

BEFORE THE  
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

UG-\_\_  
GENERAL RATE APPLICATION  
OF  
NORTHWEST NATURAL GAS COMPANY

December 18, 2020

**Direct Exhibit of Robert J. Wyman**

**WEATHER NORMALIZED LOAD  
COST OF SERVICE STUDY  
RATE SPREAD & RATE DESIGN**

**Exh. RJW-2**

The native version of this exhibit will be provided in the work papers.



**NW Natural**  
**Washington Jurisdictional Rate Case**  
**Test Year Twelve Months Ended September 30, 2020**  
**Cost of Service Study (EmCOSS) Summary Results**  
 Summary of Cost of Service Determinants and Allocators

Line No.	CUSTOMER CLASS SERVICE TYPE RATE SCHEDULE	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16																		
		Residential	Residential	Commercial	Commercial	Commercial	Industrial	Commercial	Commercial	Commercial	Commercial	Industrial	Industrial	Industrial	Transportation	Commercial	Industrial	Transportation		
		Sales Firm R01	Sales Firm R02	Sales Firm R27	Sales Firm C01	Sales Firm C03	Sales Firm I03	Sales Firm C41SF	Sales Firm C42SF	Sales Firm C42SI	Sales Firm Interruptible	Sales Firm I41SF	Sales Firm I42SF	Sales Firm Interruptible I42SI	Transportation Firm C41TF/I41TF	Transportation Firm C42TF	Transportation Firm I42TF	Transportation Firm Interruptible C42TI/I42TI		
12	SERVICE LINES																			
	Avg Service Installed Cost - Indirect Allocation	Line-1	100.00%	1.18%	82.60%	0.32%	0.08%	15.82%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
	Large Customer Services - Direct Allocation	Line-2 \$	574,080 \$	0 \$	0 \$	0 \$	0 \$	0 \$	59,970 \$	259,915 \$	20,967 \$	11,998 \$	49,296 \$	41,293 \$	12,870 \$	24,865 \$	17,529 \$	35,305 \$	40,071	
13	METERS																			
	13a Average Installed Cost	Meter-1	100.00%	0.89%	77.59%	1.07%	0.09%	16.58%	0.35%	1.36%	0.15%	0.06%	0.30%	0.32%	0.14%	0.13%	0.20%	0.33%	0.47%	
	13b Direct-Com	Meter-2	100.00%	0.00%	0.00%	5.54%	0.45%	86.19%	0.00%	7.07%	0.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	13c Direct-Ind	Meter-3	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	15.19%	0.00%	0.00%	2.48%	13.25%	14.01%	5.99%	5.55%	8.57%	14.55%	20.40%	
	13d Direct-Res	Meter-4	100.00%	1.13%	98.87%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
14	CUSTOMER SERVICE / BILLING																			
	14a Gas Management / Operations - Direct Allocation	CSrv-1 \$	906,018 \$	7,351 \$	654,547 \$	10,932 \$	479 \$	89,007 \$	324 \$	58,796 \$	3,231 \$	1,690 \$	11,630 \$	7,753 \$	2,535 \$	14,902 \$	7,451 \$	16,764 \$	18,627	
	14b Major Accounts - Direct Allocation	CSrv-2 \$	103,059 \$	0 \$	0 \$	0 \$	0 \$	0 \$	11,544 \$	45,674 \$	2,510 \$	1,004 \$	9,034 \$	6,023 \$	1,506 \$	6,649 \$	3,324 \$	7,480 \$	8,311	
	14c Avg Weighted Cost per Customer - Indirect Allocation	CSrv-3	100.00%	1.00%	89.32%	0.85%	0.04%	7.49%	0.03%	0.71%	0.04%	0.02%	0.14%	0.09%	0.02%	0.06%	0.03%	0.07%	0.08%	
	14d Direct-Com	CSrv-4	100.00%	0.00%	0.00%	10.74%	0.47%	87.46%	0.00%	1.26%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	14e Direct-Ind	CSrv-5	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	25.84%	0.00%	0.00%	2.25%	20.22%	13.48%	3.37%	8.99%	4.49%	10.11%	11.24%	
	14f Direct-Res	CSrv-6	100.00%	1.11%	98.89%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	14g Direct-Lrg Com/Ind	CSrv-7	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	12.43%	49.19%	2.70%	1.08%	9.73%	6.49%	1.62%	4.32%	2.16%	4.86%	5.41%	
15	ADMINISTRATIVE & GENERAL AND GENERAL PLANT																			
	15a Allocated Plant	Gnrl-1	100.00%	0.62%	69.58%	0.47%	0.09%	21.15%	0.21%	1.99%	0.30%	0.27%	0.54%	0.66%	0.13%	0.15%	0.55%	1.61%	1.70%	
	15b Salary and Wages		40.00%	--> percent of all O&M expenses that are wages/salary																
	15c Total Throughput	Gnrl-2	100.00%	0.21%	54.88%	0.46%	0.05%	17.84%	0.28%	3.75%	0.72%	0.94%	1.01%	1.84%	0.32%	0.44%	2.47%	6.77%	8.02%	
	15d Total Revenue	Gnrl-3	100.00%	0.36%	67.88%	0.47%	0.07%	20.63%	0.31%	3.65%	0.60%	0.55%	0.96%	1.48%	0.22%	0.24%	0.46%	1.05%	1.06%	
	15e Common - Net Stor/Dist/Trnm Plant, Customers, O&M	Cmn-1	100.00%	0.81%	79.49%	0.68%	0.06%	13.75%	0.22%	1.35%	0.17%	0.15%	0.40%	0.43%	0.09%	0.15%	0.33%	0.93%	0.99%	
	15f Net Stor/Dist/Trnm Plant		100.00%	0.60%	68.63%	0.45%	0.09%	21.85%	0.21%	2.05%	0.31%	0.28%	0.55%	0.68%	0.13%	0.15%	0.57%	1.68%	1.77%	
	15g Total O&M		100.00%	0.80%	79.04%	0.71%	0.05%	12.34%	0.41%	1.89%	0.21%	0.18%	0.62%	0.59%	0.14%	0.31%	0.41%	1.11%	1.19%	
	15h Customers		100.00%	1.02%	90.80%	0.87%	0.04%	7.07%	0.03%	0.10%	0.01%	0.00%	0.02%	0.01%	0.00%	0.01%	0.00%	0.01%	0.01%	





**NW Natural**  
**Washington Jurisdictional Rate Case**  
**Treat Year Twelve Months Ended September 30, 2020**  
**Cost of Service Study (EmCOS) Summary Results**  
 GCOST: A RR Cross-Reference

A	B	C	F	G	H	I
Line No.		FERC Act # Total Washington CRR/ROO	Total Adjustments	Adjusted ROO	Revenue Change to Base Rates	ROO after Rate Change
1						
7						
			<b>D+E</b>	<b>C+F</b>	<b>RR Input and revenue sensitive items</b>	<b>G+H</b>
8			\$71,676,740	\$4,211,988	\$75,888,728	\$6,255,810
9			\$0	\$0	\$0	\$0
10			\$0	\$0	\$0	\$0
11	Natural Gas operating revenues		\$0	\$0	\$0	\$0
12			\$0	\$0	\$0	\$0
13			\$0	\$0	\$0	\$0
14			\$0	\$0	\$0	\$0
15			\$2,096,290	\$2,363,437	\$267,428	\$307,428
16			\$0	\$0	\$0	\$0
17			\$71,875,561	\$6,725,322	\$78,600,883	\$6,255,810
18			\$0	\$0	\$0	\$0
19			\$0	\$0	\$0	\$0
20	Production expenses		\$34,325,147	\$4,403,405	\$38,728,552	\$0
21			\$0	\$0	\$0	\$0
22			\$0	\$0	\$0	\$0
23			\$24,125,147	\$4,403,405	\$28,728,552	\$0
24			\$0	\$0	\$0	\$0
25			\$0	\$0	\$0	\$0
26			\$0	\$0	\$0	\$0
27			\$338,060	\$0	\$338,060	\$0
28			\$50,209	\$0	\$50,209	\$0
29			\$11,468	\$0	\$11,468	\$0
30			\$0	\$0	\$0	\$0
31			\$319,807	\$0	\$319,807	\$0
32			\$759,545	\$0	\$759,545	\$0
33			\$159,628	\$0	\$159,628	\$0
34			\$0	\$0	\$0	\$0
35			\$277,595	\$0	\$277,595	\$0
36			\$437,223	\$0	\$437,223	\$0
37			\$3,798,168	\$0	\$3,798,168	\$0
38			\$1,199,579	\$0	\$1,199,579	\$0
39			\$4,987,747	\$0	\$4,987,747	\$0
40			\$0	\$0	\$0	\$0
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222			\$0	\$0	\$0	\$0
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224						

