59302	\$ -	\$ 0.26011	\$ 0.33291					1.0		\$ 0.00543	
23	41I Firm Transpt	Block 1	-	\$ 0.62856	\$ -	\$ 0.26075	\$ 0.36781	\$ -	\$ 500.00	-	\$0	1.0	\$0	\$ 0.00553	
24		Block 2	-	\$ 0.58256	\$ -	\$ 0.25850	\$ 0.32406					1.0		\$ 0.00487	
25	42C Firm Sales	Block 1	820,213	\$ 0.79626	\$ 0.43274	\$ 0.15742	\$ 0.20610	\$ 395,334	\$ 1,300.00	9	\$535,734	1.0	\$6,521	\$ 0.00340	
26		Block 2	926,223	\$ 0.77027	\$ 0.43274	\$ 0.15305	\$ 0.18448					1.0		\$ 0.00304	
27		Block 3	323,675	\$ 0.71863	\$ 0.43274	\$ 0.14439	\$ 0.14150					1.0		\$ 0.00233	
28		Block 4	84,983	\$ 0.68461	\$ 0.43274	\$ 0.13869	\$ 0.11318					1.0		\$ 0.00187	
29		Block 5	-	\$ 0.63927	\$ 0.43274	\$ 0.13108	\$ 0.07545					1.0		\$ 0.00124	
30		Block 6	-	\$ 0.58259	\$ 0.43274	\$ 0.12157	\$ 0.02828					1.0		\$ 0.00047	
31	42I Firm Sales	Block 1	887,030	\$ 0.73169	\$ 0.43274	\$ 0.13254	\$ 0.16641	\$ 261,822	\$ 1,300.00	12	\$449,022	1.0	\$5,466	\$ 0.00347	
32		Block 2	668,287	\$ 0.71258	\$ 0.43274	\$ 0.13089	\$ 0.14895					1.0		\$ 0.00311	
33		Block 3	109,048	\$ 0.67457	\$ 0.43274	\$ 0.12761	\$ 0.11422					1.0		\$ 0.00238	
34		Block 4	24,233	\$ 0.64957	\$ 0.43274	\$ 0.12545	\$ 0.09138					1.0		\$ 0.00191	
35		Block 5	-	\$ 0.61626	\$ 0.43274	\$ 0.12258	\$ 0.06094					1.0		\$ 0.00127	
36		Block 6	-	\$ 0.57455	\$ 0.43274	\$ 0.11898	\$ 0.02283					1.0		\$ 0.00048	
37	42C Firm Transpt	Block 1	122,544	\$ 0.40332	\$ -	\$ 0.24890	\$ 0.15442	\$ 112,991	\$ 1,550.00	1	\$131,591	1.0	\$1,602	\$ 0.00219	
38		Block 2	245,088	\$ 0.38640	\$ -	\$ 0.24816	\$ 0.13824					1.0		\$ 0.00196	
39		Block 3	245,088	\$ 0.35269	\$ -	\$ 0.24669	\$ 0.10600					1.0		\$ 0.00150	
40		Block 4	403,344	\$ 0.33054	\$ -	\$ 0.24573	\$ 0.08481					1.0		\$ 0.00120	
41		Block 5	-	\$ 0.30097	\$ -	\$ 0.24443	\$ 0.05654					1.0		\$ 0.00080	
42		Block 6	-	\$ 0.26403	\$ -	\$ 0.24283	\$ 0.02120					1.0		\$ 0.00030	
43	42I Firm Transpt	Block 1	933,452	\$ 0.40096	\$ -	\$ 0.24935	\$ 0.15161	\$ 734,029	\$ 1,550.00	10	\$920,029	1.0	\$11,199	\$ 0.00231	
44		Block 2	1,354,332	\$ 0.38427	\$ -	\$ 0.24856	\$ 0.13571					1.0		\$ 0.00207	
45		Block 3	1,182,765	\$ 0.35105	\$ -	\$ 0.24699	\$ 0.10406					1.0		\$ 0.00159	
46		Block 4	2,743,941	\$ 0.32922	\$ -	\$ 0.24596	\$ 0.08326					1.0		\$ 0.00127	
47		Block 5	1,030,134	\$ 0.30009	\$ -	\$ 0.24459	\$ 0.05550					1.0		\$ 0.00085	
48		Block 6	-	\$ 0.26369	\$ -	\$ 0.24287	\$ 0.02082					1.0		\$ 0.00032	
49	42C Interr Sales	Block 1	237,824	\$ 0.71133	\$ 0.43274	\$ 0.10987	\$ 0.16872	\$ 136,973	\$ 1,300.00	2	\$168,173	1.0	\$2,047	\$ 0.00252	
