

September 15, 2025

NWN WUTC Advice No. 25-07 / UG-_____

VIA ELECTRONIC FILING

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

Re: Schedule 220: Special Rate Adjustment - Mist Recall

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company) files herewith the following revisions to its Tariff WN U-6, stated to become effective with service on and after November 1, 2025, as follows:

| | | |
|--------------------------------|--------------|-------------------------------------|
| Tenth Revision of Sheet 220.1 | Schedule 220 | Special Rate Adjustment |
| Fourth Revision of Sheet 220.2 | Schedule 220 | Special Rate Adjustment (continued) |

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 220 went into effect November 1, 2024.

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 proposed Schedule 220 adjustments are calculated on an equal-percentage-of margin basis and are shown for each rate schedule on page 1 of Exhibit A to this filing. It should be noted that the proposed Schedule 220 adjustments represent only a portion of the accounts that are proposed to be applied to customer rates effective November 1, 2025 (see NW Natural's WUTC Advice Nos. 25-02, 25-04, 25-05, 25-06, and 25-08). As such, the bill effects stated herein are provided for illustrative purposes only and reflect the effect of adding the proposed Schedule 220 adjustments to current billing rates.

If there were no other adjustments to rates effective November 1, 2025, the average residential Schedule 2 customer using 56 therms would see an increase of \$0.01¹ per month, and the average Schedule 3 commercial customer using 261 therms would see a bill increase of \$0.02 per month. The average industrial customer on Schedule 42 firm sales using 11,726 therms would see a bill increase of \$0.57. The bill impact for customers on other rate schedules is shown on page 2 of Exhibit A to this filing. The rate changes would be an increase in the Company's revenues from its Washington operations of \$9,409, or 0.01%.

In accordance with WAC 480-90-198 and WAC 480-90-194(5), the Company will provide notice to customers as stated in WAC 480-90-194(3). A copy of this notice is included with the Company's PGA filing, WUTC Advice No. 25-08.

The proposed rate change will affect all of NW Natural's Washington sales customers. NW Natural currently serves approximately 91,114 residential customers and 7,387 commercial customers and 74 industrial customers in the Company's Washington service territory.

Exhibit A contains information from the settlement in NW Natural's UG-200994 rate case, approved in Order 05, that did not disclose the underlying inputs of the cost of capital and is considered confidential under WAC 480-07-160.

Conclusion

The Company respectfully requests that the tariff sheets filed herewith be approved to become effective with service on and after November 1, 2025.

As required by WAC 480-80-103(4)(a), I certify that I have authority to issue tariff revisions on behalf of NW Natural.

Copies of this letter and the attached filing 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
Rates & Regulatory Affairs
NW Natural
250 SW Taylor Street
Portland, Oregon 97204
(503) 610-7330
eFiling@nwnatural.com

¹ All bill impacts assume Climate Commitment Act charges and credits for non-low income customers who joined NW Natural's system before July 25, 2021, as set out in Schedule 308 - Washington Climate Commitment Act Recovery Mechanism.

Sincerely,

NW NATURAL

/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:

NEW-NWN-WUTC-Advice-25-07-Mist-Recall-Trf-Sheet-220-1-09-15-25
NEW-NWN-WUTC-Advice-25-07-Mist-Recall-Trf-Sheet-220-2-09-15-25
NEW-NWN-WUTC-Advice-25-07-Mist-Recall-Exh-A-09-15-25 (C)
NEW-NWN-WUTC-Advice-25-07-Mist-Recall-Exh-A-09-15-25 (R)
NEW-NWN-WUTC-Advice-25-07-Mist-Recall-Exh-A-xlsx-09-15-25 (C)
NEW-NWN-WUTC-Advice-25-07-Mist-Recall-Exh-A-xlsx-09-15-25 (R)
NEW-NWN-WUTC-Advice-25-07-Mist-Recall-Exh-B-09-15-25

NORTHWEST NATURAL GAS COMPANY

WN U-6

Tenth Revision of Sheet 220.1

Cancels Ninth Revision of Sheet 220.1

SCHEDULE 220 SPECIAL RATE ADJUSTMENT

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 customers.

APPLICABLE:

To Firm and Interruptible Sales service provided under the following Rate Schedules of this Tariff:

Schedule 1 Schedule 2 Schedule 3 Schedule 27 Schedule 41 Schedule 42

APPLICATION TO RATE SCHEDULES: Effective: November 1, 2025

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.