NW Natural  
Washington Jurisdictional Rate Case  
Test Year Twelve Months Ended September 30, 2020  
Cost of Service Study (EmCOSS) Summary Results  
GCOST: B COS Results

Line No.	FERC Acc't #	CUSTOMER CLASS	Residential Sales Firm R01	Residential Sales Firm R02	Commercial Sales Firm R27	Commercial Sales Firm C01	Commercial Sales Firm C03	Industrial Sales Firm I03	Commercial Sales Firm C415F	Commercial Sales Firm C425F	
7		<b>Total sales to ultimate customers</b>	\$ 78,333,455	\$ 283,691	\$ 53,008,198	\$ 363,218	\$ 53,871	\$ 16,112,007	\$ 241,044	\$ 2,853,836	\$ 470,189
9		<b>Natural Gas operating revenues</b>	\$ 78,333,455	\$ 283,691	\$ 53,008,198	\$ 363,218	\$ 53,871	\$ 16,112,007	\$ 241,044	\$ 2,853,836	\$ 470,189
11		<b>Total revenues net of provision for rate refunds</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
25		<b>Total Other operating revenues</b>	\$ 267,428	\$ 1,018	\$ 168,154	\$ 1,741	\$ 183	\$ 63,555	\$ 849	\$ 11,510	\$ 2,413
26		<b>Total natural gas operating revenues</b>	\$ 78,600,883	\$ 284,709	\$ 53,176,352	\$ 364,959	\$ 54,055	\$ 16,175,562	\$ 241,893	\$ 2,865,347	\$ 472,601
57		<b>Production expenses</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
77		<b>Total manufactured gas production expenses</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
78		<b>Total other gas supply expenses</b>	\$ 28,728,552	\$ 75,056	\$ 19,210,098	\$ 161,280	\$ 16,267	\$ 6,245,839	\$ 99,155	\$ 1,311,488	\$ 250,614
82		<b>Production expenses</b>	\$ 28,728,552	\$ 75,056	\$ 19,210,098	\$ 161,280	\$ 16,267	\$ 6,245,839	\$ 99,155	\$ 1,311,488	\$ 250,614
101		<b>Total underground storage expenses - operation</b>	\$ 338,000	\$ 818	\$ 243,125	\$ 2,362	\$ 157	\$ 60,085	\$ 946	\$ 11,446	\$ 2,273
108		<b>Total underground storage expenses - maintenance</b>	\$ 90,209	\$ 218	\$ 68,878	\$ 630	\$ 42	\$ 18,435	\$ 252	\$ 3,054	\$ 607
121		<b>Total other storage expenses - operation</b>	\$ 11,468	\$ 28	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
122		<b>Total other storage expenses - maintenance</b>	\$ 319,807	\$ 774	\$ 229,998	\$ 2,235	\$ 148	\$ 65,355	\$ 895	\$ 10,828	\$ 2,150
134		<b>Natural Gas Storage, Terminating and Processing Expenses</b>	\$ 799,545	\$ 1,838	\$ 538,000	\$ 5,227	\$ 11,816	\$ 152,874	\$ 13,562	\$ 25,329	\$ 5,500
143		<b>Total Transmission expenses - operation</b>	\$ 159,628	\$ 332	\$ 98,647	\$ 833	\$ 74	\$ 30,826	\$ 288	\$ 5,271	\$ 930
144		<b>Total transmission expenses - maintenance</b>	\$ 277,595	\$ 578	\$ 171,548	\$ 1,448	\$ 129	\$ 53,607	\$ 500	\$ 9,166	\$ 1,617
156		<b>Transmission Expenses</b>	\$ 437,223	\$ 910	\$ 270,195	\$ 2,280	\$ 203	\$ 84,433	\$ 788	\$ 14,437	\$ 2,547
167		<b>Total distribution expenses - operation</b>	\$ 3,788,168	\$ 26,376	\$ 2,734,659	\$ 21,110	\$ 2,541	\$ 667,628	\$ 7,067	\$ 69,010	\$ 10,963
168		<b>Total distribution expenses - maintenance</b>	\$ 1,199,579	\$ 7,414	\$ 844,405	\$ 7,180	\$ 887	\$ 222,646	\$ 3,675	\$ 23,974	\$ 3,626
173		<b>Distribution Expenses</b>	\$ 4,987,747	\$ 33,790	\$ 3,579,064	\$ 28,290	\$ 3,428	\$ 890,275	\$ 10,742	\$ 92,984	\$ 14,589
174		<b>Total customer account expenses</b>	\$ 2,307,801	\$ 23,196	\$ 2,059,618	\$ 16,132	\$ 762	\$ 137,718	\$ 13,274	\$ 11,540	\$ 332
178		<b>Miscellaneous customer service and informational expenses</b>	\$ 910	\$ 0	\$ 51,565	\$ 0	\$ 0	\$ 1	\$ 0	\$ 0	\$ 0
180		<b>Supervision</b>	\$ 171	\$ 122	\$ 10,892	\$ 104	\$ 5	\$ 913	\$ 3	\$ 87	\$ 5
181		<b>Demonstration and Selling Expense</b>	\$ 912	\$ 0	\$ 203,380	\$ 1,890	\$ 89	\$ 16,562	\$ 60	\$ 1,575	\$ 87
182		<b>Advertising</b>	\$ 56,603	\$ 568	\$ 50,559	\$ 484	\$ 23	\$ 4,237	\$ 15	\$ 403	\$ 22
196		<b>Total customer service and informational expenses</b>	\$ 1,052,059	\$ 6,960	\$ 862,857	\$ 7,489	\$ 353	\$ 65,223	\$ 24,712	\$ 6,240	\$ 343
197		<b>Maintenance of general plant</b>	\$ 932	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
198		<b>Maintenance of General Plant</b>	\$ 935	\$ 0	\$ 383,627	\$ 2,592	\$ 480	\$ 116,630	\$ 1,159	\$ 10,948	\$ 1,643
199		<b>Total administrative and general expenses</b>	\$ 9,293,848	\$ 80,982	\$ 7,573,746	\$ 73,567	\$ 4,650	\$ 989,766	\$ 25,540	\$ 205,267	\$ 16,061
205		<b>Depreciation expense production</b>	\$ 403,403.1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
206		<b>Total depreciation expenses</b>	\$ 12,471,561	\$ 85,609	\$ 9,034,504	\$ 62,488	\$ 10,076	\$ 2,402,577	\$ 25,165	\$ 218,316	\$ 31,906
214		<b>Intangible plant</b>	\$ 104,405	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
215		<b>Total amortization expenses</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
222		<b>Regulatory debits and credits</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
223		<b>Total taxes</b>	\$ 6,988,582	\$ 33,096	\$ 4,845,823	\$ 36,409	\$ 4,659	\$ 1,388,090	\$ 19,515	\$ 219,978	\$ 40,334
228		<b>Other utility operating income</b>	\$ 414	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
229		<b>Total various utility operating income items</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
230		<b>Test Year O&amp;M Adjustment</b>	\$ 696,464	\$ 5,575	\$ 550,862	\$ 4,927	\$ 369	\$ 85,599	\$ 2,856	\$ 13,107	\$ 1,428
231		<b>Natural gas operating expenses</b>	\$ 67,723,381	\$ 349,742	\$ 48,524,766	\$ 398,090	\$ 52,573	\$ 12,442,785	\$ 235,310	\$ 2,118,687	\$ 363,185
232		<b>Net Operating Income - natural gas operating revenues - natural gas operating expenses</b>	\$ 10,877,502	\$ (65,033)	\$ 4,651,586	\$ (33,131)	\$ 1,482	\$ 3,732,777	\$ 6,584	\$ 746,660	\$ 109,417
Note: Plant balances at the FERC Acc't level may not tie exactly to "A-RR Cost Reference" tab; these balances do not include the EOP Adjustment, which is included below.											
238		<b>Intangible plant</b>	\$ 17,118,547	\$ 134,315	\$ 13,227,484	\$ 112,415	\$ 9,945	\$ 2,288,463	\$ 95,230	\$ 459,426	\$ 41,986
251		<b>Underground storage plant</b>	\$ 15,521,949	\$ 37,558	\$ 11,163,024	\$ 108,462	\$ 7,206	\$ 3,172,003	\$ 43,443	\$ 525,549	\$ 104,373
252		<b>Structures / Gas Holders / Liquefaction Equip</b>	\$ 78,570	\$ 130	\$ 56,506	\$ 549	\$ 36	\$ 16,056	\$ 220	\$ 2,660	\$ 528
253		<b>Structures / Gas Holders / Liquefaction Equip</b>	\$ 2,464,234	\$ 5,963	\$ 1,772,220	\$ 17,219	\$ 1,144	\$ 503,581	\$ 6,887	\$ 83,435	\$ 16,570
254		<b>Structures / Gas Holders / Liquefaction Equip</b>	\$ 1,133,403	\$ 2,742	\$ 815,117	\$ 7,500	\$ 526	\$ 231,618	\$ 3,172	\$ 38,375	\$ 7,621
