

EXHIBIT A

BEFORE THE  
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

NW NATURAL  
SUPPORTING MATERIALS

Credits to Customers Related to Holding Customer Formation

NWN WUTC Advice No. 20-7 / UG-170094

September 14, 2020

# NW NATURAL

## EXHIBIT A

### Supporting Materials

#### Credits to Customers Related to Holding Company Formation

NWN WUTC ADVICE NO. 20-7 / UG-170094

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NW Natural  
 Rates & Regulatory Affairs  
 2020-2021 PGA Filing - Washington: September Filing  
 Calculation of Increments Allocated on the EQUAL PERCENTAGE OF MARGIN BASIS

| Schedule            | Block   | PGA<br>Volumes page,<br>Column D | Billing<br>Rate from<br>Rates page,<br>Column A | WACOG &<br>Demand from<br>Rates page,<br>Column B+C+D | Temps from<br>Temporary<br>Increment page,<br>Column A | MARGIN<br>Rate<br>E-B-C-D | Volumetric<br>Margin<br>F = E * A | Customer<br>Charge<br>G | Customers<br>H | Total<br>Margin<br>I = (G*H*12)+F | Proposed Amount:                    | HoldCo Credit         |                             |   | Interim Tax Deferred Amort |                |                             |
|---------------------|---------|----------------------------------|---|---|--|---------------------------|-----------------------------------|-------------------------|----------------|-----------------------------------|-------------------------------------|-----------------------|-----------------------------|---|----------------------------|----------------|-----------------------------|
|                     |         |                                  |   |   |  |                           |                                   |                         |                |                                   | Revenue Sensitive Multiplier        | (55,000)              | Allocated to Rate Schedule: |   | \$                         | (14,266)       | Allocated to Rate Schedule: |
|                     |         |                                  |   |   |  |                           |                                   |                         |                |                                   | 4.158% add revenue sensitive factor |                       |                             | 4.158% rev sensitive factor is built in |                            |                |                             |
|                     |         |                                  |   |   |  |                           |                                   |                         |                |                                   | [57,386] All Customers              |                       |                             | [14,885] All Customers                  |                            |                |                             |
|                     |         |                                  |   |   |  |                           |                                   |                         |                |                                   | Multiplier<br>S                     | Allocation to RS<br>T | Increment<br>U              | Multiplier<br>V                         | Allocation to RS<br>W      | Increment<br>X |                             |
| 1R                  |         | 218,577                          | \$1,04886                                       | \$0.31381   | \$0.05852  | \$0.67653                 | \$147,874                         | \$5.50                  | 909            | \$207,868                         | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 1C                  |         | 38,726                           | \$1,09471                                       | \$0.31381   | \$0.04941  | \$0.73149                 | \$28,328                          | \$7.00                  | 35             | \$31,268                          | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 2R                  |         | 55,009,539                       | \$0.81021                                       | \$0.31381   | \$0.03824  | \$0.45816                 | \$25,203,170                      | \$8.00                  | 80,451         | \$32,926,466                      | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 3 CFS               |         | 18,385,905                       | \$0.79219                                       | \$0.31381   | \$0.03470  | \$0.44368                 | \$8,157,458                       | \$22.00                 | 6,333          | \$9,829,370                       | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 3 IFS               |         | 263,842                          | \$0.76295                                       | \$0.31381   | \$0.01335  | \$0.46249                 | \$122,024                         | \$22.00                 | 24             | \$128,360                         | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 27                  |         | 591,910                          | \$0.58291                                       | \$0.31381   | \$0.02822  | \$0.24088                 | \$142,579                         | \$9.00                  | 755            | \$224,119                         | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 41C Firm Sales      | Block 1 | 1,992,236                        | \$0.57634                                       | \$0.20291   | \$0.02869  | \$0.34474                 | \$1,337,499                       | \$250.00                | 92             | \$1,613,499                       | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 2 | 2,142,068                        | \$0.53271                                       | \$0.20291   | \$0.02603  | \$0.30377                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 41C Interr Sales    | Block 1 | 0                                | \$0.59162                                       | \$0.20291   | \$0.04498  | \$0.34373                 | \$0                               | \$250.00                | 0              | \$0                               | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 2 | 0                                | \$0.54840                                       | \$0.20291   | \$0.04264  | \$0.30285                