(C)

| Schedule | Block | Mist Recall Base Rate Adjustment |
|----------|---------|-------------------------------------|
| 1R | | \$0.00024 |
| 1C | | \$0.00016 |
| 2 | | \$0.00011 |
| 3C | | \$0.00010 |
| 3I | | \$0.00009 |
| 27 | | \$0.00026 |
| 41CSF | Block 1 | \$0.00008 |
| | Block 2 | \$0.00007 |
| 41CSI | Block 1 | \$0.00007 |
| | Block 2 | \$0.00006 |
| 41ISF | Block 1 | \$0.00007 |
| | Block 2 | \$0.00006 |
| 41ISI | Block 1 | \$0.00007 |
| | Block 2 | \$0.00006 |
| 42CSF | Block 1 | \$0.00004 |
| | Block 2 | \$0.00004 |
| | Block 3 | \$0.00003 |
| | Block 4 | \$0.00002 |
| | Block 5 | \$0.00002 |
| | Block 6 | \$0.00001 |
| 42ISF | Block 1 | \$0.00005 |
| | Block 2 | \$0.00004 |
| | Block 3 | \$0.00003 |
| | Block 4 | \$0.00002 |
| | Block 5 | \$0.00002 |
| | Block 6 | \$0.00001 |

(R)

(R)

(continue to Sheet 220.2)

Issued September 15, 2025
NWN WUTC Advice No. 25-07

Effective with service on
and after November 1, 2025

NORTHWEST NATURAL GAS COMPANY

WN U-6

Fourth Revision of Sheet 220.2

Cancels Third Revision of Sheet 220.2

SCHEDULE 220 SPECIAL RATE ADJUSTMENT (continued)

| Schedule | Block | Mist Recall Base Rate Adjustment |
|----------|---------|-------------------------------------|
| 42CSI | Block 1 | \$0.00003 |
| | Block 2 | \$0.00003 |
| | Block 3 | \$0.00002 |
| | Block 4 | \$0.00002 |
| | Block 5 | \$0.00001 |
| | Block 6 | \$0.00000 |
| 42ISI | Block 1 | \$0.00004 |
| | Block 2 | \$0.00004 |
| | Block 3 | \$0.00003 |
| | Block 4 | \$0.00002 |
| | Block 5 | \$0.00001 |
| | Block 6 | \$0.00001 |

(R)

(R)

GENERAL TERMS:

This Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this Tariff and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

Issued September 15, 2025
NWN WUTC Advice No. 25-07

Effective with service on
and after November 1, 2025

EXHIBIT A

BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

NW NATURAL
SUPPORTING MATERIALS

Mist Recall

REDACTED

NWN WUTC Advice No. 25-07 / UG-_____

September 15, 2025

NW NATURAL

EXHIBIT A

Supporting Materials

Mist Recall

NWN WUTC ADVICE NO. 25-07 / UG-_____

| Description | Page |
|---|-------------|
| Calculation of Increments Allocated on the Equal Percentage of Margin Basis | 1 |
| Calculation of Effect on Customer Average Bill by Rate Schedule | 2 |
| Determination of Cost of Service | 3 |
| Effects on Revenue | 4 |