50		Block 2	449,890	\$ 0.69043	\$ 0.43274	\$ 0.10666	\$ 0.15103					1.0		\$ 0.00226	
51		Block 3	201,897	\$ 0.64878	\$ 0.43274	\$ 0.10024	\$ 0.11580					1.0		\$ 0.00173	
52		Block 4	59,596	\$ 0.62141	\$ 0.43274	\$ 0.09603	\$ 0.09264					1.0		\$ 0.00138	
53		Block 5	-	\$ 0.58493	\$ 0.43274	\$ 0.09041	\$ 0.06178					1.0		\$ 0.00092	
54		Block 6	-	\$ 0.53925	\$ 0.43274	\$ 0.08334	\$ 0.02317					1.0		\$ 0.00035	
55	42I Interr Sales	Block 1	171,533	\$ 0.69064	\$ 0.43274	\$ 0.09437	\$ 0.16353	\$ 32,008	\$ 1,300.00	1	\$47,608	1.0	\$580	\$ 0.00296	
56		Block 2	27,036	\$ 0.67199	\$ 0.43274	\$ 0.09287	\$ 0.14638					1.0		\$ 0.00265	
57		Block 3	-	\$ 0.63489	\$ 0.43274	\$ 0.08990	\$ 0.11225					1.0		\$ 0.00203	
58		Block 4	-	\$ 0.61048	\$ 0.43274	\$ 0.08793	\$ 0.08981					1.0		\$ 0.00163	
59		Block 5	-	\$ 0.57791	\$ 0.43274	\$ 0.08531	\$ 0.05986					1.0		\$ 0.00108	
60		Block 6	-	\$ 0.53724	\$ 0.43274	\$ 0.08206	\$ 0.02244					1.0		\$ 0.00041	
61	42C Inter Transpt	Block 1	-	\$ 0.39076	\$ -	\$ 0.24907	\$ 0.14169	\$ -	\$ 1,550.00	-	\$0	1.0	\$0	\$ 0.00213	
62		Block 2	-	\$ 0.37516	\$ -	\$ 0.24831	\$ 0.12685					1.0		\$ 0.00191	
63		Block 3	-	\$ 0.34405	\$ -	\$ 0.24678	\$ 0.09727					1.0		\$ 0.00146	
64		Block 4	-	\$ 0.32360	\$ -	\$ 0.24578	\$ 0.07782					1.0		\$ 0.00117	
65		Block 5	-	\$ 0.29633	\$ -	\$ 0.24444	\$ 0.05189					1.0		\$ 0.00078	
66		Block 6	-	\$ 0.26221	\$ -	\$ 0.24277	\$ 0.01944					1.0		\$ 0.00029	
67	42I Inter Transpt	Block 1	952,237	\$ 0.39347	\$ -	\$ 0.24917	\$ 0.14430	\$ 931,613	\$ 1,550.00	10	\$1,117,613	1.0	\$13,604	\$ 0.00211	
68		Block 2	1,827,775	\$ 0.37758	\$ -	\$ 0.24841	\$ 0.12917					1.0		\$ 0.00189	
69		Block 3	1,364,376	\$ 0.34592	\$ -	\$ 0.24687	\$ 0.09905					1.0		\$ 0.00145	
70		Block 4	4,116,253	\$ 0.32511	\$ -	\$ 0.24586	\$ 0.07925					1.0		\$ 0.00116	
71		Block 5	1,831,129	\$ 0.29736	\$ -	\$ 0.24452	\$ 0.05284					1.0		\$ 0.00077	
72		Block 6	-	\$ 0.26266	\$ -	\$ 0.24285	\$ 0.01981					1.0		\$ 0.00029	
73	43 Firm Transpt	n/a	-	\$ 0.24685	\$ -	\$ 0.24194		\$ 38,000.00			\$0	1.0	\$0	\$ -	
74	43 Interr Transpt	n/a	-	\$ 0.24685	\$ -	\$ 0.24194		\$ 38,000.00			\$0	1.0	\$0	\$ -	
75	Special Contract	n/a	-	-	-	-	-	-	-	-					
76															
77	Intentionally blank		-												
78															
79	Totals		110,817,104					\$49,909,911			\$61,633,755		\$750,234		
80															
81	Tariff Schedules:														
82	Schedule #														Sched 303
83															
84	Note: Allocation to rate schedules or blocks with zero volumes is calculated on an overall margin percentage change basis.														