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 41 Firm Trans       | Block 1 | 169,264                          | \$0.32489                                       | \$0.00000   | \$0.02302  | \$0.34791                 | \$138,891                         | \$500.00                | 8              | \$186,891                         | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 2 | 260,994                          | \$0.28625                                       | \$0.00000   | \$0.02028  | \$0.30653                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 41I Firm Sales      | Block 1 | 399,967                          | \$0.53622                                       | \$0.20291   | \$0.01085  | \$0.34416                 | \$328,810                         | \$250.00                | 18             | \$382,810                         | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 2 | 630,361                          | \$0.49736                                       | \$0.20291   | \$0.00880  | \$0.30325                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 41I Interr Sales    | Block 1 | 0                                | \$0.55420                                       | \$0.20291   | \$0.00756  | \$0.34373                 | \$0                               | \$250.00                | 0              | \$0                               | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 2 | 0                                | \$0.51543                                       | \$0.20291   | \$0.00967  | \$0.30285                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 42C Firm Sales      | Block 1 | 542,976                          | \$0.37151                                       | \$0.20291   | \$0.01614  | \$0.15246                 | \$158,248                         | \$1,300.00              | 5              | \$236,248                         | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 2 | 474,167                          | \$0.35450                                       | \$0.20291   | \$0.01512  | \$0.13647                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 3 | 97,891                           | \$0.32067                                       | \$0.20291   | \$0.01309  | \$0.10467                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 4 | 6,094                            | \$0.29838                                       | \$0.20291   | \$0.01174  | \$0.08373                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 5 | 0                                | \$0.26868                                       | \$0.20291   | \$0.00996  | \$0.05581                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 6 | 0                                | \$0.23154                                       | \$0.20291   | \$0.00771  | \$0.02092                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 42I Firm Sales      | Block 1 | 1,086,353                        | \$0.34641                                       | \$0.20291   | \$0.00371  | \$0.14721                 | \$251,082                         | \$1,300.00              | 11             | \$422,682                         | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 2 | 638,955                          | \$0.33204                                       | \$0.20291   | \$0.00264  | \$0.13177                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 3 | 68,923                           | \$0.30341                                       | \$0.20291   | \$0.00355  | \$0.10105                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 4 | 0                                | \$0.28459                                       | \$0.20291   | \$0.00084  | \$0.08084                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 5 | 0                                | \$0.25951                                       | \$0.20291   | \$0.00269  | \$0.05391                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 6 | 0                                | \$0.22810                                       | \$0.20291   | \$0.00499  | \$0.02020                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 42C Firm Trans      | Block 1 | 479,847                          | \$0.12884                                       | \$0.00000   | \$0.00908  | \$0.13792                 | \$256,050                         | \$1,550.00              | 4              | \$330,450                         | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 2 | 792,463                          | \$0.11534                                       | \$0.00000   | \$0.00813  | \$0.12347                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 3 | 542,281                          | \$0.08844                                       | \$0.00000   | \$0.00623  | \$0.09467                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 4 | 537,117                          | \$0.07077                                       | \$0.00000   | \$0.00498  | \$0.07575                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 5 | 0                                | \$0.04718                                       | \$0.00000   | \$0.00332  | \$0.05050                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 6 | 0                                | \$0.01768                                       | \$0.00000   | \$0.00125  | \$0.01893                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 42I Firm Trans      | Block 1 | 901,597                          | \$0.13275                                       | \$0.00000   | \$0.00666  | \$0.13941                 | \$610,724                         | \$1,550.00              | 9              | \$778,124                         | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 2 | 1,041,722                        | \$0.11883                                       | \$0.00000   | \$0.00596  | \$0.12479                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 3 | 957,215                          | \$0.09112                                       | \$0.00000   | \$0.00457  | \$0.09569                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 4 | 