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

| | | | | | | | | | | | Mist Recall | | | | |
|---------------------------|-------------|-------------|--------------|-----------|-----------|------------|--------------|-------------|----------------|--------------|-------------------------------|-----|--------------|----------------------------------|-----------|
| | | | | | | | | | | | Proposed Amount: | \$ | 9,409 | Permanent Increment | |
| | | | | | | | | | | | Revenue Sensitive Multiplier: | N/A | | rev sensitive factor is built in | |
| | | | | | | | | | | | Amount to Amortize: | | 9,409 | to all sales | |
| | | | | | | | | | | | | | Multiplier | Allocation to RS | Increment |
| | | | | | | | | | | | | | V | W | X |
| PGA | Billing | WACOG & | Tempo | | | | | | | | | | | | |
| Volumes page, | Rate from | Demand from | Increment | page, | MARGIN | Volumetric | Customer | Customers | Total | | | | | | |
| Column D | Rates page, | Rates page, | Column B+C+D | Column A | Rate | Margin | Charge | | Margin | | | | | | |
| Column D | Column A | Column A | | | E=B-C-D | F=E * A | G | H | I = (G*H*12)+F | | | | | | |
| Schedule | Block | A | B | C | D | E | F | G | H | I | | | | | |
| 1R | | 179,824 | \$1.66830 | \$0.53611 | \$0.29750 | \$0.83469 | \$150,097 | \$5.50 | 1,884 | \$274,441 | | | 1.0 | 44 | \$0.0002 |
| 1C | | 18,807 | \$1.67264 | \$0.53611 | \$0.27345 | \$0.86308 | \$16,232 | \$7.00 | 36 | \$19,256 | | | 1.0 | 3 | \$0.0001 |
| 2R | | 59,991,192 | \$1.31527 | \$0.53611 | \$0.22096 | \$0.55820 | \$33,487,083 | \$8.00 | 89,230 | \$42,053,163 | | | 1.0 | 6,677 | \$0.0001 |
| 3 CFS | | 21,359,579 | \$1.27854 | \$0.53611 | \$0.20893 | \$0.53350 | \$11,395,335 | \$22.00 | 6,828 | \$13,197,927 | | | 1.0 | 2,096 | \$0.0001 |
| 3 IFS | | 192,102 | \$1.23031 | \$0.53611 | \$0.15035 | \$0.54385 | \$104,475 | \$22.00 | 20 | \$109,755 | | | 1.0 | 17 | \$0.0000 |
| 27 | | 34,823 | \$1.11591 | \$0.53611 | \$0.26727 | \$0.31253 | \$10,883 | \$9.00 | 403 | \$54,407 | | | 1.0 | 9 | \$0.0002 |
| 41C Firm Sales | Block 1 | 1,665,389 | \$1.03949 | \$0.43274 | \$0.19067 | \$0.41608 | \$1,682,279 | \$250 | 101 | \$1,985,279 | | | 1.0 | 315 | \$0.0000 |
| | Block 2 | 2,698,481 | \$0.98116 | \$0.43274 | \$0.18179 | \$0.36663 | | | | | | | 1.0 | | \$0.0000 |
| 41I Firm Sales | Block 1 | 331,379 | \$0.94622 | \$0.43274 | \$0.14201 | \$0.37147 | \$317,352 | \$250.00 | 21 | \$380,352 | | | 1.0 | 60 | \$0.0000 |
| | Block 2 | 593,487 | \$0.89909 | \$0.43274 | \$0.13904 | \$0.32731 | | | | | | | 1.0 | | \$0.0000 |
| 41C Interr Sales | Block 1 | 0 | \$0.96427 | \$0.43274 | \$0.14700 | \$0.38453 | \$0 | \$250.00 | 0 | \$0 | | | 1.0 | 0 | \$0.0000 |
| | Block 2 | 0 | \$0.91047 | \$0.43274 | \$0.13893 | \$0.33880 | | | | | | | 1.0 | | \$0.0000 |
| 41I Interr Sales | Block 1 | 0 | \$0.90245 | \$0.43274 | \$0.10593 | \$0.36378 | \$0 | \$250.00 | 0 | \$0 | | | 1.0 | 0 | \$0.0000 |
| | Block 2 | 0 | \$0.85609 | \$0.43274 | \$0.10285 | \$0.32050 | | | | | | | 1.0 | | \$0.0000 |