Note: Allocation to rate schedules or blocks with zero volumes is calculated on an overall margin percentage change basis.

NW Natural
Rates & Regulatory Affairs
2025-2026 ECRM Filing - Washington
Effects on Average Bill by Rate Schedule
Calculation of Effect on Customer Average Bill by Rate Schedule [1]

			PGA Volumes	Therms in Block	Normal Therms Monthly Average Use	Minimum Monthly Charge	CCA Monthly Avg. Credit	Net Monthly Charge	Current Billing Rate 1/1/2025	Current Average Bill 1/1/2025	Current 11/1/2024 ECRM Rates	Proposed 11/1/2025 Total Rates	Proposed 11/1/2025 ECRM Average Bill	Proposed 11/1/2025 ECRM % Bill Change
	Schedule	Block	A	B	C	D	E	F=D+(C * E)	F	G	H	I	J	K=(J-I)/I
1R			179,824	N/A	8.0	\$ 5.50	\$ 1.82	\$ 3.68	\$1,668.30	\$17.03	\$0.01396	\$1,672.92	\$17.07	0.2%
1C			18,807	N/A	44.0	\$ 7.00	\$ 5.34	\$ 1.66	\$1,672.64	\$75.25	\$0.01211	\$1,672.97	\$75.27	0.0%
2R			59,991,192	N/A	56.0	\$ 8.00	\$ 7.39	\$ 0.61	\$1,315.27	\$74.26	\$0.00805	\$1,315.75	\$74.29	0.0%
3 CFS			21,359,579	N/A	261.0	\$ 22.00	\$ 34.52	\$ (12.52)	\$1,278.54	\$321.18	\$0.00715	\$1,278.91	\$321.28	0.0%
3 IFS			192,102	N/A	800.0	\$ 22.00	\$ 129.16	\$ (107.16)	\$1,230.31	\$877.09	\$0.00656	\$1,230.70	\$877.40	0.0%
27			34,823	N/A	7.0	\$ 9.00	\$ -	\$ 9.00	\$1,115.91	\$16.81	\$0.01163	\$1,123.29	\$16.86	0.3%
41C Firm Sales	Block 1		1,665,389	2,000	3,601.0	\$ 250.00	\$ 515.09	\$ (265.09)	\$1,039.49		\$0.00575	\$1,039.72		
	Block 2		2,698,481	all additional					\$0.98116		\$0.00507	\$0.98136		
TOTAL								\$3,384.73				\$3,385.51		0.0%
41I Firm Sales	Block 1		331,379	2,000	3,670.0	\$ 250.00	\$ 622.72	\$ (372.72)	\$0.94622		\$0.00493	\$0.94671		
	Block 2		593,487	all additional					\$0.89909		\$0.00434	\$0.89953		
TOTAL								\$3,021.20				\$3,022.92		0.1%
41C Interr Sales	Block 1		0	2,000	0.0	\$ 250.00	\$ 515.09	\$ (265.09)	\$0.96427		\$0.00546	\$0.96459		
	Block 2		0	all additional					\$0.91047		\$0.00481	\$0.91075		
TOTAL								(\$265.09)				(\$265.09)		0.0%
41I Interr Sales	Block 1		0	2,000	0.0	\$ 250.00	\$ 622.72	\$ (372.72)	\$0.90245		\$0.00516	\$0.90276		
	Block 2		0	all additional					\$0.85609		\$0.00455	\$0.85636		
TOTAL								(\$372.72)				(\$372.72)		0.0%
41C Firm Transp	Block 1		123,243	2,000	4,251.0	\$ 500.00	\$ 515.09	\$ (15.09)	\$0.64044		\$0.00569	\$0.64091		
	Block 2		284,875	all additional					\$0.59302		\$0.00501	\$0.59344		
TOTAL								\$2,600.68				\$2,602.56		0.1%
41I Firm Transp	Block 1		0	2,000	0.0	\$ 500.00	\$ 622.72	\$ (122.72)	\$0.62856		\$0.00522	\$0.62887		
	Block 2		0	all additional					\$0.58256		\$0.00460	\$0.58283		
TOTAL								(\$122.72)				(\$122.72)		0.0%
42C Firm Sales	Block 1		820,213	10,000	22,449.0	\$ 1,300.00	\$ 5,142.27	\$ (3,842.27)	\$0.79626		\$0.00320	\$0.79646		
	Block 2		926,223	20,000					\$0.77027		\$0.00286	\$0.77045		
	Block 3		323,675	20,000					\$0.71863		\$0.00219	\$0.71877		
	Block 4		84,983	100,000					\$0.68461		\$0.00176	\$0.68472		
	Block 5		0	600,000					\$0.63927		\$0.00117	\$0.63934		
	Block 6		0	all additional					\$0.58259		\$0.00044	\$0.58262		
TOTAL								\$13,709.42				\$13,713.66		0.0%
42I Firm Sales	Block 1		887,030	10,000	11,726.0	\$ 1,300.00	\$ 3,945.77	\$ (2,645.77)	\$0.73169		\$0.00310	\$0.73206		
	Block 2		668,287	20,000					\$0.71258		\$0.00277	\$0.71292		
	Block 3		109,048	20,000					\$0.67457		\$0.00213	\$0.67482		