255		<b>Structures / Gas Holders / Liquefaction Equip</b>	\$ 5,648,001	\$ 16,015	\$ 4,083,372	\$ 39,370	\$ 2,677	\$ 1,126,436	\$ 15,538	\$ 182,764	\$ 35,910
264		<b>Transmission plant</b>	\$ 24,236,624	\$ 60,450	\$ 17,299,839	\$ 166,423	\$ 11,306	\$ 4,907,128	\$ 65,968	\$ 810,803	\$ 159,467
279		<b>Distribution plant</b>	\$ 310,336,888	\$ 2,108,450	\$ 216,348,673	\$ 1,285,349	\$ 286,507	\$ 66,228,722	\$ 588,748	\$ 5,460,284	\$ 774,320
291		<b>General plant</b>	\$ 39,518,859	\$ 286,354	\$ 29,581,823	\$ 222,232	\$ 28,978	\$ 6,869,261	\$ 81,765	\$ 641,868	\$ 91,299
292		<b>EOP Gross Plant Rate Base Adjustment</b>	\$ 9,938,907	\$ 61,779	\$ 6,915,024	\$ 46,730	\$ 8,646	\$ 2,102,295	\$ 20,892	\$ 197,339	\$ 29,622
293		<b>Natural gas plant in service</b>	\$ 416,671,773	\$ 2,688,906	\$ 294,535,866	\$ 1,941,609	\$ 352,586	\$ 85,567,872	\$ 896,047	\$ 8,095,269	\$ 1,201,067
298		<b>Property under capital leases</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
299		<b>Gas plant purchased or sold</b>	\$ 3,293,802	\$ 26,586	\$ 2,618,249	\$ 22,251	\$ 1,968	\$ 452,979	\$ 7,083	\$ 44,384	\$ 5,753
300		<b>Gas plant purchased or sold</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
301		<b>Gas plant purchased or sold</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
306		<b>Gas plant leased to others</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
307		<b>Gas plant leased to others</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
312		<b>Gas plant held for future use</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
313		<b>Total natural gas plant for future use</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
314		<b>Completed construction not classified</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
315		<b>Total completed construction not classified</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
320		<b>Construction work in progress</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
321		<b>Total construction work in progress</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
326		<b>Accumulated provision for depreciation</b>	\$ (7,718,327)	\$ (603,586)	\$ (6,023,993)	\$ (48,525)	\$ (4,982)	\$ (1,157,527)	\$ (16,095)	\$ (109,524)	\$ (14,746)
327		<b>Total accumulated provision for depreciation of natural gas utility plant</b>	\$ (154,208,234)	\$ (1,073,012)	\$ (111,637,503)	\$ (695,767)	\$ (126,878)	\$ (30,255,190)	\$ (342,465)	\$ (2,832,142)	\$ (403,777)
328		<b>Accumulated Depreciation - Year One Adjustment</b>	\$ (4,418,353)	\$ (27,464)	\$ (3,074,082)	\$ (20,774)	\$ (3,843)	\$ (934,578)	\$ (9,287)	\$ (87,727)	\$ (13,168)
333		<b>Accumulated provision for amortization</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
334		<b>Total accumulated provision for depreciation of natural gas utility plant</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
335		<b>Natural gas plant acquisition adjustments</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
336		<b>Total natural gas plant acquisition adjustments</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
337		<b>Accumulated provision for asset acquisition adjustments</b>	\$ 115	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
338		<b>Total accumulated provision for asset acquisition adjustments</b>	\$ 115	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
342		<b>Natural Gas</b>	\$ 117.4	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
343		<b>Total natural gas</b>	\$ 2,454,137	\$ 5,938	\$ 1,764,958	\$ 17,149	\$ 1,139	\$ 501,517	\$ 6,869	\$ 83,093	\$ 16,502
344		<b>Net Plant</b>	\$ 263,793,125	\$ 1,620,955	\$ 184,207,488	\$ 1,264,468	\$ 224,973	\$ 55,332,600	\$ 558,246	\$ 5,302,877	\$ 806,377
345		<b>Prepayments</b>	\$ 165	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
346		<b>Total prepayments</b>	\$ 165	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
347		<b>Current and accrued assets</b>	\$ 263,793,125	\$ 1,620,955	\$ 184,207,488	\$ 1,264,468	\$ 224,973	\$ 55,332,600	\$ 558,246	\$ 5,302,877	\$ 806,377
350		<b>Deferred debits</b>	\$ 190	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
351		<b>Accumulated deferred income taxes</b>	\$ 190	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
352		<b>Total deferred debits</b>	\$ 190	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
356		<b>Other non current liabilities</b>	\$ 229	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
357		<b>Accumulated provision for rate refunds</b>	\$ 229	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
358		<b>Total other non current liabilities</b>	\$ 229	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
359		<b>Customer deposits</b>	\$ 235	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
366		<b>Other regulatory liabilities</b>	\$ 254	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
367		<b>Total deferred credits</b>	\$ 254	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
368		<b>Working capital allowance</b>	\$ N/A	\$ 28,464	\$ 2,803,199	\$ 23,823	\$ 2,107	\$ 484,976	\$ 7,584	\$ 47,520	\$ 6,159
369		<b>Total working capital allowance</b>	\$ 3,526,472	\$ 28,464	\$ 2,803,199	\$ 23,823	\$ 2,107	\$ 484,976	\$ 7,584	\$ 47,520	\$ 6,159
370		<b>Rate base</b>	\$ 225,866,746	\$ 1,390,353	\$ 158,142,710	\$ 1,094,258	\$ 190,989	\$ 47,059,371	\$ 479,178	\$ 4,532,777	\$ 689,956
371		<b>Special Contract revenue credit</b>	\$ 242,989	\$ 1,496	\$ 170,131	\$ 1,177	\$ 205	\$ 50,627	\$ 516	\$ 4,876	\$ 742
374		<b>Net Operating Revenues at allowable ROR</b>	\$ 15,614,168	\$ 94,619	\$ 10,762,274	\$ 74,469	\$ 12,998	\$ 3,202,587	\$ 32,610	\$ 308,474	\$ 46,957
375		<b>Revenue Requirement Impact</b>	\$ 6,255,810	\$ 210,856	\$ 8,070,509	\$ 142,109	\$ 15,209	\$ (700,232)	\$ 34,374	\$ (578,720)	\$ (82,492)
376		<b>Change in Rate Base</b>	\$ 31,200,187	\$ 185,506	\$ 22,380,921	\$ 106,617	\$ 23,471	\$ 6,107,217	\$ 67,704	\$ 646,964	\$ 103,311
377		<b>ROR - At Current Rates</b>	4.82%	-4.68%	2.94%	-3.02%	0.78%	2.93%	1.37%	16.47%	15.86%
378		<b>ROR - Test Year at Parity</b>	6.91%	6.91%	6.91%	6.91%	6.91%	6.91%	6.91%	6.91%	6.91%
379		<b>REVENUE REQUIREMENT:</b>									
380		<b>Net Operating Revenues at allowable ROR</b>	\$ 15,614,168	\$ 94,619	\$ 10,762,274	\$ 74,469	\$ 12,998	\$ 3,202,587	\$ 32,610	\$ 308,474	\$ 46,957
381		<b>Incremental Net Operating Revenue</b>	\$ 4,736,666	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
382		<b>Grossed up for Revenue Sensitive</b>	\$ 6,255,810	\$ 210,856	\$ 8,070,509	\$ 142,109	\$ 15,209	\$ (700			