| 41C Firm Trans | Block 1 | 123,243 | \$0.64044 | \$0.00000 | \$0.26259 | \$0.37785 | \$141,405 | \$500.00 | 8 | \$189,405 | | | 0.0 | 0 | \$0.0000 |
| | Block 2 | 284,875 | \$0.59302 | \$0.00000 | \$0.26011 | \$0.33291 | | | | | | | 0.0 | | \$0.0000 |
| 41I Firm Trans | Block 1 | 0 | \$0.62856 | \$0.00000 | \$0.26075 | \$0.36781 | \$0 | \$500.00 | 0 | \$0 | | | 0.0 | 0 | \$0.0000 |
| | Block 2 | 0 | \$0.58256 | \$0.00000 | \$0.25850 | \$0.32406 | | | | | | | 0.0 | | \$0.0000 |
| 42C Firm Sales | Block 1 | 820,213 | \$0.79626 | \$0.43274 | \$0.15742 | \$0.20610 | \$395,334 | \$1,300.00 | 8 | \$520,134 | | | 1.0 | 83 | \$0.0000 |
| | Block 2 | 926,223 | \$0.77027 | \$0.43274 | \$0.15305 | \$0.18448 | | | | | | | 1.0 | | \$0.0000 |
| | Block 3 | 323,675 | \$0.71863 | \$0.43274 | \$0.14439 | \$0.14150 | | | | | | | 1.0 | | \$0.0000 |
| | Block 4 | 84,983 | \$0.68461 | \$0.43274 | \$0.13869 | \$0.11318 | | | | | | | 1.0 | | \$0.0000 |
| | Block 5 | 0 | \$0.63927 | \$0.43274 | \$0.13108 | \$0.07545 | | | | | | | 1.0 | | \$0.0000 |
| | Block 6 | 0 | \$0.58259 | \$0.43274 | \$0.12157 | \$0.02828 | | | | | | | 1.0 | | \$0.0000 |
| 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 | 71 | \$0.0000 |
| | Block 2 | 668,287 | \$0.71258 | \$0.43274 | \$0.13089 | \$0.14895 | | | | | | | 1.0 | | \$0.0000 |
| | Block 3 | 109,048 | \$0.67457 | \$0.43274 | \$0.12761 | \$0.11422 | | | | | | | 1.0 | | \$0.0000 |
| | Block 4 | 24,233 | \$0.64957 | \$0.43274 | \$0.12545 | \$0.09138 | | | | | | | 1.0 | | \$0.0000 |
| | Block 5 | 0 | \$0.61626 | \$0.43274 | \$0.12258 | \$0.06094 | | | | | | | 1.0 | | \$0.0000 |
| | Block 6 | 0 | \$0.57455 | \$0.43274 | \$0.11898 | \$0.02283 | | | | | | | 1.0 | | \$0.0000 |
| 42C Firm Trans | Block 1 | 122,544 | \$0.40332 | \$0.00000 | \$0.24890 | \$0.15442 | \$112,991 | \$1,550.00 | 1 | \$131,591 | | | 0.0 | 0 | \$0.0000 |
| | Block 2 | 245,088 | \$0.38640 | \$0.00000 | \$0.24816 | \$0.13824 | | | | | | | 0.0 | | \$0.0000 |
| | Block 3 | 245,088 | \$0.35269 | \$0.00000 | \$0.24669 | \$0.10600 | | | | | | | 0.0 | | \$0.0000 |
| | Block 4 | 403,344 | \$0.33054 | \$0.00000 | \$0.24573 | \$0.08481 | | | | | | | 0.0 | | \$0.0000 |
| | Block 5 | 0 | \$0.30097 | \$0.00000 | \$0.24443 | \$0.05654 | | | | | | | 0.0 | | \$0.0000 |
| | Block 6 | 0 | \$0.26403 | \$0.00000 | \$0.24283 | \$0.02120 | | | | | | | 0.0 | | \$0.0000 |
| 42I Firm Trans | Block 1 | 933,452 | \$0.40096 | \$0.00000 | \$0.24935 | \$0.15161 | \$734,029 | \$1,550.00 | 10 | \$920,029 | | | 0.0 | 0 | \$0.0000 |
| | Block 2 | 1,354,332 | \$0.38427 | \$0.00000 | \$0.24856 | \$0.13571 | | | | | | | 0.0 | | \$0.0000 |
| | Block 3 | 1,182,765 | \$0.35105 | \$0.00000 | \$0.24699 | \$0.10406 | | | | | | | 0.0 | | \$0.0000 |
| | Block 4 | 2,743,941 | \$0.32922 | \$0.00000 | \$0.24596 | \$0.08326 | | | | | | | 0.0 | | \$0.0000 |
| | Block 5 | 1,030,134 | \$0.30009 | \$0.00000 | \$0.24459 | \$0.05550 | | | | | | | 0.0 | | \$0.0000 |
| | Block 6 | 0 | \$0.26369 | \$0.00000 | \$0.24287 | \$0.02082 | | | | | | | 0.0 | | \$0.0000 |
| 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 | 27 | \$0.0000 |