2,490,044                        | \$0.07291                                       | \$0.00000   | \$0.00365  | \$0.07656                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 5 | 1,426,372                        | \$0.04860                                       | \$0.00000   | \$0.00244  | \$0.05104                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 6 | 0                                | \$0.01823                                       | \$0.00000   | \$0.00091  | \$0.01914                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 42C Interr Sales    | Block 1 | 239,999                          | \$0.37347                                       | \$0.20291   | \$0.03374  | \$0.13682                 | \$112,107                         | \$1,300.00              | 2              | \$143,307                         | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 2 | 454,151                          | \$0.35825                                       | \$0.20291   | \$0.03287  | \$0.12247                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 3 | 230,285                          | \$0.32792                                       | \$0.20291   | \$0.03110  | \$0.09391                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 4 | 26,942                           | \$0.30799                                       | \$0.20291   | \$0.02995  | \$0.07513                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 5 | 0                                | \$0.28141                                       | \$0.20291   | \$0.02841  | \$0.05009                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 6 | 0                                | \$0.24819                                       | \$0.20291   | \$0.02649  | \$0.01879                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 42I Interr Sales    | Block 1 | 160,966                          | \$0.36417                                       | \$0.20291   | \$0.01542  | \$0.14584                 | \$42,502                          | \$1,300.00              | 3              | \$89,302                          | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 2 | 145,741                          | \$0.34993                                       | \$0.20291   | \$0.01647  | \$0.13055                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 3 | 0                                | \$0.32155                                       | \$0.20291   | \$0.01853  | \$0.10011                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 4 | 0                                | \$0.30289                                       | \$0.20291   | \$0.01989  | \$0.08009                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 5 | 0                                | \$0.27800                                       | \$0.20291   | \$0.02170  | \$0.05339                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 6 | 0                                | \$0.24690                                       | \$0.20291   | \$0.02397  | \$0.02002                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 42 Inter Trans      | Block 1 | 861,932                          | \$0.12574                                       | \$0.00000   | \$0.00829  | \$0.13403                 | \$668,710                         | \$1,550.00              | 10             | \$854,710                         | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 2 | 1,453,508                        | \$0.11256                                       | \$0.00000   | \$0.00742  | \$0.11998                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 3 | 976,710                          | \$0.08631                                       | \$0.00000   | \$0.00569  | \$0.09200                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 4 | 3,078,834                        | \$0.06906                                       | \$0.00000   | \$0.00455  | \$0.07361                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 5 | 1,269,411                        | \$0.04605                                       | \$0.00000   | \$0.00303  | \$0.04908                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
|                     | Block 6 | 0                                | \$0.01725                                       | \$0.00000   | \$0.00114  | \$0.01839                 |                                   |                         |                |                                   | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 43 Firm Trans       |         | 0                                | \$0.00456                                       | \$0.00000   | \$0.00035  | \$0.00491                 | \$0                               | \$38,000.00             | 0              | \$0                               | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| 43 Interr Trans     |         | 0                                | \$0.00456                                       | \$0.00000   | \$0.00035  | \$0.00491                 | \$0                               | \$38,000.00             | 0              | \$0                               | 1.0                                 |                       |                             | 1.0                                     |                            |                |                             |
| Intentionally blank |         |                                  |   |   |  |                           |                                   |                         |                |                                   |                                     |                       |                             |   |                            |                |                             |
| Totals              |         | 101,085,884                      |   |   |  |                           | \$37,706,056                      |                         |                | \$48,385,474                      | \$48,385,474                        | (\$7,387)             | \$48,385,474                | (14,884)                                |                            |                |                             |