**NW Natural**  
**Washington Jurisdictional Rate Case**  
**Test Year Twelve Months Ended September 30, 2020**  
**Cost of Service Study (EmCOSS) Summary Results**  
GCOST: B COS Results

Line No.	FERC Acct #	CUSTOMER CLASS									
		Commercial Interruptible C42SI	Industrial Firm I41SF	Industrial Sales Firm I42SF	Industrial Sales Interruptible I42SI	Transportation Firm C41TF/I41TF	Commercial Transportation Firm C42TF	Industrial Transportation Firm I42TF	Transportation Interruptible C42I/I42TI		
1		<b>TOTAL</b>									
7		<b>Total sales to ultimate customers</b>									
9		<b>Total sales of gas</b>									
11		<b>Total revenues net of provision for rate refunds</b>									
25		<b>Total other operating revenues</b>									
26		<b>Total natural gas operating revenues</b>									
57		<b>Total manufactured gas production expenses</b>									
77		<b>Total other gas supply expenses</b>									
78		<b>Production expenses</b>									
101		<b>Total underground storage expenses - operation</b>									
108		<b>Total underground storage expenses - maintenance</b>									
121		<b>Total other storage expenses - operation</b>									
122		<b>Total other storage expenses - maintenance</b>									
134		<b>Natural Gas Storage, Terminating and Processing Expenses</b>									
143		<b>Total Transmission expenses - operation</b>									
144		<b>Total transmission expenses - maintenance</b>									
156		<b>Total distribution expenses - operation</b>									
167		<b>Total distribution expenses - maintenance</b>									
168		<b>Distribution Expenses</b>									
173		<b>Customer account expenses</b>									
174		<b>Total customer account expenses</b>									
178		<b>Customer service and informational expenses</b>									
180		<b>Advertising</b>									
181		<b>Total customer service and informational expenses</b>									
196		<b>Administrative and general expenses</b>									
197		<b>Total administrative and general expenses</b>									
198		<b>Depreciation expenses</b>									
199		<b>Total depreciation expenses</b>									
205		<b>Amortization expenses</b>									
214		<b>Total amortization expenses</b>									
215		<b>Regulatory debits and credits</b>									
216		<b>Total regulatory debits and credits</b>									
222		<b>Taxes</b>									
223		<b>Total taxes</b>									
228		<b>Various utility operating income items</b>									
229		<b>Total various utility operating income items</b>									
230		<b>Test Year O&amp;M Adjustment</b>									
231		<b>Natural gas operating revenues</b>									
232		<b>Net Operating Income = natural gas operating revenues - natural gas operating expenses</b>									
233											
234		<i>Note: Plant balances at the FERC Acct level may not tie exactly to "A-RR Cross Reference" tab; these balances do not include the EOP Adjustment, which is included below.</i>									
238		<b>Intangible plant</b>									
251		<b>Underground storage plant</b>									
252		<b>Structures / Gas Holders / Liquefaction Equip</b>									
253		<b>Structures / Gas Holders / Liquefaction Equip</b>									
254		<b>Structures / Gas Holders / Liquefaction Equip</b>									
255		<b>Structures / Gas Holders / Liquefaction Equip</b>									
264		<b>Transmission plant</b>									
279		<b>Distribution plant</b>									
291		<b>General plant</b>									
292		<b>EOP Gross Plant Rate Base Adjustment</b>									
293		<b>Natural gas plant in service</b>									
298		<b>Property under capital leases</b>									
299		<b>Total property under capital leases</b>									
300		<b>Gas plant purchased or sold</b>									
301		<b>Total natural gas plant purchased or sold</b>									
306		<b>Gas plant leased to others</b>									
307		<b>Total natural gas plant leased to others</b>									
312		<b>Gas plant held for future use</b>									
313		<b>Total natural plant for future use</b>									
314		<b>Completed construction not classified</b>									
315		<b>Total completed construction not classified</b>									
320		<b>Construction work in progress</b>									
321		<b>Total construction work in progress</b>									
326		<b>Accumulated provision for depreciation</b>									
327		<b>Total accumulated provision for depreciation of natural gas utility plant</b>									
328		<b>Accumulated Depreciation - Year One Adjustment</b>									
333		<b>Accumulated provision for amortization</b>									
334		<b>Total accumulated provision for depreciation of natural gas utility plant</b>									
335		<b>Natural gas plant acquisition adjustments</b>									
336		<b>Total natural gas plant acquisition adjustments</b>									
337		<b>Related provision for asset acquisition adjustment</b>									
338		<b>Total accumulated provision for asset acquisition adjustments</b>									
342		<b>Natural Gas</b>									
343		<b>Total natural gas</b>									
344		<b>Net Plant</b>									
345		<b>Prepayments</b>									
346		<b>Total prepayments</b>									
347		<b>Current and accrued assets</b>									
350		<b>Deferred debits</b>									
351		<b>Total deferred debits</b>									
356		<b>Other non current liabilities</b>									
357		<b>Other non current liabilities</b>									
358		<b>Customer deposits</b>									
359		<b>Current and accrued liabilities</b>									
366		<b>Deferred credits</b>									
367		<b>Total deferred credits</b>									
368		<b>Working capital allowance</b>									
369		<b>Total working capital allowance</b>									
370		<b>Rate base</b>									
371											
372		<b>Special Contract revenue credit</b>									
373		<b>Net Operating Revenues at allowable ROR</b>									
374		<b>Revenue Requirement Impact</b>									
375		<b>Change in Rate Base</b>									
376		<b>ROR - At Current Rates</b>									
377		<b>ROR - Test Year at Parity</b>									
378											
379		<b>REVENUE REQUIREMENT:</b>									
380		<b>Net Operating Revenues at allowable ROR</b>									
381		<b>Incremental Net Operating Revenue</b>									
382		<b>Grossed up for Revenue Sensitive</b>									
383											
384		<b>RETURN ON RATEBASE</b>									
385		<b>Rate of Return at 9.4% ROE</b>									
386		<b>Source: KTW-3 p8 - Cost of Cap</b>									
387											
388		<b>INCREMENTAL NET OPERATING REVENUE DEFICIENCY</b>									
389		<b>(Less: Net Operating Revenues)</b>									
390		<b>Net-to-Gross Revenue Sensitive Factor:</b>									
391		<b>Source: KTW-3 p8 - Cost of Cap</b>									