	Block 4		24,233	100,000					\$0.64957		\$0.00170	\$0.64978		
	Block 5		0	600,000					\$0.61626		\$0.00114	\$0.61639		
	Block 6		0	all additional					\$0.57455		\$0.00043	\$0.57460		
TOTAL								\$5,901.04				\$5,905.33		0.1%
42C Firm Trans	Block 1		122,544	10,000	84,672.0	\$ 1,550.00	\$ 5,142.27	\$ (3,592.27)	\$0.40332		\$0.00193	\$0.40358		
	Block 2		245,088	20,000					\$0.38640		\$0.00173	\$0.38663		
	Block 3		245,088	20,000					\$0.35269		\$0.00133	\$0.35286		
	Block 4		403,344	100,000					\$0.33054		\$0.00106	\$0.33068		
	Block 5		0	600,000					\$0.30097		\$0.00071	\$0.30106		
	Block 6		0	all additional					\$0.26403		\$0.00027	\$0.26406		
TOTAL								\$26,683.21				\$26,698.67		0.1%
42I Firm Trans	Block 1		933,452	10,000	60,372.0	\$ 1,550.00	\$ 3,945.77	\$ (2,395.77)	\$0.40096		\$0.00206	\$0.40121		
	Block 2		1,354,332	20,000					\$0.38427		\$0.00184	\$0.38450		
	Block 3		1,182,765	20,000					\$0.35105		\$0.00141	\$0.35123		
	Block 4		2,743,941	100,000					\$0.32922		\$0.00113	\$0.32936		
	Block 5		1,030,134	600,000					\$0.30009		\$0.00075	\$0.30019		
	Block 6		0	all additional					\$0.26369		\$0.00028	\$0.26373		
TOTAL								\$19,734.90				\$19,747.05		0.1%
42C Interr Sales	Block 1		237,824	10,000	39,550.0	\$ 1,300.00	\$ 5,142.27	\$ (3,842.27)	\$0.71133		\$0.00236	\$0.71149		
	Block 2		449,890	20,000					\$0.69043		\$0.00212	\$0.69057		
	Block 3		201,897	20,000					\$0.64878		\$0.00162	\$0.64889		
	Block 4		59,596	100,000					\$0.62141		\$0.00130	\$0.62149		
	Block 5		0	600,000					\$0.58493		\$0.00087	\$0.58498		
	Block 6		0	all additional					\$0.53925		\$0.00032	\$0.53928		
TOTAL								\$23,275.48				\$23,280.93		0.0%
42I Interr Sales	Block 1		171,533	10,000	16,547.0	\$ 1,300.00	\$ 3,945.77	\$ (2,645.77)	\$0.69064		\$0.00281	\$0.69079		
	Block 2		27,036	20,000					\$0.67199		\$0.00252	\$0.67212		
	Block 3		0	20,000					\$0.63489		\$0.00193	\$0.63499		
	Block 4		0	100,000					\$0.61048		\$0.00154	\$0.61057		
	Block 5		0	600,000					\$0.57791		\$0.00103	\$0.57796		
	Block 6		0	all additional					\$0.53724		\$0.00039	\$0.53726		
TOTAL								\$8,660.15				\$8,662.50		0.0%
42C Inter Trans	Block 1		0	10,000	0.0	\$ 1,550.00	\$ 5,142.27	\$ (3,592.27)	\$0.39076		\$0.00201	\$0.39088		
	Block 2		0	20,000					\$0.37516		\$0.00180	\$0.37527		
	Block 3		0	20,000					\$0.34405		\$0.00138	\$0.34413		
	Block 4		0	100,000					\$0.32360		\$0.00111	\$0.32366		
	Block 5		0	600,000					\$0.29633		\$0.00074	\$0.29637		
	Block 6		0	all additional					\$0.26221		\$0.00028	\$0.26222		
TOTAL								(\$3,592.27)				(\$3,592.27)		0.0%
42I Inter Trans	Block 1		952,237	10,000	84,098.0	\$ 1,550.00	\$ 3,945.77	\$ (2,395.77)	\$0.39347		\$0.00201	\$0.39357		
	Block 2		1,827,775	20,000					\$0.37758		\$0.00180	\$0.37767		
	Block 3		1,364,376	20,000					\$0.34592		\$0.00138	\$0.34599		
	Block 4		4,116,253	100,000					\$0.32511		\$0.00110	\$0.32517		
	Block 5		1,831,129	600,000					\$0.29736		\$0.00074	\$0.29739		
	Block 6		0	all additional					\$0.26266		\$0.00028	\$0.26267		
TOTAL								\$27,094.53				\$27,100.78		0.0%
43 Firm Trans			0	N/A	0.0	\$38,000.00	\$0.00	\$38,000.00	\$0.00492	\$38,000.00	\$0.00000	\$0.00492	\$38,000.00	0.0%
43 Interr Trans			0	N/A	0.0	\$38,000.00	\$0.00	\$38,000.00	\$0.00492	\$38,000.00	\$0.00000	\$0.00492	\$38,000.00	0.0%
Intentionally blank								\$ -						