| | Block 2 | 449,890 | \$0.69043 | \$0.43274 | \$0.10666 | \$0.15103 | | | | | | | 1.0 | | \$0.0000 |
| | Block 3 | 201,897 | \$0.64878 | \$0.43274 | \$0.10024 | \$0.11580 | | | | | | | 1.0 | | \$0.0000 |
| | Block 4 | 59,596 | \$0.62141 | \$0.43274 | \$0.09603 | \$0.09264 | | | | | | | 1.0 | | \$0.0000 |
| | Block 5 | 0 | \$0.58493 | \$0.43274 | \$0.09041 | \$0.06178 | | | | | | | 1.0 | | \$0.0000 |
| | Block 6 | 0 | \$0.53925 | \$0.43274 | \$0.08334 | \$0.02317 | | | | | | | 1.0 | | \$0.0000 |
| 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 | 8 | \$0.0000 |
| | Block 2 | 27,036 | \$0.67199 | \$0.43274 | \$0.09287 | \$0.14638 | | | | | | | 1.0 | | \$0.0000 |
| | Block 3 | 0 | \$0.63489 | \$0.43274 | \$0.08990 | \$0.11225 | | | | | | | 1.0 | | \$0.0000 |
| | Block 4 | 0 | \$0.61048 | \$0.43274 | \$0.08793 | \$0.08891 | | | | | | | 1.0 | | \$0.0000 |
| | Block 5 | 0 | \$0.57791 | \$0.43274 | \$0.08531 | \$0.05986 | | | | | | | 1.0 | | \$0.0000 |
| | Block 6 | 0 | \$0.53724 | \$0.43274 | \$0.08206 | \$0.02244 | | | | | | | 1.0 | | \$0.0000 |
| 42C Inter Trans | Block 1 | 0 | \$0.39076 | \$0.00000 | \$0.24907 | \$0.14169 | \$0 | \$1,550.00 | 0 | \$0 | | | 0.0 | 0 | \$0.0000 |
| | Block 2 | 0 | \$0.37516 | \$0.00000 | \$0.24831 | \$0.12685 | | | | | | | 0.0 | | \$0.0000 |
| | Block 3 | 0 | \$0.34405 | \$0.00000 | \$0.24678 | \$0.09727 | | | | | | | 0.0 | | \$0.0000 |
| | Block 4 | 0 | \$0.32360 | \$0.00000 | \$0.24578 | \$0.07782 | | | | | | | 0.0 | | \$0.0000 |
| | Block 5 | 0 | \$0.29633 | \$0.00000 | \$0.24444 | \$0.05189 | | | | | | | 0.0 | | \$0.0000 |
| | Block 6 | 0 | \$0.26221 | \$0.00000 | \$0.24277 | \$0.01944 | | | | | | | 0.0 | | \$0.0000 |
| 42I Inter Trans | Block 1 | 952,237 | \$0.39347 | \$0.00000 | \$0.24917 | \$0.14430 | \$931,613 | \$1,550.00 | 10 | \$1,117,613 | | | 0.0 | 0 | \$0.0000 |
| | Block 2 | 1,827,775 | \$0.37758 | \$0.00000 | \$0.24841 | \$0.12917 | | | | | | | 0.0 | | \$0.0000 |
| | Block 3 | 1,364,376 | \$0.34592 | \$0.00000 | \$0.24687 | \$0.09905 | | | | | | | 0.0 | | \$0.0000 |
| | Block 4 | 4,116,253 | \$0.32511 | \$0.00000 | \$0.24586 | \$0.07925 | | | | | | | 0.0 | | \$0.0000 |
| | Block 5 | 1,831,129 | \$0.29736 | \$0.00000 | \$0.24452 | \$0.05284 | | | | | | | 0.0 | | \$0.0000 |
| | Block 6 | 0 | \$0.26266 | \$0.00000 | \$0.24285 | \$0.01981 | | | | | | | 0.0 | | \$0.0000 |
| 43 Firm Trans | Block 1 | 0 | \$0.24685 | \$0.00000 | \$0.24194 | \$0.00491 | \$0 | \$38,000.00 | 0 | \$0 | | | 0.0 | 0 | \$0.0000 |
| 43 Interr Trans | Block 1 | 0 | \$0.24685 | \$0.00000 | \$0.24194 | \$0.00491 | \$0 | \$38,000.00 | 0 | \$0 | | | 0.0 | 0 | \$0.0000 |
| Intentionally blank | | | | | | | | | | | | | 0.0 | 0 | \$0.0000 |
| Totals | | 110,817,104 | | | | | \$49,909,911 | | \$61,618,155 | | | | \$59,259,517 | \$9,410 | |
| Sources for line 2 above: | | | | | | | | | | | | | | | |
| Inputs page | | | | | | | | | | | Column G | | | | |
| Tariff Schedules: | | | | | | | | | | | Line 50 | | | | |
| Schedule # | | | | | | | | | | | | | | | |