**NW Natural**  
**Washington Jurisdictional Rate Case**  
**Test Year Twelve Months Ended September 30, 2020**  
**Cost of Service Study (EmCOSS) Summary Results**  
GCOST: B COS Results

Line No.	FERC Acct #	CUSTOMER CLASS	
		SERVICE TYPE	Transportation
		TOTAL	Firm SPECIAL
1			
7		Total sales to ultimate customers	\$ 78,333,455 \$ 242,995
9		Natural Gas operating revenues	Total sales of gas \$ 0 \$ 0
11			Total revenues net of provision for rate refunds \$ 0 \$ 0
25			Total Other operating revenues \$ 267,428 \$ 0
26		Total natural gas operating revenues	\$ 78,600,883 \$ 242,995
57		Production expenses	Total manufactured gas production expenses \$ 0 \$ 0
77			Total other gas supply expenses \$ 28,728,552 \$ 0
78			Production expenses \$ 28,728,552 \$ 0
92		Natural Gas Storage, Terminating and Processing Expenses	Total underground storage expenses - operation \$ 338,000 \$ 0
101			Total underground storage expenses - maintenance \$ 90,200 \$ 0
108			Total other storage expenses - operation \$ 11,468 \$ 5
121			Total other storage expenses - maintenance \$ 319,807 \$ 0
122			Natural Gas Storage, Terminating and Processing Expenses \$ 759,545 \$ 5
134		Transmission expenses	Total Transmission expenses - operation \$ 159,628 \$ 0
143			Total transmission expenses - maintenance \$ 277,595 \$ 0
144			Transmission Expenses \$ 437,223 \$ 0
156		Distribution expenses	Total distribution expenses - operation \$ 3,788,168 \$ 0
167			Total distribution expenses - maintenance \$ 1,199,579 \$ 0
168			Distribution Expenses \$ 4,987,747 \$ 0
173		Customer account expenses	Miscellaneous customer accounts expenses \$ 905 \$ 0
174			Total customer account expenses \$ 2,307,801 \$ 0
178		Customer service and informational expenses	Miscellaneous customer service and informational expenses \$ 910 \$ 0
179			Supervision \$ 911 \$ 0
180			Demonstration and Selling Expense \$ 912 \$ 0
181			Advertising \$ 913 \$ 0
182			Total customer service and informational expenses \$ 1,052,059 \$ 0
196		Administrative and general expenses	Maintenance of general plant \$ 932 \$ 0
197			Maintenance of General Plant \$ 935 \$ 0
198			Total administrative and general expenses \$ 9,293,848 \$ 0
199		Depreciation expenses	Depreciation expense production \$ 403,403.1 \$ 0
205			Total depreciation expenses \$ 12,471,568 \$ 0
206		Amortization expenses	Intangible plant \$ 404,405 \$ 0
214			Total amortization expenses \$ 0 \$ 0
215		Regulatory debits and credits	Regulatory debits and credits \$ 407.3, 407.4 \$ 0
216			Total regulatory debits and credits \$ 0 \$ 0
222		Taxes	Investment Tax credit Adj. \$ 411.4 \$ 0
223			Total taxes \$ 6,988,582 \$ 0
228		Various utility operating income items	Other utility operating income \$ 414 \$ 0
229			Total various utility operating income items \$ 0 \$ 0
230			Test Year O&M Adjustment \$ 696,464 \$ 0
231			Natural gas operating expenses \$ 67,723,381 \$ 5
232		Net Operating Income = natural gas operating revenues - natural gas operating expenses	\$ 10,877,502 \$ 242,989
233			
234		<i>Note: Plant balances at the FERC Acct level may not tie exactly to "A-RR Cross Reference" tab; these balances do not include the EOP Adjustment, which is included below.</i>	
238		Natural gas plant in service	Intangible plant \$ 17,118,547 \$ 0
251			Underground storage plant \$ 15,521,949 \$ 0
252			Structures / Gas Holders / Liquefaction Equip \$ 78,570 \$ 0
253			Structures / Gas Holders / Liquefaction Equip \$ 2,464,234 \$ 0
254			Structures / Gas Holders / Liquefaction Equip \$ 1,133,403 \$ 0
255			Structures / Gas Holders / Liquefaction Equip \$ 5,648,001 \$ 0
264			Transmission plant \$ 24,236,624 \$ 0
279			Distribution plant \$ 310,336,888 \$ 0
291			General plant \$ 30,518,859 \$ 0
292			EOP Gross Plant Rate Base Adjustment \$ 9,938,907 \$ 0
293			Natural gas plant in service \$ 416,671,773 \$ 0
298		Property under capital leases	General plant \$ 101.1 \$ 0
299			Total property under capital leases \$ 3,293,802 \$ 0
300		Gas plant purchased or sold	Gas plant purchased or sold \$ 102 \$ 0
301			Total natural gas plant purchased or sold \$ 0 \$ 0
306		Gas plant leased to others	General plant \$ 104 \$ 0
307			Total natural gas plant leased to others \$ 0 \$ 0
312		Gas plant held for future use	General plant \$ 105 \$ 0
313			Total natural plant for future use \$ 0 \$ 0
314		Completed construction not classified	Completed construction not classified \$ 106 \$ 0
315			Total completed construction not classified \$ 0 \$ 0
320		Construction work in progress	General plant \$ 107 \$ 0
321			Total construction work in progress \$ 0 \$ 0
326		Accumulated provision for depreciation	General plant \$ 108 \$ (7,718,327)
327			Total accumulated provision for depreciation of natural gas utility plant \$ (154,208,234) \$ 0
328			Accumulated Depreciation - Year One Adjustment \$ (4,418,353) \$ 0
333		Accumulated provision for amortization	General plant \$ 111 \$ 0
334			Total accumulated provision for depreciation of natural gas utility plant \$ 0 \$ 0
335		Natural gas plant acquisition adjustments	Natural gas plant acquisition adjustments \$ 114 \$ 0
336			Total natural gas plant acquisition adjustments \$ 0 \$ 0
337		Accumulated provision for asset acquisition adjustments	Accumulated provision for asset acquisition adjustments \$ 115 \$ 0
338			Total accumulated provision for asset acquisition adjustments \$ 0 \$ 0
342		Natural Gas	Gas owed to system gas \$ 117.4 \$ 0
343			Total natural gas \$ 2,454,137 \$ 0
344			Net Plant \$ 263,793,125 \$ 0
345		Prepayments	Prepayments \$ 165 \$ 0
346			Total prepayments \$ 0 \$ 0
347			Current and accrued assets \$ 263,793,125 \$ 0
350		Deferred debits	Accumulated deferred income taxes \$ 190 \$ 0
351			Total deferred debits \$ 0 \$ 0
356		Other non current liabilities	Accumulated provision for rate refunds \$ 229 \$ 0
357			Other non current liabilities \$ 0 \$ 0
358		Customer deposits	Customer deposits \$ 235 \$ 0
359			Current and accrued liabilities \$ 263,793,125 \$ 0
366		Deferred credits	Other regulatory liabilities \$ 254 \$ (14,319,095)
367			Total deferred credits \$ (14,852,852) \$ 0
368		Working capital allowance	Working capital allowance \$ N/A \$ 3,526,472
369			Total working capital allowance \$ 3,526,472 \$ 0
370			Rate base \$ 225,866,746 \$ 0
371			
372			Special Contract revenue credit \$ 242,989 \$ 0
373			Net Operating Revenues at allowable ROR \$ 15,614,168 \$ 242,989
374			Revenue Requirement Impact \$ 6,255,810 \$ 0
375			Change in Rate Base \$ 31,200,187 \$ 0
376			ROR - At Current Rates 4.82%
377			ROR - Test Year at Parity 6.91%
378			
380		REVENUE REQUIREMENT:	
381		Net Operating Revenues at allowable ROR	\$ 15,614,168
382		Incremental Net Operating Revenue	\$ 4,736,666
383		Grossed up for Revenue Sensitive	\$ 6,255,810
384			
385		RETURN ON RATEBASE	
386		Rate of Return at 9.4% ROE	6.913%
387		Source: KTW-3 p8 - Cost of Cap	
388		INCREMENTAL NET OPERATING REVENUE DEFICIENCY	
389		(Less: Net Operating Revenues)	
390		Net-to-Gross Revenue Sensitive Factor:	132.1%
391		Source: KTW-3 p8 - Cost of Cap	

