

PRESS RELEASE FOR WASHINGTON

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NW Natural Files Annual Rate Adjustment for Washington

Portland, Ore. Sept. 15, 2021 – NW Natural has filed its annual Purchased Gas Adjustment (PGA) request with the Washington Utilities and Transportation Commission (WUTC) to true-up the prior year's gas purchases and project the cost of natural gas for the year ahead.

In addition to the PGA request, Washington rates will be further impacted by a separate general rate case from NW Natural. The combined effects of these requests, if approved, will determine new rates for Washington customers, starting as early as November 1.

- Rates for residential customers in Washington will be about \$6.34 more a month (equal to about 10.8%) for customers using an average of 57 therms per month.
- Rates for small-commercial customers in Washington will be about \$25.93 more a month (equal to about 11.5%) for customers using an average of 235 therms per month.

Why the rate change?

The primary reason for the rate change is to reflect a pass-through to customers of natural gas costs. The changes are driven by multiple factors, including economy-wide supply and demand impacts during the COVID-19 pandemic, coupled with higher prices during the region's historic winter storm this past February.

"Even in the face of unprecedented challenges, the natural gas system continued to deliver essential services and great value to the more than 2.5 million people that depend on us," said David H. Anderson, NW Natural president and CEO.

Natural gas continues to be an affordable and efficient source of energy. Throughout the year, Washington customers receive credits included in the monthly billing rate because of NW Natural's efficient pipeline and gas storage management. These savings add up to millions returned back to customers.

And NW Natural customers are still paying about 27% less today for their bills than they did 15 years ago, due to lower commodity costs coupled with efficient operations and energy-efficiency measures.

Public comment

NW Natural's filings are requests, subject to public review and a decision by the WUTC. Customers may submit comments on the proposed changes at www.utc.wa.gov "Submit a Comment," comments@utc.wa.gov, 1-888-333-9882, or WUTC, PO Box 47250, Olympia, WA 98504-7250. Customers can also request more information, review the filing, and find out about open meetings.

For more information, visit the Rates and Regulations section of nwnatural.com or call the Rates and Regulatory Department at 503-610-7330.

About NW Natural

NW Natural is a local distribution company that currently provides natural gas service to approximately 2.5 million people in more than 140 communities through more than 770,000 meters in Oregon and Southwest Washington with one of the most modern pipeline systems in the nation. NW Natural consistently leads the industry with high J.D. Power & Associates customer satisfaction scores. NW Natural, a part of Northwest Natural Holding Company, (NYSE: NWN) (NW Natural Holdings), is headquartered in Portland, Oregon, and has been doing business for more than 160 years. NW Holdings owns NW Natural, NW Natural Water Company (NW Natural Water), and other business interests. We have a longstanding commitment to safety, environmental stewardship, and taking care of our employees and communities, learn more in our latest [ESG Report](#).

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COMFORT ZONE FOR WASHINGTON

New Rates in November

To true-up differences between estimated and actual natural gas costs, NW Natural filed an annual Purchased Gas Adjustment with the Washington Utilities and Transportation Commission (WUTC) on September 13, 2021.

Rates will be further impacted by a separate NW Natural general rate case filed with the WUTC earlier this year. If approved, customers will see new rates on monthly bills starting as early as November 1:

- Rates for residential customers in Washington will be about \$6.34 more a month (equal to about 10.8%) for customers using an average of 57 therms per month.
- Rates for small-commercial customers in Washington will be about \$25.93 more a month (equal to about 11.5%) for customers using an average of 235 therms per month.

This year's adjustment takes into account economy-wide supply and demand impacts during the COVID-19 pandemic, coupled with higher prices during the region's historic winter storm this past February. The rate changes also include other year-to-year adjustments and costs approved by regulators.

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Reason for New Rates

The combined effects of the following filings for the PGA contribute to rate changes for Washington customers:

1. **Purchased Gas Adjustment**
A 9.8 percent or \$5.73 increase on the average monthly residential bill, and a 10.5 percent or \$23.64 increase on the average small-commercial bill. The filing trues up the differences between the estimated and actual cost of natural gas, and it establishes the customer costs for natural gas from Nov. 1, 2021 – Oct. 31, 2022.
2. **Energy Efficiency Programs**
A 0.9 percent or \$0.51 increase on the average monthly residential bill, and a 0.9 percent or \$1.93 increase on the average monthly small-commercial bill for energy efficiency programs that support cost-effective natural gas conservation.
3. **Low-Income Assistance**
A 0.2 percent or \$0.11 decrease on the average monthly residential bill, and a 0.2 percent or \$0.38 decrease on the average monthly small-commercial bill for programs that help low-income residential customers install energy efficiency improvements and stay warm during the winter.
4. **Other year-to-year adjustments and costs pending approval by regulators:** a 0.3% or \$0.20 increase on the average monthly residential bill, and a 0.3% or \$0.71 for small commercial.

Combined, the proposed PGA changes for natural gas rates are:

Type of Service	Schedule Number	Percent Change
General Residential Sales Service	1	8.1%
General Commercial Sales Service	1	9.0%
Residential Sales Service	2	10.8%
Commercial Sales Service	3	11.5%
Industrial Sales Service	3	12.1%

Residential Heating Dry-Out Service	27	13.7%
Commercial Firm Sales	41	14.6%
Non-Residential Firm Transportation	41	0.6%
Industrial Firm Sales	41	15.1%
Large Volume Commercial Firm Sales	42	19.8%
Large Volume Commercial Interruptible Sales	42	28.4%
Large Volume Industrial Firm Sales	42	19.6%
Large Volume Industrial Interruptible Sales	42	21.5%
Large Volume Commercial Firm Transportation	42	0.6%
Large Volume Industrial Firm Transportation	42	0.6%

The percentages for Rate Schedule 41 and Rate Schedule 42 do not include the effect of demand costs.

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For more information, visit the Rates and Regulations section of nwnatural.com, send a letter to NW Natural Rates and Regulatory, 250 SW Taylor St., Portland, OR 97204; call the Rates and Regulatory Department at 503-610-7330, or email from nwnatural.com/ContactUs/Email.