84 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 PGA Filing - Washington: September Filing
Effects on Average Bill by Rate Schedule
Calculation of Effect on Customer Average Bill by Rate Schedule [1] [3]

| | | | | | | | | | | | \$0.57 Proposed 11/1/2026 | Proposed 11/1/2026 | |
|---------------------|--|--|------------------------|-------------------|---------------------------|-------------------|----------------------------|----------------------|--|--|---------------------------------|-----------------------|------|
| | | Normal Therms | Minimum | Current CCA | Current Net Minimum | Proposed CCA | Proposed Net Minimum | Current 11/1/2025 | Current 11/1/2026 | Proposed 11/1/2026 | Mist Recall Average Bill | % Bill Change | |
| | | Therms in Block | Monthly Average use | Monthly Charge | Monthly Avg. Credit | Monthly Charge | Monthly Avg. Credit | Billing Rates | Current Average Bill[2] | Rates | | | |
| | | | | D | | | E | | | F = D*(C * E) | T = D*(C*%) | U | |
| Schedule | Block | B | C | | | | | | | | | | |
| 1R | N/A | 8.0 | \$5.50 | \$1.82 | \$3.68 | \$1.82 | \$3.68 | \$1.66830 | \$17.03000 | \$1.66854 | \$17.03 | 0.0% | |
| 1C | N/A | 44.0 | \$7.00 | \$5.34 | \$1.66 | \$5.34 | \$1.66 | \$1.67264 | \$75.25 | \$1.67280 | \$75.26 | 0.0% | |
| 2R | N/A | 56.0 | \$8.00 | \$10.54 | (\$2.54) | \$10.54 | (\$2.54) | \$1.31527 | \$71.11 | \$1.31538 | \$71.12 | 0.0% | |
| 3 CFS | N/A | 261.0 | \$22.00 | \$48.32 | (\$26.32) | \$48.32 | (\$26.32) | \$1.27854 | \$307.38 | \$1.27864 | \$307.40 | 0.0% | |
| 3 PFS | N/A | 800.0 | \$22.00 | \$129.16 | (\$107.16) | \$129.16 | (\$107.16) | \$1.23031 | \$877.09 | \$1.23040 | \$877.16 | 0.0% | |
| 27 | N/A | 7.0 | \$9.00 | \$0.00 | \$9.00 | \$0.00 | \$9.00 | \$1.11591 | \$16.81 | \$1.11617 | \$16.81 | 0.0% | |
| 41C Firm Sales | Block 1 Block 2 all additional | 2,000 all additional | 3,601.0 | \$250.00 | \$515.09 | (\$265.09) | \$515.09 | (\$265.09) | \$1.03949 \$0.98116 | \$1.03957 \$0.98123 | | | |
| TOTAL | | | | | | | | | \$3,384.73 | | \$3,385.00 | 0.0% | |
| 41I Firm Sales | Block 1 Block 2 all additional | 2,000 all additional | 3,670.0 | \$250.00 | \$622.72 | (\$372.72) | \$622.72 | (\$372.72) | \$0.94622 \$0.89909 | \$0.94629 \$0.89915 | | | |
| TOTAL | | | | | | | | | \$3,021.20 | | \$3,021.44 | 0.0% | |
| 41C Interr Sales | Block 1 Block 2 all additional | 2,000 all additional | 0.0 | \$250.00 | \$515.09 | \$250.00 | \$515.09 | \$250.00 | \$0.96427 \$0.91047 | \$0.96434 \$0.91053 | | | |
| TOTAL | | | | | | | | | \$250.00 | | \$250.00 | 0.0% | |
| 41I Interr Sales | Block 1 Block 2 all additional | 2,000 all additional | 0.0 | \$250.00 | \$622.72 | \$250.00 | \$622.72 | \$250.00 | \$0.90245 \$0.85609 | \$0.90252 \$0.85615 | | | |
| TOTAL | | | | | | | | | \$250.00 | | \$250.00 | 0.0% | |
| 41C Firm Trans | Block 1 Block 2 all additional | 2,000 all additional | 4,251.0 | \$500.00 | \$515.09 | (\$15.09) | \$515.09 | (\$15.09) | \$0.64044 \$0.59302 | \$0.64044 \$0.59302 | | | |
| TOTAL | | | | | | | | | \$2,600.68 | | \$2,600.68 | 0.0% | |
| 41I Firm Trans | Block 1 Block 2 all additional | 2,000 all additional | 0.0 | \$500.00 | \$622.72 | \$500.00 | \$622.72 | \$500.00 | \$0.62856 \$0.58256 | \$0.62856 \$0.58256 | | | |
| TOTAL | | | | | | | | | \$500.00 | | \$500.00 | 0.0% | |
| 42C Firm Sales | Block 1 Block 2 Block 3 Block 4 Block 5 Block 6 all additional | 10,000 20,000 20,000 100,000 600,000 all additional | 22,449.0 | \$1,300.00 | \$5,142.27 | (\$3,842.27) | \$5,142.27 | (\$3,842.27) | \$0.79626 \$0.77027 \$0.71863 \$0.68461 \$0.63927 \$0.58259 | \$0.79630 \$0.77031 \$0.71866 \$0.68463 \$0.63929 \$0.58260 | | | |