NW Natural  
Washington Jurisdictional Rate Case  
Test Year Twelve Months Ended September 30, 2020  
Cost of Service Study (EmCOSS) Summary Results  
GCOST: C COS Allocation Factors

			14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29							
			Residential	Residential	Commercial	Commercial	Commercial	Industrial	Commercial	Commercial	Commercial	Industrial	Industrial	Industrial	Industrial	Commercial	Industrial	Transportation							
			Sales	Sales	Sales	Sales	Sales	Sales	Sales	Sales	Sales	Sales	Sales	Sales	Sales	Transportation	Transportation	Transportation							
			Firm	Firm	Firm	Firm	Firm	Firm	Firm	Firm	Firm	Firm	Firm	Firm	Intermittible	Firm	Firm	Firm							
Costs	Description	Acronym	Functionalization	Classification	Allocation	TOTAL	SERVICE TYPE																		
							R01	R02	R27	C01	C03	I03	C41SF	C42SF	C42SI	I41SF	I42SF	I42SI	C41TF/I41TF	C42TF	I42TF	C42TI/I42TI			
Distribution Mains	Design Day Peak and Average Allocator	Dist-1	Distribution	Demand	All	100.00%	0.21%	61.80%	0.52%	0.05%	19.31%	0.18%	3.30%	0.58%	0.63%	0.90%	1.42%	0.27%	1.48%	4.43%	4.63%				
Distribution Mains	Mains <4" Direct Allocator	Dist-2	Distribution	Demand	All	100.00%	0.91%	80.92%	0.22%	0.09%	17.18%	0.07%	0.38%	0.01%	0.00%	0.07%	0.05%	0.01%	0.02%	0.01%	0.03%				
Distribution Mains	Mains >= 4" Direct Allocator	Dist-3	Distribution	Demand	Non-Res	100.00%	0.00%	0.00%	0.00%	0.47%	87.48%	1.08%	5.38%	0.37%	0.21%	1.74%	0.70%	0.18%	0.34%	0.28%	0.86%				
Distribution Mains	Distribution Mains Allocation - Allocated Plant Basis	Dist-4	Distribution	Demand	All	100.00%	0.46%	63.69%	0.36%	0.10%	24.44%	0.22%	2.37%	0.35%	0.36%	0.65%	0.83%	0.16%	0.19%	0.82%	2.44%				
Transmission Mains	Transmission Mains Allocation	Trm-1	Transmission	Demand	All	100.00%	0.21%	61.80%	0.52%	0.05%	19.31%	0.18%	3.30%	0.58%	0.63%	0.90%	1.42%	0.27%	1.48%	4.43%	4.63%				
Distribution Assets	Distribution Assets Allocation	Dist-5	Distribution	Demand	All	100.00%	0.21%	61.80%	0.52%	0.05%	19.31%	0.18%	3.30%	0.58%	0.63%	0.90%	1.42%	0.27%	1.48%	4.43%	4.63%				
Storage	Winter Sales / Summer Sales Excess Ratio	Stor-1	Storage	Demand	Sales	100.00%	0.24%	71.92%	0.70%	0.05%	20.44%	0.28%	3.39%	0.67%	0.34%	0.90%	0.96%	0.12%	0.00%	0.00%	0.00%				
Storage	Allocator Adjustment for Balancing (All Customers)	Stor-2	Storage	Demand	None	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
Service Lines	Avg Service Installed Cost - Indirect Allocation	Line-1	Distribution	Demand	RS 2R, 3C	100.00%	1.18%	82.60%	0.32%	0.08%	15.82%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
Service Lines	Large Customer Services - Direct Allocation	Line-2	Distribution	Demand	RS 41, 42, 03I	\$ 574,080	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 59,970	\$ 259,915	\$ 20,967	\$ 11,998	\$ 49,296	\$ 41,293	\$ 12,870	\$ 24,865	\$ 17,529	\$ 35,305	\$ 40,071			
Meters	Average Installed Cost	Meter-1	Distribution	Customer	All	100.00%	0.89%	77.59%	1.07%	0.09%	16.58%	0.35%	1.36%	0.15%	0.06%	0.30%	0.32%	0.14%	0.13%	0.20%	0.33%	0.47%			
Meters	Direct-Com	Meter-2	Distribution	Customer	Commercial	100.00%	0.00%	0.00%	5.54%	0.45%	86.19%	0.00%	7.07%	0.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
Meters	Direct-Ind	Meter-3	Distribution	Customer	Industrial	100.00%	0.00%	0.00%	0.00%	0.00%	15.19%	0.00%	0.00%	0.00%	2.48%	13.25%	14.01%	5.99%	5.55%	8.57%	14.55%	20.40%			
Meters	Direct-Res	Meter-4	Distribution	Customer	Residential	100.00%	1.13%	98.87%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
Customer Service	Gas Management / Operations - Direct Allocation	CSrv-1	Customer	Customer	All	\$ 906,018	\$ 7,351	\$ 654,547	\$ 10,932	\$ 479	\$ 89,007	\$ 324	\$ 58,796	\$ 3,231	\$ 1,690	\$ 11,630	\$ 7,753	\$ 2,535	\$ 14,902	\$ 7,451	\$ 16,764	\$ 18,627			
Customer Service	Major Accounts - Direct Allocation	CSrv-2	Customer	Customer	RS 41, 42, 03I	\$ 103,059	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,544	\$ 45,674	\$ 2,510	\$ 1,004	\$ 9,034	\$ 6,023	\$ 1,506	\$ 6,649	\$ 3,324	\$ 7,480	\$ 8,311				
Customer Service	Avg Weighted Cost per Customer - Indirect Allocation	CSrv-3	Customer & Trm/Dist/Str/Cmn	Customer	All	100.00%	1.00%	89.32%	0.85%	0.04%	7.49%	0.03%	0.71%	0.04%	0.02%	0.14%	0.09%	0.02%	0.06%	0.03%	0.07%	0.08%			
Customer Service	Direct-Com	CSrv-4	Customer	Customer	Commercial	100.00%	0.00%	0.00%	10.74%	0.47%	87.46%	0.00%	1.26%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
Customer Service	Direct-Ind	CSrv-5	Customer	Customer	Industrial	100.00%	0.00%	0.00%	0.00%	0.00%	25.84%	0.00%	0.00%	0.00%	2.25%	20.22%	13.48%	3.37%	8.99%	10.11%	11.24%				
Customer Service	Direct-Res	CSrv-6	Customer	Customer	Residential	100.00%	1.11%	98.89%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
Customer Service	Direct-Lg Com/Ind	CSrv-7	Customer	Customer	RS 41, 42, 03I	100.00%	0.00%	0.00%	0.00%	0.00%	12.43%	49.19%	2.70%	1.08%	9.73%	6.49%	1.52%	4.32%	2.16%	4.86%	5.41%				
Admin / General Plant	Allocated Plant	Gnr1-1	Common & Trm/Dist/Str/Cmn	Depends on Function	All	100.00%	0.62%	69.58%	0.47%	0.09%	21.15%	0.21%	1.99%	0.30%	0.27%	0.54%	0.66%	0.13%	0.15%	0.55%	1.61%	1.70%			
Admin / General Plant	Total Throughput	Gnr1-2	Common & Trm/Dist/Str/Cmn	Depends on Function	All	100.00%	0.21%	54.88%	0.46%	0.05%	17.84%	0.28%	3.75%	0.72%	0.94%	1.01%	1.84%	0.32%	0.44%	2.47%	6.77%	8.02%			
Admin / General Plant	Total Revenue	Gnr1-3	Common & Trm/Dist/Str/Cmn	Depends on Function	All	100.00%	0.36%	67.88%	0.47%	0.07%	20.63%	0.31%	3.65%	0.60%	0.55%	0.96%	1.48%	0.22%	0.24%	0.46%	1.05%	1.06%			
Admin / General Plant	Common - Net Stor/Dist/Trm Plant, Customers, O&M	Cmn-1	Common & Trm/Dist/Str/Cmn	Depends on Function	All	100.00%	0.81%	79.49%	0.68%	0.06%	13.75%	0.22%	1.35%	0.17%	0.15%	0.40%	0.43%	0.09%	0.15%	0.33%	0.93%	0.99%			
<b>Internally Determined Allocators:</b>																									
Admin / General Plant	Operating Revenues (excl. misc revenues)	OpRev-1	Common & Trm/Dist/Str/Cmn	Depends on Function	All	100.00%	0.38%	68.00%	0.54%	0.06%	20.39%	0.27%	3.76%	0.80%	0.56%	0.92%	1.36%	0.19%	0.24%	0.45%	1.08%	1.02%			
Admin / General Plant	Sales Revenues	SalesRev-1	Common & Trm/Dist/Str/Cmn	Depends on Function	All	100.00%	0.40%	69.94%	0.56%	0.06%	20.97%	0.28%	3.87%	0.82%	0.57%	0.95%	1.39%	0.19%	0.00%	0.00%	0.00%	0.00%			
Admin / General Plant	Total Revenues	TotRev-1	Common & Trm/Dist/Str/Cmn	Depends on Function	All	100.00%	0.38%	67.93%	0.54%	0.06%	20.38%	0.27%	3.76%	0.80%	0.56%	0.92%	1.35%	0.19%	0.25%	0.46%	1.11%	1.05%			
Admin / General Plant	Salary and Wages	SalWg-1	Common & Trm/Dist/Str/Cmn	Depends on Function	All	100.00%	0.98%	86.88%	0.70%	0.03%	6.14%	1.12%	0.55%	0.03%	0.11%	0.97%	0.65%	0.16%	0.43%	0.22%	0.49%	0.54%			