76 Note: Allocation to rate schedules or blocks with zero volumes is calculated on an overall margin percentage change basis.

NW Natural

Rates & Regulatory Affairs

2020-2021 PGA Filing - Washington: September Filing

PGA Effects on Average Bill by Rate Schedule

Calculation of Effect on Customer Average Bill by Rate Schedule [1]

| 1  | Washington          |           | Normal      | Current        | Proposed        | Proposed        | Proposed         |                      |                      |             |      |
|----|---------------------|-----------|-------------|----------------|-----------------|-----------------|------------------|----------------------|----------------------|-------------|------|
| 2  | PGA Normalized      |           | Therms      | 11/1/2019      | 11/1/2019       | 11/1/2020       | 11/1/2020        |                      |                      |             |      |
| 3  | Volumes page,       |           | Monthly     | Monthly        | Billing         | Current         | HoldCo & Interim | HoldCo & Interim Tax | HoldCo & Interim Tax |             |      |
| 4  | Column D            | Therms in | Average use | Charge         | Rates           | Average Bill    | Tax Def Credit   | Def Credit           | Def Credit           |             |      |
| 5  |                     |           |             |                | F = D + (C * E) | N = D + (C * M) |                  | O                    |                      |             |      |
| 6  | Schedule            | Block     | A           | B              | C               | D               | E                | F                    | M                    | N           | O    |
| 7  | 1R                  |           | 218,577     | N/A            | 20.0            | \$5.50          | \$1.04886        | \$26.48              | \$1.04861            | \$26.47     | 0.0% |
| 8  | 1C                  |           | 38,726      | N/A            | 92.0            | \$7.00          | \$1.09471        | \$107.71             | \$1.09447            | \$107.69    | 0.0% |
| 9  | 2R                  |           | 55,009,539  | N/A            | 57.0            | \$8.00          | \$0.81021        | \$54.18              | \$0.81004            | \$54.17     | 0.0% |
| 10 | 3 CFS               |           | 18,385,905  | N/A            | 242.0           | \$22.00         | \$0.79219        | \$213.71             | \$0.79204            | \$213.67    | 0.0% |
| 11 | 3 IFS               |           | 263,842     | N/A            | 916.0           | \$22.00         | \$0.76295        | \$720.86             | \$0.76280            | \$720.72    | 0.0% |
| 12 | 27                  |           | 591,910     | N/A            | 65.0            | \$9.00          | \$0.58291        | \$46.89              | \$0.58283            | \$46.88     | 0.0% |
| 13 | 41C Firm Sales      | Block 1   | 1,992,236   | 2,000          | 3,745.0         | \$250.00        | \$0.57634        |                      | \$0.57623            |             |      |
| 14 |                     | Block 2   | 2,142,068   | all additional |                 |                 | \$0.53271        |                      | \$0.53262            |             |      |
| 15 |                     | TOTAL     |             |                |                 |                 |                  | \$2,332.26           |                      | \$2,331.88  | 0.0% |
| 16 | 41C Interr Sales    | Block 1   | 0           | 2,000          | 0.0             | \$250.00        | \$0.59162        |                      | \$0.59147            |             |      |
| 17 |                     | Block 2   | 0           | all additional |                 |                 | \$0.54840        |                      | \$0.54827            |             |      |
| 18 |                     | TOTAL     |             |                |                 |                 |                  | \$250.00             |                      | \$250.00    | 0.0% |
| 19 | 41 Firm Trans       | Block 1   | 169,264     | 2,000          | 4,482.0         | \$500.00        | \$0.32489        |                      | \$0.32468            |             |      |
| 20 |                     | Block 2   | 260,994     | all additional |                 |                 | \$0.28625        |                      | \$0.28606            |             |      |
| 21 |                     | TOTAL     |             |                |                 |                 |                  | \$1,860.25           |                      | \$1,859.36  | 0.0% |
| 22 | 41I Firm Sales      | Block 1   | 399,967     | 2,000          | 4,770.0         | \$250.00        | \$0.53622        |                      | \$0.53611            |             |      |
| 23 |                     | Block 2   | 630,361     | all additional |                 |                 | \$0.49736        |                      | \$0.49726            |             |      |
| 24 |                     | TOTAL     |             |                |                 |                 |                  | \$2,700.13           |                      | \$2,699.63  | 0.0% |
| 25 | 41I Interr Sales    | Block 1   | 0           | 2,000          | 0.0             | \$250.00        | \$0.55420        |                      | \$0.55405            |             |      |
| 26 |                     | Block 2   | 0           | all additional |                 |                 | \$0.51543        |                      | \$0.51530            |             |      |