| TOTAL | | | | | | | | | \$13,709.42 | | \$13,710.32 | 0.0% | |
| 42I Firm Sales | Block 1 Block 2 Block 3 Block 4 Block 5 Block 6 all additional | 10,000 20,000 20,000 100,000 600,000 all additional | 11,726.0 | \$1,300.00 | \$3,945.77 | (\$1,522.80) | \$3,945.77 | (\$1,522.80) | \$0.73169 \$0.71258 \$0.67457 \$0.64957 \$0.61628 \$0.57455 | \$0.73174 \$0.71262 \$0.67460 \$0.64959 \$0.61628 \$0.57456 | | | |
| TOTAL | | | | | | | | | \$7,024.01 | | \$7,024.58 | 0.0% | |
| 42C Firm Trans | Block 1 Block 2 Block 3 Block 4 Block 5 Block 6 all additional | 10,000 20,000 20,000 100,000 600,000 all additional | 84,672.0 | \$1,550.00 | \$5,142.27 | (\$3,592.27) | \$5,142.27 | (\$3,592.27) | \$0.40332 \$0.38640 \$0.35269 \$0.33054 \$0.30097 \$0.26403 | \$0.40332 \$0.38640 \$0.35269 \$0.33054 \$0.30097 \$0.26403 | | | |
| TOTAL | | | | | | | | | \$26,683.21 | | \$26,683.21 | 0.0% | |
| 42I Firm Trans | Block 1 Block 2 Block 3 Block 4 Block 5 Block 6 all additional | 10,000 20,000 20,000 100,000 600,000 all additional | 60,372.0 | \$1,550.00 | \$3,945.77 | (\$2,395.77) | \$3,945.77 | (\$2,395.77) | \$0.40096 \$0.38427 \$0.35105 \$0.32922 \$0.30009 \$0.26369 | \$0.40096 \$0.38427 \$0.35105 \$0.32922 \$0.30009 \$0.26369 | | | |
| TOTAL | | | | | | | | | \$19,734.90 | | \$19,734.90 | 0.0% | |
| 42C Interr Sales | Block 1 Block 2 Block 3 Block 4 Block 5 Block 6 all additional | 10,000 20,000 20,000 100,000 600,000 all additional | 39,550.0 | \$1,300.00 | \$5,142.27 | (\$3,842.27) | \$5,142.27 | (\$3,842.27) | \$0.71133 \$0.69043 \$0.64878 \$0.62141 \$0.58493 \$0.53925 | \$0.71136 \$0.69046 \$0.64880 \$0.62143 \$0.58494 \$0.53925 | | | |
| TOTAL | | | | | | | | | \$23,275.48 | | \$23,276.57 | 0.0% | |
| 42I Interr Sales | Block 1 Block 2 Block 3 Block 4 Block 5 Block 6 all additional | 10,000 20,000 20,000 100,000 600,000 all additional | 16,547.0 | \$1,300.00 | \$3,945.77 | (\$2,645.77) | \$3,945.77 | (\$2,645.77) | \$0.69064 \$0.67199 \$0.63489 \$0.61048 \$0.57791 \$0.53724 | \$0.69068 \$0.67203 \$0.63492 \$0.61050 \$0.57792 \$0.53725 | | | |
| TOTAL | | | | | | | | | \$8,660.15 | | \$8,660.81 | 0.0% | |
| 42C Inter Trans | Block 1 Block 2 Block 3 Block 4 Block 5 Block 6 all additional | 10,000 20,000 20,000 100,000 600,000 all additional | 0.0 | \$1,550.00 | \$5,142.27 | \$1,550.00 | \$5,142.27 | \$1,550.00 | \$0.39076 \$0.37516 \$0.34405 \$0.32360 \$0.29633 \$0.26221 | \$0.39076 \$0.37516 \$0.34405 \$0.32360 \$0.29633 \$0.26221 | | | |
| TOTAL | | | | | | | | | \$1,550.00 | | \$1,550.00 | 0.0% | |
| 42I Inter Trans | Block 1 Block 2 Block 3 Block 4 Block 5 Block 6 all additional | 10,000 20,000 20,000 100,000 600,000 all additional | 84,098.0 | \$1,550.00 | \$3,945.77 | (\$2,395.77) | \$3,945.77 | (\$2,395.77) | \$0.39347 \$0.37758 \$0.34592 \$0.32511 \$0.29736 \$0.26266 | \$0.39347 \$0.37758 \$0.34592 \$0.32511 \$0.29736 \$0.26266 | | | |
| TOTAL | | | | | | | | | \$27,094.53 | | \$27,094.53 | 0.0% | |
| 43 Firm Trans | N/A | 0.0 | \$38,000.00 | | \$38,000.00 | 0.0 | | | \$0.24685 | \$38,000.00 | \$0.24685 | \$38,000.00 | 0.0% |
| 43 Interr Trans | N/A | 0.0 | \$38,000.00 | | \$38,000.00 | 0.0 | | | \$0.24685 | \$38,000.00 | \$0.24685 | \$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 CCA rates is equal to Current Billing Rate plus New CCA rates less current CCA rates. Assumes customer receives CCA credit.