[1] Rate Schedule 41 and 42 customers may choose demand charges at a volumetric rate or based on MDDV. For convenience of presentation, demand charges are not included in the calculations for those schedules.

[2] Proposed new ECRM rates is equal to Current Billing Rate plus New ECRM rates less Current ECRM rates.

Sources:

Direct inputs	per Tariff	per Tariff
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Northwest Natural Gas Company

Summary of Deferred Environmental Costs and Insurance Application For the period of January 1, 2024 through December 31, 2024

	Total
Deferred costs allocated to Washington	840,501 (1)
Amortization of insurance proceeds	<u>(203,915)</u>
Estimated residual 2024-25 amort. balance	<u>80,959</u>
Remaining deferred costs for amortization	<u>\$ 717,545</u>

(1) Includes an adjustment of \$1,023.18 related to employee expenses that are not recoverable per Docket UG-110199.

**System and Washington Allocated Environmental Remediation Payments and Insurance
ECRM (Docket Docket UG-181053, Order 06)**

Note - Update from JE 23

1	Debit (Credit)									
2										
3										
4	Month/Year	Note	GASCO	HARBOR	SILTRONIC	(OR ONLY) FRONT (PGM)	CENTRAL	OR STEEL	INSURANCE RECOVERY	Total
5	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
6										
7										
56	Jan-24		2,255,074.81	43,335.00		1,078.81			-	2,299,488.62
57	Feb-24		3,471,336.00	98,760.00		7,155.75			-	3,577,251.75
58	Mar-24		1,735,283.36	88,660.50		1,809.72			(531.70)	1,825,221.88
59	Apr-24		2,737,270.25	142,007.50		6,249.34			-	2,885,527.09
60	May-24		1,860,410.99	80,614.50		(668.95)			-	1,940,356.54
61	Jun-24		1,502,190.68	67,068.00		2,226.48			(4,293.83)	1,567,191.33
62	Jul-24		930,435.09	70,787.50		162.29			-	1,001,384.88
63	Aug-24		2,235,416.44	6,172.58		11,933.75			-	2,253,522.77
64	Sep-24		2,133,657.02	59,018.50		8,033.75			(2,865.93)	2,197,843.34
65	Oct-24		2,870,245.08	161,719.67		12,751.54			-	3,044,716.29
66	Nov-24		802,996.01	76,911.00		2,344.15			-	882,251.16
67	Dec-24		1,848,354.80	69,374.09		1,377.19			(1,504,993.98)	414,112.10

2024 Payments WA **841,524** to Summary

3.32%	3.32%	3.32%	3.32%	3.32%	3.32%
WASHINGTON Allocated					
GASCO	HARBOR	SILTRONIC	CENTRAL	OR STEEL	INSURANCE RECOVERY COSTS
(k)	(l)	(m)	(n)	(o)	(p)
74,868.48	1,438.72	-	-	-	-
115,248.36	3,278.83	-	-	-	-
57,611.41	2,943.53	-	-	-	(17.65)
90,877.37	4,714.65	-	-	-	-
61,765.64	2,676.40	-	-	-	-
49,872.73	2,226.66	-	-	-	(142.56)
30,890.44	2,350.15	-	-	-	-
74,215.83	204.93	-	-	-	-
70,837.41	1,959.41	-	-	-	(95.15)
95,292.14	5,369.09	-	-	-	-
26,659.47	2,553.45	-	-	-	-
61,365.38	2,303.22	-	-	-	(49,965.80)

Company: Northwest Natural Gas Company
State: Washington
Description: Gasco & Litigation Deferral
Account Number: 151345

Debit (Credit)

809,504.66 2024 Spend to Date

	Month/Year	Note	Deferral	Transfers	TOTAL Activity	TOTAL Balance
53	Jan-24		74,868.48		74,868.48	914,665.97
54	Feb-24		115,248.36		115,248.36	1,029,914.33
55	Mar-24		57,611.41		57,611.41	1,087,525.74
56	Apr-24		90,877.37		90,877.37	1,178,403.11
57	May-24		61,765.64		61,765.64	1,240,168.75
58	Jun-24		49,872.73		49,872.73	1,290,041.48
59	Jul-24		30,890.44		30,890.44	1,320,931.92
60	Aug-24		74,215.83		74,215.83	1,395,147.75
61	Sep-24		70,837.41		70,837.41	1,465,985.16
62	Oct-24		95,292.14		95,292.14	1,561,277.30
63	Nov-24	2	26,659.47	(839,797.50)	(813,138.03)	748,139.27
64	Dec-24	3	61,365.38	(1,023.18)	60,342.20	808,481.47

53 ***History is truncated for ease of viewing***

54 **Notes:**

55

56 **1** - Transfer represents a true-up to the GL.

57 **2** - As approved in Docket UG-200649, Order 01, applied insurance against costs deferred costs and
58 transferred the remainder to the ECRM amortization

59 **3** - December adjustments represent the reversal of any employee expenses recorded during the year. Per Docket UG-110199
60 these costs are not recoverable through the environmental deferrals.

Company: Northwest Natural Gas Company
State: Washington
Description: Central Deferral
Account Number: 186176

Debit (Credit)

	Month/Year	Note	Deferral	Transfers	TOTAL Activity	TOTAL Balance
1	Beginning Balance					23,148.82
5	Jan-20		0.00		0.00	328.72
6	Feb-20		0.00		0.00	328.72
7	Mar-20		0.00		0.00	328.72
8	Apr-20		0.00		0.00	328.72
9	May-20		0.00		0.00	328.72
10	Jun-20		0.00		0.00	328.72
11	Jul-20		0.00		0.00	328.72
12	Aug-20		0.00		0.00	328.72
13	Sep-20		0.00		0.00	328.72
14	Oct-20		0.00		0.00	328.72
15	Nov-20	1	0.00	(328.72)	(328.72)	0.00
16	Dec-20		0.00		0.00	0.00