**NW Natural**  
Summary of Adjustments  
Service territory : Washington  
Service: Natural Gas  
Time period : Twelve Months ended September 30, 2020  
GCOST: D Summary of Adjustments

**Restating Adjustments**

Column	Work paper reference	Description of Adjustment	Washington Natural Gas			
			NOI	Rate Base	Revenue Requirement	ROR
E	WA-ROO	WA-ROO	\$ 10,863,181	\$ 194,666,559	\$ 3,426,113	5.58%
F	RR Adj (a)	Weather Normalized Gas Sales & Purchases	\$ (176,057)	\$ -	\$ 232,523	-0.09%
G	RR Adj (b)	Misc. Revenues Adjustments	\$ 1,791,475	\$ -	\$ (2,366,060)	0.94%
H	RR Adj (c)	Bonus Adjustment	\$ (33,532)	\$ (56,750)	\$ 39,105	-0.02%
I	RR Adj (d)	Property Tax Adjustment	\$ 39,859	\$ -	\$ (52,643)	0.02%
J	RR Adj (e)	Uncollectible Accounts Adjustment	\$ 20,756	\$ -	\$ (27,413)	0.01%
K	RR Adj (f)	Working Capital Adjustment	\$ 17,085	\$ 3,526,472	\$ 299,408	-0.09%
L	RR Adj (g)	Marketing & Customer Communication Adju	\$ 224,528	\$ -	\$ (296,539)	0.12%
M	RR Adj (h)	Claims Adjustment	\$ (3,220)	\$ (1,556)	\$ 4,111	0.00%
N	RR Adj (i)	Rate Case Adjustment	\$ (86,900)	\$ -	\$ 114,771	-0.04%
O	RR Adj (j)	Clearing Accounts Adjustment	\$ 23,988	\$ (79,301)	\$ (38,921)	0.01%
P	RR Adj (k)	HoldCo Adjustment	\$ (11,082)	\$ -	\$ 14,636	-0.01%
Restated Total			<u>\$ 12,670,079</u>	<u>\$ 198,055,424</u>	<u>\$ 1,349,092</u>	<u>6.43%</u>

**Proforma Adjustments**

Column	Work paper reference	Description of Adjustment	Washington Natural Gas			
			NOI	Rate Base	Revenue Requirement	ROR
R	RR Adj (m)	Payroll Adjustment	\$ (319,673)	\$ -	\$ 422,200	-0.16%
S	RR Adj (n)	Payroll Overhead Adjustment	\$ (126,783)	\$ -	\$ 167,446	-0.07%
T	RR Adj (o)	250 Taylor Lease Expense Adjustment	\$ (242,654)	\$ -	\$ 320,479	-0.12%
U	RR Adj (p)	Post-Test Year 1 Capital Adjustment	\$ (610,489)	\$ 21,735,766	\$ 2,790,798	-0.84%
V	RR Adj (q)	EDIT Rate Base Adjustment	\$ 2,725	\$ 562,500	\$ 47,758	-0.01%
W	RR Adj (r)	End of Period Rate Depreciation Exp Adjustr	\$ (497,412)	\$ -	\$ 656,944	-0.26%
X	RR Adj (s)	End of Period Rate Base Adjustment	\$ 26,709	\$ 5,513,053	\$ 468,075	-0.14%
Y	RR Adj (t)	Plant EDIT Amortization Adjustment	\$ (25,000)	\$ -	\$ 33,018	-0.01%
Pro Forma Total			<u>\$ (1,792,578)</u>	<u>\$ 27,811,319</u>	<u>\$ 4,906,718</u>	<u>-1.62%</u>
<b>Total Adjustments</b>			<b>\$10,877,502</b>	<b>\$225,866,743</b>	<b>\$6,255,809</b>	<b>4.82%</b>

<b>NW Natural</b> Summary of Adjustments Service territory : Washington Service: Natural Gas Time period : Twelve Months ended September 30, 2020
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GCOST: E Summary of Results