| 27 |                     | TOTAL     |             |                |                 |                 |                  | \$250.00             |                      | \$250.00    | 0.0% |
| 28 | 42C Firm Sales      | Block 1   | 542,976     | 10,000         | 18,685.0        | \$1,300.00      | \$0.37151        |                      | \$0.37145            |             |      |
| 29 |                     | Block 2   | 474,167     | 20,000         |                 |                 | \$0.35450        |                      | \$0.35445            |             |      |
| 30 |                     | Block 3   | 97,891      | 20,000         |                 |                 | \$0.32067        |                      | \$0.32062            |             |      |
| 31 |                     | Block 4   | 6,094       | 100,000        |                 |                 | \$0.29838        |                      | \$0.29834            |             |      |
| 32 |                     | Block 5   | 0           | 600,000        |                 |                 | \$0.26868        |                      | \$0.26865            |             |      |
| 33 |                     | Block 6   | 0           | all additional |                 |                 | \$0.23154        |                      | \$0.23153            |             |      |
| 34 |                     | TOTAL     |             |                |                 |                 |                  | \$8,093.93           |                      | \$8,092.90  | 0.0% |
| 35 | 42I Firm Sales      | Block 1   | 1,086,353   | 10,000         | 13,593.0        | \$1,300.00      | \$0.34641        |                      | \$0.34635            |             |      |
| 36 |                     | Block 2   | 638,955     | 20,000         |                 |                 | \$0.33204        |                      | \$0.33198            |             |      |
| 37 |                     | Block 3   | 68,923      | 20,000         |                 |                 | \$0.30341        |                      | \$0.30337            |             |      |
| 38 |                     | Block 4   | 0           | 100,000        |                 |                 | \$0.28459        |                      | \$0.28456            |             |      |
| 39 |                     | Block 5   | 0           | 600,000        |                 |                 | \$0.25951        |                      | \$0.25948            |             |      |
| 40 |                     | Block 6   | 0           | all additional |                 |                 | \$0.22810        |                      | \$0.22809            |             |      |
| 41 |                     | TOTAL     |             |                |                 |                 |                  | \$5,957.12           |                      | \$5,956.30  | 0.0% |
| 42 | 42C Firm Trans      | Block 1   | 479,847     | 10,000         | 48,994.0        | \$1,550.00      | \$0.12884        |                      | \$0.12880            |             |      |
| 43 |                     | Block 2   | 792,463     | 20,000         |                 |                 | \$0.11534        |                      | \$0.11530            |             |      |
| 44 |                     | Block 3   | 542,281     | 20,000         |                 |                 | \$0.08844        |                      | \$0.08841            |             |      |
| 45 |                     | Block 4   | 537,117     | 100,000        |                 |                 | \$0.07077        |                      | \$0.07074            |             |      |
| 46 |                     | Block 5   | 0           | 600,000        |                 |                 | \$0.04718        |                      | \$0.04716            |             |      |
| 47 |                     | Block 6   | 0           | all additional |                 |                 | \$0.01768        |                      | \$0.01767            |             |      |
| 48 |                     | TOTAL     |             |                |                 |                 |                  | \$6,825.03           |                      | \$6,823.26  | 0.0% |
| 49 | 42I Firm Trans      | Block 1   | 901,597     | 10,000         | 63,120.0        | \$1,550.00      | \$0.13275        |                      | \$0.13271            |             |      |
| 50 |                     | Block 2   | 1,041,722   | 20,000         |                 |                 | \$0.11883        |                      | \$0.11879            |             |      |
| 51 |                     | Block 3   | 957,215     | 20,000         |                 |                 | \$0.09112        |                      | \$0.09109            |             |      |
| 52 |                     | Block 4   | 2,490,044   | 100,000        |                 |                 | \$0.07291        |                      | \$0.07288            |             |      |
| 53 |                     | Block 5   | 1,426,372   | 600,000        |                 |                 | \$0.04860        |                      | \$0.04858            |             |      |
| 54 |                     | Block 6   | 0           | all additional |                 |                 | \$0.01823        |                      | \$0.01822            |             |      |
| 55 |                     | TOTAL     |             |                |                 |                 |                  | \$8,033.08           |                      | \$8,030.89  | 0.0% |