17

18 ***History is truncated for ease of viewing***

19

20 **Notes:**

21 **1** - As approved in Docket UG-200649, Order 01, applied insurance against costs deferred costs and
22 transferred the remainder to the ECRM amortization

Company: Northwest Natural Gas Company
State: Washington
Description: Harbor Deferral
Account Number: 151360

Debit (Credit)

32,019.04 2024 Spend to Date

	Month/Year	Note	Deferral	Transfers	TOTAL Activity	TOTAL Balance
53	Jan-24		1,438.72		1,438.72	41,144.17
54	Feb-24		3,278.83		3,278.83	44,423.00
55	Mar-24		2,943.53		2,943.53	47,366.53
56	Apr-24		4,714.65		4,714.65	52,081.18
57	May-24		2,676.40		2,676.40	54,757.58
58	Jun-24		2,226.66		2,226.66	56,984.24
59	Jul-24		2,350.15	(0.01)	2,350.14	59,334.38
60	Aug-24		204.93		204.93	59,539.31
61	Sep-24		1,959.41		1,959.41	61,498.72
62	Oct-24		5,369.09		5,369.09	66,867.81
63	Nov-24	1	2,553.45	(39,705.46)	(37,152.01)	29,715.80
64	Dec-24		2,303.22		2,303.22	32,019.02

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67 ***History is truncated for ease of viewing***

68

69 **Notes:**

70 **1** - As approved in Docket UG-200649, Order 01, applied insurance against costs deferred costs and
71 transferred the remainder to the ECRM amortization

Company: Northwest Natural Gas Company
State: Washington
Description: Siltronic Deferral
Account Number: 186179

Debit (Credit)

Month/Year	Note	Deferral	Transfers	TOTAL Activity	TOTAL Balance
1	Beginning Balance				54,275.52
5	Jan-20	-		0.00	0.00
6	Feb-20	-		0.00	0.00
7	Mar-20	-		0.00	0.00
8	Apr-20	-		0.00	0.00
9	May-20	-		0.00	0.00
10	Jun-20	-		0.00	0.00
11	Jul-20	-		0.00	0.00
12	Aug-20	-		0.00	0.00
13	Sep-20	-		0.00	0.00
14	Oct-20	-		0.00	0.00
15	Nov-20	-		0.00	0.00
16	Dec-20	-		0.00	0.00

History is truncated for ease of viewing

Company: Northwest Natural Gas Company
State: Washington
Description: Insurance Recovery Deferral
Account Number: 151370

Debit (Credit)

	Month/Year	Note	Deferral	Transfers	Adjustments	TOTAL Activity	TOTAL Balance	
1	Beginning Balance						(3,613,554.43)	
63	Jan-24		0.00			0.00	(1,163,201.65)	
64	Feb-24		0.00			0.00	(1,163,201.65)	
65	Mar-24		(17.65)			(17.65)	(1,163,219.30)	Amortization for 2023 applied Nov 2024
66	Apr-24		0.00			0.00	(1,163,219.30)	Jan 2024 - Dec 2024 additional proceeds received
67	May-24		0.00			0.00	(1,163,219.30)	2024 Ending Balance (amortized over remaining 5 years)
68	Jun-24		(142.56)			(142.56)	(1,163,361.86)	
69	Jul-24		0.00			0.00	(1,163,361.86)	
70	Aug-24		0.00			0.00	(1,163,361.86)	
71	Sep-24		(95.15)			(95.15)	(1,163,457.01)	Amortization for 2024 to be applied Nov 2025
72	Oct-24		0.00			0.00	(1,163,457.01)	
73	Nov-24	2	0.00	193,870.27		193,870.27	(969,586.74)	
74	Dec-24		(49,965.80)			(49,965.80)	(1,019,552.54)	

History is truncated for ease of viewing

Notes:

- 1 - As approved in Docket UG-200649, Order 01, applied \$260,540 of insurance to Dec. 2018 through Dec. 2019 costs deemed prudent. Also amortized \$86,914 of insurance for the second half of 2019 as required in Docket UG-181053.
2 - This is calculated based on 9 remaining years
3 - Transfer represents a true-up to the GL.

NW Natural's ECRM Annual Tariff Adjustment Filing
and 2024 Annual Report

Exhibit D

Major Reports and Communications with Environmental Regulators

Due to the voluminous nature, this exhibit is being provided via USB drive
and physically mailed.

July 15, 2025

NW NATURAL**ENVIRONMENTAL COST RECOVERY MECHANISM REGULATORY REPORT****For Environmental Remediation Costs Incurred for the period
JANUARY 1, 2024 – DECEMBER 31, 2024**

In accordance with Northwest Natural Gas Company's ("NW Natural") Rate Schedule 303 and pursuant to Commission Order 06 in Docket UG-181053, NW Natural submits this annual report for its Environmental Cost Recovery Mechanism ("ECRM"). Per Order 06, the annual report is due on or before July 15 for rates effective each November 1st. The filing of ECRM rates will collect prudent expenditures deferred during the previous calendar year, less that year's allocation of insurance proceeds.¹

A. Background

NW Natural's predecessor companies operated five sites located in and around Portland, Oregon, and federal and state agencies have directed NW Natural to undertake environmental remediation associated with the Gasco, Siltronic, Portland Harbor, Tar Deposit, and Central Service Center/Central Gas Holdings ("Central") sites. The Company began to incur costs associated with this environmental remediation activity in 2003 and will continue to do so over the next decade.