[3] For Schedules where the average usage would generate a new credit, the non-volumetric credits have been capped at the CCA cost.

| | | |
|------------------|------------|------------|
| Source: | | 0.1% |
| Direct Inputs | per Tariff | per Tariff |
| Rates in summary | Column A | |

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

| Input Capital Costs and Rates | | | |
|-------------------------------|--------------|------|---------------|
| Cost of Capital | % of Capital | Cost | Weighted Cost |
| Debt | | | |
| Short Term Debt | | | |
| Preferred Equity | | | |
| Common Equity | | | |
| | 100.00% | | 6.814% |
| State Tax Rate | | | 0.00% |
| Federal Tax Rate | | | 21.00% |
| Revenue Sensitive Rate | | | 4.36% |
| Depreciation Rate | | | 1.90% |
| Property Tax Rate | | | 0.72% |
| Investment | | | \$85,288 |

per UG 200994

per UG 200994

per UG 200994

per UG 200994

per UG 200994

per UG 200994

| Depreciation Calc | | | |
|-----------------------------|-----------|-----------|--------------|
| | FERC Acct | Dep. Rate | Gross Plant |
| Offsite/Gathering/Meter/Reg | 355 | 2.25% | \$ 162,995 |
| Reservoir | 352.2 | 1.75% | \$ - |
| Cushion Gas | 121.8 | 0.00% | \$ - |
| Wells | 352 | 1.82% | \$ 1,258,740 |
| Lines | 353 | 2.05% | \$ 312,750 |
| Weighted Average Depr. Rate | | 1.90% | |

Washington Recall Investement

| | |
|-----------------------------|----------|
| | WA share |
| 1 Depreciation | 1,622 |
| 2 Property Taxes | 614 |
| Taxes on Equity Return | |
| 3 State | 0 |
| 4 Federal | |
| 5 Total Taxes | |
| Return on Rate Base | |
| 6 Debt | |
| 7 Short Term Debt | |
| 8 Preferred Equity | |
| 9 Common Equity | |
| 10 Total Return | |
| 11 Subtotal Cost of Service | 9,016 |
| 12 Revenue Sensitive Items | 393 |
| 13 Total Cost of Service | \$9,409 |

NW Natural
Rates & Regulatory Affairs
2025-26 Washington: September Filing
Tariff Advice 25-07: Mist Recall

| | | |
|----|--|-----------------------|
| 1 | | <u>Amount</u> |
| 2 | | |
| 3 | <u>Permanent Increments</u> | |
| 4 | | |
| 5 | <u>Removal of Current Permanent Increments</u> | |
| 6 | Amortization of Mist Recall | 0 |
| 7 | | |
| 8 | <u>Addition of Proposed Permanent Increments</u> | |
| 9 | Amortization of Mist Recall | 9,409 |
| 10 | | |
| 11 | | |
| 12 | TOTAL OF ALL COMPONENTS OF RATE CHANGES | <u>\$9,409</u> |
| 13 | | |
| 14 | | |
| 15 | | |
| 16 | 2024 Washington CBR Normalized Total Revenues | \$109,949,935 |
| 17 | | |
| 18 | Effect of this filing, as a percentage change | 0.01% |

EXHIBIT B

BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

NW NATURAL
SUPPORTING MATERIALS

Mist Recall Memo

NWN WUTC Advice No. 25-07 / UG-_____

September 15, 2025



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



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Portland, OR 97204

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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.



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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 |