

September 15, 2026

NWN WUTC Advice No. 26-11 / UG_____

VIA ELECTRONIC FILING

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

Re: NEW Schedule 241: Temporary Adjustments to Rates for Thermostat Rewards Program

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company) files herewith the following revision to its Tariff WN U-6, stated to become effective with service on and after November 1, 2026, as follows:

Original Sheet 241.1	Schedule 241	Temporary Adjustments to Rates for Thermostat Rewards Program
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Purpose

The purpose of this filing is to establish new Schedule 241 to reflect temporary rate adjustments to amortize the deferred balance associated with NW Natural's Thermostat Rewards Program. The Company proposes to recover \$311,219 over a 12-month period from residential and commercial customers served under Schedules 1R, 1C, 2, and 3C.

The proposed adjustments are requested to become effective November 1, 2026, coincident with the requested effective date of the Company's Purchased Gas Adjustment (PGA) filing, separately submitted as NW Natural's WUTC Advice No. 26-12.

Background

The Washington Utilities and Transportation Commission (Commission) authorized deferred accounting treatment for costs associated with developing, implementing, and evaluating demand response programs in Docket UG-240441, Order 01. In Advice No. 25-09 (Docket UG-250754), NW Natural filed Schedule R for the Thermostat Rewards Program. That filing explained that program costs would include set-up fees, portal access, incentives, customer support, implementation, administrative, outreach, and communication costs. After discussions with Commission Staff, NW Natural withdrew the proposed temporary cost-recovery schedule and stated that it would request recovery in a future filing. The withdrawal did not affect Schedule R.

Proposed Changes

Schedule 241 will recover the \$311,219 deferred balance, including revenue sensitivity, over 12 months using adjustments calculated on an equal-percentage-of-margin basis. The adjustments apply to Schedules 1R, 1C, 2, and 3C. Supporting workpapers show the deferred balance and the derivation of the proposed adjustments for each schedule. It should be noted that the proposed

Schedule 241 adjustments represent only a portion of the deferred accounts that are proposed to be applied to customer rates effective November 1, 2026 (see NW Natural's WUTC Advice Nos. 26-03, 26-08, 26-09, 26-10, and 26-12). As such, the bill effects stated herein are provided for illustrative purposes only and reflect the effect of applying the proposed Schedule 241 adjustments to current billing rates.

If there were no other adjustments to rates effective November 1, 2026, the average Schedule 2 residential customer using 55 therms per month would see a bill increase of approximately \$0.22 per month, or 0.3%, from Schedule 241. The supporting workpapers show the estimated bill effect for each applicable schedule.

The balance proposed for recovery is recorded in account 151823 and relates to the Washington demand response deferral for the Thermostat Rewards Program. The deferred balance proposed for recovery is an estimated balance as of October 31, 2026 of \$297,187. The supporting workpapers identify the program costs included in the balance and reconcile those costs to the proposed recovery amount.

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. 26-12.

The proposed rate change will affect NW Natural's Washington residential and commercial sales service customers served under Schedules 1R, 1C, 2, and 3C. NW Natural currently serves approximately 91,945 residential customers and 6,886 commercial customers in the Company's Washington service territory that will be impacted by this Schedule.

Conclusion

The Company respectfully requests that the tariff sheet filed herewith be approved to become effective with service on and after November 1, 2026.

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

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@hwnatural.com

Attachments:

NEW-NWN-WUTC-Advice-26-11-Thermostat-Rewards-Trf-Sheet-241-1-09-15-26
NEW-NWN-WUTC-Advice-26-11-Thermostat-Rewards-Exh-A-09-15-26
NEW-NWN-WUTC-Advice-26-11-Thermostat-Rewards-Exh-A-09-15-26-xlsx

SCHEDULE 241
TEMPORARY ADJUSTMENTS TO RATES FOR THERMOSTAT REWARDS PROGRAM

PURPOSE:

This Schedule recovers the costs of the demand response program offered under Schedule R – Thermostat Rewards Program.

APPLICABLE:

To all Residential and Small Commercial Customers on the Rates Schedules listed below, allocated on the basis of equal percentage of margin:

Residential	Small Commercial
Rate Schedule 1 R	Rate Schedule 1 C
Rate Schedule 2	Rate Schedule 3 CSF

APPLICATION TO RATE SCHEDULES:

Effective: November 1, 2026

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

Schedule	Rate Class	Rate Adjustment per therm
1 R	Residential	\$0.00772
1 C	Commercial	\$0.00595
2	Residential	\$0.00391
3 CSF	Commercial	\$0.00349

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 September 15, 2026
NWN WUTC Advice No. 26-11

Effective with service on
and after November 1, 2026

(N)

(N)

EXHIBIT A

BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

NW NATURAL
SUPPORTING MATERIALS

Non-Gas Cost Deferral Amortizations
Thermostat Rewards Program

NWN WUTC Advice No. 26-11 / UG-_____

September 15, 2026

NW NATURAL

EXHIBIT A

Supporting Materials

Thermostat Rewards Program

NWN WUTC ADVICE NO. 26-11 / UG-_____

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Calculation of Increments Allocated on the Equal Percentage of Margin Basis	1
Calculation of Effect on Customer Average Bill by Rate Schedule	2
Summary of Deferred Accounts	3
151823 Demand Response Program	4
PGA Effects on Revenue	5

