

NW Natural
Rates & Regulatory Affairs
2021 Earnings Test
Calculation of 13-month Average Cost of Capital

Line		2020 Dec	2021 Jan	2021 Feb	2021 Mar	2021 Apr	2021 May	2021 Jun	2021 Jul	2021 Aug	2021 Sep	2021 Oct	2021 Nov	2021 Dec	13 Month Average
1	<u>Balances</u>														
2	Long Term Debt (see line 39)	924,700,000	924,700,000	924,700,000	924,700,000	924,700,000	924,700,000	924,700,000	924,700,000	914,700,000	864,700,000	864,700,000	994,700,000	994,700,000	922,616,667
3	Preferred Stock														
4	Common Stock (see line 33)	835,214,333	860,915,951	870,861,026	881,606,789	887,765,096	873,445,101	868,449,970	861,071,058	841,747,599	835,817,950	848,312,512	942,003,840	978,170,501	873,224,109
5															
6	Total Capital	<u>1,759,914,333</u>	<u>1,785,615,951</u>	<u>1,795,561,026</u>	<u>1,806,306,789</u>	<u>1,812,465,096</u>	<u>1,798,145,101</u>	<u>1,793,149,970</u>	<u>1,785,771,058</u>	<u>1,756,447,599</u>	<u>1,700,517,950</u>	<u>1,713,012,512</u>	<u>1,936,703,840</u>	<u>1,972,870,501</u>	<u>1,795,840,776</u>
7															
8	<u>% of Total Capital</u>														
9	Long Term Debt	52.54%	51.79%	51.50%	51.19%	51.02%	51.43%	51.57%	51.78%	52.08%	50.85%	50.48%	51.36%	50.42%	51.38%
10	Preferred Stock														
11	Common Stock	47.46%	48.21%	48.50%	48.81%	48.98%	48.57%	48.43%	48.22%	47.92%	49.15%	49.52%	48.64%	49.58%	48.62%
12		<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
13															
14	<u>Average Cost</u>														
15	Long Term Debt	4.597%	4.597%	4.597%	4.597%	4.597%	4.598%	4.598%	4.598%	4.548%	4.619%	4.619%	4.424%	4.424%	4.575%
16	Preferred Stock														
17	Common Stock	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%	9.400%
18															
19	<u>Weighted Average Cost of Debt</u>														
20	Long Term Debt	2.42%	2.38%	2.37%	2.35%	2.35%	2.36%	2.37%	2.38%	2.37%	2.35%	2.33%	2.27%	2.23%	2.35%
21	Preferred Stock														
22	Common Stock	4.46%	4.53%	4.56%	4.59%	4.60%	4.57%	4.55%	4.53%	4.50%	4.62%	4.66%	4.57%	4.66%	4.57%
23		<u>6.88%</u>	<u>6.91%</u>	<u>6.93%</u>	<u>6.94%</u>	<u>6.95%</u>	<u>6.93%</u>	<u>6.92%</u>	<u>6.91%</u>	<u>6.87%</u>	<u>6.97%</u>	<u>6.99%</u>	<u>6.84%</u>	<u>6.89%</u>	<u>6.92%</u>
24															
25	<u>Calculation of Utility Equity:</u>														
26	NWN Corporate Equity	835,214,333	860,915,951	870,861,026	881,606,789	887,765,096	873,445,101	868,449,970	861,071,058	841,747,599	835,817,950	848,312,512	942,003,840	978,170,501	873,224,109
27	Less 123016 INVEST IN NNG FINL	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	Less 123020 INVEST IN NW BIOGAS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Less 123410 INVEST - NWN ENERGY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	NWN Utility Equity	<u>835,214,333</u>	<u>860,915,951</u>	<u>870,861,026</u>	<u>881,606,789</u>	<u>887,765,096</u>	<u>873,445,101</u>	<u>868,449,970</u>	<u>861,071,058</u>	<u>841,747,599</u>	<u>835,817,950</u>	<u>848,312,512</u>	<u>942,003,840</u>	<u>978,170,501</u>	<u>873,224,109</u>