NW Natural has seven sites at which the Oregon Department of Environmental Quality ("DEQ") or the Environmental Protection Agency ("EPA") has required cleanup or at which another party has asserted that NW Natural is liable for environmental cleanup. These include: Portland Harbor, Portland Gas Manufacturing (PGM), Gasco², Central, Eugene Water Electric Board, French American International School, and Evraz/Oregon Steel Mills. Of these sites, the original Gasco plant -- Gasco, Portland Harbor, Tar Deposit, and Central are referred to as "shared sites" given that the costs of these efforts are allocable to both Oregon and Washington customers.

B. Order 06 in Docket UG-181053

In the 2018 Washington rate case (Docket UG-181053), NW Natural requested approval to apply insurance proceeds to previously incurred environmental costs allocated to Washington. In addition, the Company requested a recovery mechanism for future expenditures to coincide with the annual Purchased Gas Adjustment (PGA) filing.

¹ The annual environmental remediation deferral amount in the ECRM Account is collected from all customers on an equal percent of margin basis.

² Due to consolidation of two project areas by DEQ the Gasco site includes a portion of the property currently owned by Siltronic Corporation.

In May of 2019, all parties in the docket reached a settlement for the state allocation of environmental remediation costs, proposed treatment of historical environmental costs, and the creation of an environmental cost recovery mechanism. The settlement was approved by the Commission on October 21, 2019 in Order No. 06 of the docket.

C. Environmental Remediation Activity for the Period January 1, 2024 through December 31, 2024.

Portland Harbor

The Portland Harbor site is a stretch of approximately ten miles along the Willamette River that is listed as a Superfund site by the EPA.

EPA issued its Record of Decision (“ROD”) for Portland Harbor in January 2017. EPA estimates the cost of the selected remedy at \$1.05 billion net present value and projects 13 years of construction to complete active cleanup. The ROD indicates EPA will exercise site-specific flexibility during remedial design, and EPA may decide to break the site into smaller “work areas.” DEQ may take a lead role in overseeing portions of the cleanup.

EPA began implementation of the harborwide remedy through an initial round of baseline sampling. In December 2017, four parties signed an order with EPA agreeing to conduct this initial sampling. NW Natural agreed to provide funding toward this work through the allocation group but was not directly involved in performing the sampling.

In December 2018, EPA requested that Portland Harbor responsible parties, including NW Natural, enter into consent orders to perform remedial design work. EPA offered to delay initiation of consent decree negotiations or other enforcement action for harborwide cleanup in exchange for these remedial design commitments.

In March 2020, EPA and NW Natural agreed to amend the 2009 EPA Consent Order for the Gasco Sediments Site (discussed below) to include remedial design work at two additional Portland Harbor project areas, the US Moorings Project Area and the B1 Navigation Channel Project Area. The State of Oregon and the City of Portland are obligated through an earlier settlement with EPA to provide up to \$2,664,000 in funding for remedial design work in these two Project Areas. NW Natural incurred costs in 2024 to complete data gaps investigations and prepare reports required by EPA. In December 2024, NW Natural received \$1,502,445.95 in reimbursement for its remedial design costs for the US Moorings and B1 Navigation Channel Project Areas through the EPA settlement with the State and City.

NW Natural is participating in a harborwide allocation in an attempt to reach a comprehensive settlement of Portland Harbor cleanup liabilities with EPA, DEQ and other potentially responsible parties. In November 2024, EPA issued “Special Notice Letters” to approximately 70 potentially responsible parties commencing formal consent decree negotiations. NW Natural incurred costs in 2024 to negotiate with EPA. NW Natural also incurred costs in 2024 to participate in the harborwide allocation.

NW Natural participates in the Portland Harbor Natural Resource Damage (“NRD”) cooperative assessment process. During the period of January through December 2024, the Company worked with the Natural Resource Trustees in the NRD cooperative process on pathways to reach settlement. On January 30, 2017, the Confederated Tribes and Bands of the Yakama Nation filed a lawsuit against NW Natural and 29 other potentially responsible parties for alleged Portland Harbor response costs and natural resource damage assessment costs related to the Portland Harbor Superfund Site, as well as natural resource damage assessment costs related to the Multnomah Channel, Lower Willamette and Columbia Rivers. In August 2019, the federal court stayed the case consistent with related litigation over Portland Harbor cleanup costs. NW Natural incurred costs in 2024 related to the litigation.