Results at Year One of Multi-Year Plan	Note	TOTAL	1	2	3	4	5	6	7	8	9	10	11
			Residential	Residential	Commercial	Commercial	Commercial	Industrial	Commercial	Commercial	Commercial	Industrial	Industrial
			Sales Firm R01	Sales Firm R02	Sales Firm R27	Sales Firm C01	Sales Firm C03	Sales Firm I03	Sales Firm C41SF	Sales Firm C42SF	Sales Firm C42SI	Sales Firm I41SF	Sales Firm I42SF
Rate Base		\$ 225,866,746	\$ 1,390,353	\$ 158,142,710	\$ 1,094,258	\$ 190,989	\$ 47,059,371	\$ 479,178	\$ 4,532,777	\$ 689,996	\$ 600,354	\$ 1,230,511	\$ 1,489,753
Proposed Rate of Return		6.913%	6.913%	6.913%	6.913%	6.913%	6.913%	6.913%	6.913%	6.913%	6.913%	6.913%	6.913%
Return Requirement		\$ 15,614,168	\$ 94,619	\$ 10,762,274	\$ 74,469	\$ 12,998	\$ 3,202,587	\$ 32,610	\$ 308,474	\$ 46,957	\$ 40,857	\$ 83,741	\$ 101,384
Total Operating Expenses (net of non-rate revenues)		\$ 67,455,953	\$ 348,724	\$ 48,356,612	\$ 396,349	\$ 52,389	\$ 12,379,230	\$ 234,460	\$ 2,107,176	\$ 360,772	\$ 364,364	\$ 589,610	\$ 906,269
Present Revenue from Rates		\$ 78,333,455	\$ 283,691	\$ 53,008,198	\$ 363,218	\$ 53,871	\$ 16,112,007	\$ 241,044	\$ 2,853,836	\$ 470,189	\$ 430,729	\$ 747,266	\$ 1,154,958
Net Income From Present Rates		\$ 10,877,502	\$ (65,033)	\$ 4,651,586	\$ (33,131)	\$ 1,482	\$ 3,732,777	\$ 6,584	\$ 746,660	\$ 109,417	\$ 66,365	\$ 157,657	\$ 248,689
Net Income Deficiency (Sufficiency)	(1)	\$ 4,736,653	\$ 159,651	\$ 6,110,672	\$ 107,599	\$ 11,516	\$ (530,188)	\$ 26,026	\$ (438,184)	\$ (62,459)	\$ (25,508)	\$ (73,915)	\$ (147,305)
Incremental Revenue Related Expenses	(2)	\$ 260,046	\$ 8,765	\$ 335,481	\$ 5,907	\$ 632	\$ (29,108)	\$ 1,429	\$ (24,057)	\$ (3,429)	\$ (1,400)	\$ (4,058)	\$ (8,087)
Incremental Income Taxes	(2)	\$ 1,259,110	\$ 42,439	\$ 1,635,244	\$ 28,708	\$ (12,078)	\$ (137,842)	\$ (8,186)	\$ (115,967)	\$ (16,501)	\$ (6,729)	\$ (19,511)	\$ (39,012)
Total Net Income Deficiency (Sufficiency)		\$ 6,255,809	\$ 210,855	\$ 8,081,397	\$ 142,215	\$ 70	\$ (697,138)	\$ 19,270	\$ (578,207)	\$ (82,390)	\$ (33,638)	\$ (97,484)	\$ (194,404)
Total Cost/Revenue Requirement at Unity		\$ 84,589,264	\$ 494,547	\$ 61,089,594	\$ 505,433	\$ 53,941	\$ 15,414,869	\$ 260,313	\$ 2,275,629	\$ 387,799	\$ 397,091	\$ 649,782	\$ 960,554
Revenue-to-Cost Ratio at Present Rates		0.93	0.57	0.87	0.72	1.00	1.05	0.93	1.25	1.21	1.08	1.15	1.20
Parity Ratio at Present Rates		1.00	0.62	0.94	0.78	1.08	1.13	1.00	1.35	1.31	1.17	1.24	1.30
Proposed Rate Revenue Increase	(3)	\$ 6,255,478	\$ 26,441	\$ 4,283,077	\$ 25,592	\$ 4,766	\$ 1,250,347	\$ 17,981	\$ 195,450	\$ 27,828	\$ 20,343	\$ 49,759	\$ 64,848
<i>(Also, see: Exh. RJW-3)</i>													
Proposed Revenue from Rates		\$ 84,588,933	\$ 310,132	\$ 57,291,275	\$ 388,810	\$ 58,637	\$ 17,362,354	\$ 259,024	\$ 3,049,287	\$ 498,017	\$ 451,072	\$ 797,025	\$ 1,219,807
Variance from Unity		\$ (331)	\$ (184,415)	\$ (3,798,320)	\$ (116,622)	\$ 4,697	\$ 1,947,486	\$ (1,289)	\$ 773,658	\$ 110,218	\$ 53,981	\$ 147,243	\$ 259,252
Revenue-to Cost Ratio at Proposed Rates		1.00	0.63	0.94	0.77	1.09	1.13	1.00	1.34	1.28	1.14	1.23	1.27
Parity Ratio at Proposed Rates		1.00	0.63	0.94	0.77	1.09	1.13	1.00	1.34	1.28	1.14	1.23	1.27

\* Note (1): This line contains small adjustment to correct for rounding.  
 \* Note (2): Please refer to the Company's Revenue Requirement model for derivation of this value.  
 \* Note (3): The Proposed Rate Revenue Increase increment is based on volumetric billing rates rounded to the fifth decimal as necessitated by the Company's tariff. Therefore, there may be a small discrepancy with the total indicated Net Income Deficiency.

<b>NW Natural</b> Summary of Adjustments Service territory : Washington Service: Natural Gas Time period : Twelve Months ended September 30, 2020
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GCOST: E Summary of Results

Results at Year One of Multi-Year Plan	Note	TOTAL	12	13	14	15	16	17
			Industrial	Transportation	Commercial	Industrial	Transportation	Transportation
			Sales	Firm	Transportation	Transportation	Interruptible	Firm
			Interruptible	C41TF/I41TF	Firm	I42TF	C42TI/I42TI	SPECIAL
Rate Base		\$ 225,866,746	\$ 288,394	\$ 321,954	\$ 1,191,436	\$ 3,490,176	\$ 3,674,536	
Proposed Rate of Return		6.913%	6.913%	6.913%	6.913%	6.913%	6.913%	
Return Requirement		\$ 15,614,168	\$ 19,626	\$ 21,910	\$ 81,082	\$ 237,521	\$ 250,068	\$ 242,989
Total Operating Expenses (net of non-rate revenues)		\$ 67,455,953	\$ 143,027	\$ 104,413	\$ 170,949	\$ 477,937	\$ 494,992	
Present Revenue from Rates		\$ 78,333,455	\$ 171,731	\$ 189,841	\$ 360,785	\$ 823,616	\$ 825,480	\$ 242,995
Net Income From Present Rates		\$ 10,877,502	\$ 28,704	\$ 85,428	\$ 189,836	\$ 345,679	\$ 330,488	\$ 242,989
Net Income Deficiency (Sufficiency)	(1)	\$ 4,736,653	\$ (9,078)	\$ (63,518)	\$ (108,753)	\$ (108,157)	\$ (80,420)	\$ 0
Incremental Revenue Related Expenses	(2)	\$ 260,046	\$ (498)	\$ (3,487)	\$ (5,971)	\$ (5,938)	\$ (4,415)	\$ 0
Incremental Income Taxes	(2)	\$ 1,259,110	\$ (2,395)	\$ (32,031)	\$ (28,946)	\$ (39,644)	\$ (21,483)	\$ 0
Total Net Income Deficiency (Sufficiency)		\$ 6,255,809	\$ (11,972)	\$ (99,036)	\$ (143,670)	\$ (153,739)	\$ (106,319)	\$ 0
Total Cost/Revenue Requirement at Unity		\$ 84,589,264	\$ 159,759	\$ 90,806	\$ 217,115	\$ 669,877	\$ 719,161	\$ 242,989
Revenue-to-Cost Ratio at Present Rates		0.93	1.07	2.09	1.66	1.23	1.15	
Parity Ratio at Present Rates		1.00	1.16	2.26	1.79	1.33	1.24	
Proposed Rate Revenue Increase	(3)	\$ 6,255,478	\$ 10,280	\$ 24,058	\$ 45,715	\$ 104,382	\$ 104,610	\$ 0
<i>(Also, see: Exh. RJW-3)</i>								
Proposed Revenue from Rates		\$ 84,588,933	\$ 182,011	\$ 213,899	\$ 406,499	\$ 927,998	\$ 930,090	\$ 242,995
Variance from Unity		\$ (331)	\$ 22,252	\$ 123,094	\$ 189,384	\$ 258,121	\$ 210,929	\$ 5
Revenue-to Cost Ratio at Proposed Rates		1.00	1.14	2.36	1.87	1.39	1.29	
Parity Ratio at Proposed Rates		1.00	1.14	2.36	1.87	1.39	1.29	

\* Note (1): This line contains small adjustment to correct for rounding.

\* Note (2): Please refer to the Company's Revenue Requirement model for derivation of this value.

\* Note (3): The Proposed Rate Revenue Increase increment is based on volumetric billing rates rounded to the fifth decimal as necessitated by the Company's tariff. Therefore, there may be a small discrepancy with the total indicated Net Income Deficiency.