NW Natural

Rates & Regulatory Affairs

2026-2027 PGA Filing - Washington: September Filing

Calculation of Increments Allocated on the EQUAL PERCENTAGE OF MARGIN BASIS

												Demand Response			
												297,187 Allocated to Rate Schedules			
												509% revenue sensitive factor is built in			
												311,219 All Customers			
												Multiplier			
												Allocation to RS			
												Increment			
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NW Natural
Rates & Regulatory Affairs
2026-2027 PGA Filing - Washington: September Filing
Effects on Average Bill by Rate Schedule
Calculation of Effect on Customer Average Bill by Rate Schedule [1] [3]

Effect of Change on Customer Average Bill by Rate Schedule [1] [2]													Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
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NW Natural
Rates & Regulatory Affairs
2026-2027 PGA Filing - Washington: September Filing
Summary of Deferred Accounts

	Account	Balance 8/31/2026	Sep-Oct Estimated Activity	Sep-Oct Interest	Estimated Balance 10/31/2026	Estimated Interest During Amortization	Total Estimated Amount for (Refund) or Collection	Amounts Excluded from PGA Filing	Amounts Included in PGA Filing	Refer to Rate Dev File "Allocation = % of margin" tab	Refer to Rate Dev File "Allocation Equal ¢ per therm" tab
	A	B	C	D	E	F	G	H	I	J	K
					E = sum B thru D	6.75%	G = E + F			see note	see note
	MISC Deferrals and Amortizations										
1							Excl. Rev Sens				
2	151823 DEFER DEMAND RESPONSE	294,841	-	2,345	297,187						
3		294,841	-	2,345	297,187	-	297,187		297,187		

Company: Northwest Natural Gas Company
State: Washington
Description: Demand Response Program
Account Number: 151823

Debit (Credit)

	Month/Year	Note	Deferral	Transfers	Interest Rate	Interest	Activity	Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Beginning Balance							0.00
111	Nov-24		391.47		4.697%	3.09	394.56	987.21
112	Dec-24		43,552.41		4.697%	89.10	43,641.51	44,628.72
113	Jan-25		6,283.35		4.697%	186.98	6,470.33	51,099.05
114	Feb-25		16,274.04		4.697%	231.86	16,505.90	67,604.95
115	Mar-25		2,177.88		4.697%	268.88	2,446.76	70,051.71
116	Apr-25		32,334.65		4.697%	337.48	32,672.13	102,723.84
117	May-25		15,792.60		4.697%	432.99	16,225.59	118,949.43
118	Jun-25		7,289.24		4.697%	479.85	7,769.09	126,718.52
119	Jul-25		3,102.37		4.697%	502.07	3,604.44	130,322.96
120	Aug-25		6,151.65		4.697%	522.15	6,673.80	136,996.76
121	Sep-25		(444.88)		4.697%	535.36	90.48	137,087.24
122	Oct-25		2,035.36		4.697%	540.57	2,575.93	139,663.17
123	Nov-25		7,813.06		4.697%	561.96	8,375.02	148,038.19
124	Dec-25		7,998.75		4.697%	595.10	8,593.85	156,632.04
125	Jan-26		19,978.75		4.763%	661.35	20,640.10	177,272.14
126	Feb-26		17,520.27		4.763%	738.39	18,258.66	195,530.80
127	Mar-26		13,748.21		4.763%	803.38	14,551.59	210,082.39
128	Apr-26		15,865.25		4.763%	865.34	16,730.59	226,812.98
129	May-26		34,403.17		4.763%	968.53	35,371.70	262,184.68
130	Jun-26		14,870.44		4.763%	1,070.17	15,940.61	278,125.29
131	Jul-26		9,923.81		4.763%	1,123.62	11,047.43	289,172.72
132	Aug-26		4,512.04		4.763%	1,156.73	5,668.77	294,841.49
133	Sep-26				4.763%	1,170.28	1,170.28	296,011.77
134	Oct-26				4.763%	1,174.92	1,174.92	297,186.69

135
136 History truncated for ease of viewing

NW Natural
Rates & Regulatory Affairs
2026-27 Washington: September Filing
Tariff Advice 26-12: Demand Response

1		<u>Amount</u>
2		
3	<u>Temporary Increments</u>	
4		
5	<u>Removal of Current Temporary Increments</u>	
6	Amortization of Demand Response	0
7		
8	<u>Addition of Proposed Temporary Increments</u>	
9	Amortization of Demand Response	311,219
10		
11		
12	TOTAL OF ALL COMPONENTS OF RATE CHANGES	<u><u>\$311,219</u></u>
13		
14		
15		
16	2025 Washington CBR Normalized Total Revenues	\$98,451,934
17		
18	Effect of this filing, as a percentage change	0.32%