Gasco

The Gasco site covers approximately 45 acres and is located on the Willamette River between the St. Johns Bridge and the Railroad Bridge. The manufacturing facility is gone, and the site is currently occupied by the Company’s Portland liquefied natural gas storage facility and two tenant facilities. Work at this site consists of various projects: the Uplands Project (which, due to DEQ project restructuring in 2016, also includes a 38.5-acre portion of the adjacent property previously owned by Portland Gas & Coke and currently owned by Siltronic Corporation), the Sediments Project (which addresses sediments in the adjacent Willamette River), and the Source Control Project. These projects are subject to EPA and DEQ oversight.

The Gasco Upland site is now in the feasibility study phase. In 2024 NW Natural continued work with DEQ to prepare the feasibility study. The draft Feasibility Report was submitted to DEQ in December 2024. NW Natural also submitted preliminary deliverables for design of additional source control measures as an interim removal action measure to integrate upland source control with the proposed sediment remedy design.

EPA’s January 2017 ROD for Portland Harbor included a selected remedy for the Gasco Sediments site. In 2022, in response to EPA comments on the 2021 Basis of Design and Preliminary Design Report, NW Natural submitted a Preferred Alternative Report (“PAR”). EPA conditionally approved the PAR in December 2022. In 2024, NW Natural incurred costs to perform bench scale treatability studies and prepare remedial design documents for the Gasco Sediments site. NW Natural submitted a preliminary design report in 2024, which EPA approved in December 2024.

The Company also conducted monthly visual monitoring of the shoreline area in the direct vicinity of the pilot cap area.

Construction of the Source Control wells, and groundwater treatment plant was completed in October 2013. Following a period of optimization, DEQ approved the system for long-term operation on December 30, 2016. The system was expanded in 2021 to include two recovery trenches. In 2024 NW Natural continued to maintain and operate the system, including the recovery trenches. The Company will continue to incur costs associated with operating the wells and environmental regulatory oversight.

Central

The Central Service Center is the former site for company operations including as a gas holder site and other activities. At the end of 2006, the Central Service Center site was identified by DEQ for cleanup and ranked as a high priority site. In October of 2018 the Company received a Conditional No Further Action (“cNFA”) determination from DEQ, which outlines the company’s continued obligations for a 5-year period extending beyond the issuance of this cNFA.

During the period of January 2024 through December 2024, the final year of the 5-year period, NW Natural completed a pre-planned groundwater sampling event to assess if appropriate to move towards a final summary report of all the 5-year monitoring obligations (2019 through to 2024). Based on the results of the 2024 groundwater sampling event it is expected that preparation of a 5-year summary compliance report will be delayed, and that the Company will need to pursue additional investigations at DEQ’s request in 2025 (correspondence from DEQ received in February requesting further investigations). As such, it is expected that the Company will incur ongoing costs associated with the DEQ requested work into 2025/2026 (additional groundwater sampling and/or soil vapor sampling)

D. Application of the ECRM for the Periods January 2024 through December 2024

In accordance with Order No. 06 in UG-181053, the table below shows total, Oregon, and Washington expenses deferred for the period January 1, 2024 through December 31, 2024 at the following sites: Gasco, Central, Tar Deposit, Portland Harbor, and Wacker (aka Siltronic). The expenditures for these periods are further detailed in Exhibit A and B of this report.

	100%	3.32%	96.68%
<u>SITE</u>	<u>SYSTEM AMOUNT</u>	<u>WA AMOUNT</u>	<u>OR AMOUNT</u>
Gasco (1)	\$24,382,671	\$808,481 (2)	\$23,574,189
Harbor	964,429	32,019	\$932,410
Central	0	0	\$0
	<u>\$25,347,099</u>	<u>\$840,501</u>	<u>\$24,506,599</u>

(1) Includes Gasco Uplands, Sediments, operation of Source Control, and Siltronic.

(2) Includes an adjustment of \$1,023.18 related to employee expenses that are not recoverable per Docket UG-110199

As shown in the table below, remediation costs deferred from January 1, 2024 through December 31, 2024 exceeded the applicable \$203,915 of offsetting amortization of insurance proceeds by \$717,545. This amount includes the estimated residual amortization balance of \$80,959. The calculation of rate increments and effect on customer bills for the environmental costs incurred from January 1, 2024 through December 31, 2024 are shown in Exhibit C.

Northwest Natural Gas Company

**Summary of Deferred Environmental Costs and Insurance Application
For the period of January 1, 2024 through December 31, 2024**

	Total
Deferred costs allocated to Washington	840,501 ⁽¹⁾
Amortization of insurance proceeds	<u>(203,915)</u>
Estimated residual 2024-25 amort. balance	<u>80,959</u>
Remaining deferred costs for amortization	<u>\$ 717,545</u>

(1) Includes an adjustment of \$1,023.18 related to employee expenses that are not recoverable per Docket UG-110199.

E. Major Reports and Communications with Environmental Regulators

To assist the Commission, Staff, and any parties in reviewing NW Natural's costs for the January 1, 2024 to December 31, 2024 period, the Company is providing the major reports and communications with environmental regulators related to the activities described above, found in Exhibit D.