| 56 | 42C Interr Sales    | Block 1   | 239,999     | 10,000         | 39,641.0        | \$1,300.00      | \$0.37347        |                      | \$0.37342            |             |      |
| 57 |                     | Block 2   | 454,151     | 20,000         |                 |                 | \$0.35825        |                      | \$0.35820            |             |      |
| 58 |                     | Block 3   | 230,285     | 20,000         |                 |                 | \$0.32792        |                      | \$0.32788            |             |      |
| 59 |                     | Block 4   | 26,942      | 100,000        |                 |                 | \$0.30799        |                      | \$0.30797            |             |      |
| 60 |                     | Block 5   | 0           | 600,000        |                 |                 | \$0.28141        |                      | \$0.28139            |             |      |
| 61 |                     | Block 6   | 0           | all additional |                 |                 | \$0.24819        |                      | \$0.24818            |             |      |
| 62 |                     | TOTAL     |             |                |                 |                 |                  | \$15,361.18          |                      | \$15,359.29 | 0.0% |
| 63 | 42I Interr Sales    | Block 1   | 160,966     | 10,000         | 8,520.0         | \$1,300.00      | \$0.36417        |                      | \$0.36409            |             |      |
| 64 |                     | Block 2   | 145,741     | 20,000         |                 |                 | \$0.34993        |                      | \$0.34985            |             |      |
| 65 |                     | Block 3   | 0           | 20,000         |                 |                 | \$0.32155        |                      | \$0.32150            |             |      |
| 66 |                     | Block 4   | 0           | 100,000        |                 |                 | \$0.30289        |                      | \$0.30284            |             |      |
| 67 |                     | Block 5   | 0           | 600,000        |                 |                 | \$0.27800        |                      | \$0.27798            |             |      |
| 68 |                     | Block 6   | 0           | all additional |                 |                 | \$0.24690        |                      | \$0.24689            |             |      |
| 69 |                     | TOTAL     |             |                |                 |                 |                  | \$4,402.73           |                      | \$4,402.05  | 0.0% |
| 70 | 42 Inter Trans      | Block 1   | 861,932     | 10,000         | 63,670.0        | \$1,550.00      | \$0.12574        |                      | \$0.12569            |             |      |
| 71 |                     | Block 2   | 1,453,508   | 20,000         |                 |                 | \$0.11256        |                      | \$0.11251            |             |      |
| 72 |                     | Block 3   | 976,710     | 20,000         |                 |                 | \$0.08631        |                      | \$0.08627            |             |      |
| 73 |                     | Block 4   | 3,078,834   | 100,000        |                 |                 | \$0.06906        |                      | \$0.06903            |             |      |
| 74 |                     | Block 5   | 1,269,411   | 600,000        |                 |                 | \$0.04605        |                      | \$0.04603            |             |      |
| 75 |                     | Block 6   | 0           | all additional |                 |                 | \$0.01725        |                      | \$0.01724            |             |      |
| 76 |                     | TOTAL     |             |                |                 |                 |                  | \$7,728.85           |                      | \$7,726.14  | 0.0% |
| 77 | 43 Firm Trans       |           | 0           | N/A            | 0.0             | \$38,000.00     | \$0.00456        | \$38,000.00          | \$0.00456            | \$38,000.00 | 0.0% |
| 78 | 43 Interr Trans     |           | 0           | N/A            | 0.0             | \$38,000.00     | \$0.00456        | \$38,000.00          | \$0.00456            | \$38,000.00 | 0.0% |
| 79 | Intentionally blank |           |             |                |                 |                 |                  |                      |                      |             |      |

[1] Rate Schedule 41 and 42 customers may choose demand charges at a volumetric rate or based on MDDV. For convenience included in the calculations for those schedules.

[2] Proposed rates include the effect of removing the current Schedule 215 adjustment and applying the proposed Schedule purposes only and assumes no other changes to rates occur November 1.

Sources:

|                  |            |            |
|------------------|------------|------------|
| Direct Inputs    | per Tariff | per Tariff |
| Rates in summary | Column A   |            |

**NW Natural**  
**Rates & Regulatory Affairs**  
**2020-2021 PGA Filing - Washington: September Filing**  
**Summary of Deferred Accounts**

| Account<br>A                            | Balance<br>8/31/2020<br>B | Sep-Oct<br>Estimated<br>Activity<br>C | Sep-Oct<br>Interest<br>D | Estimated<br>Balance<br>10/31/2020<br>E | Estimated<br>Interest<br>During<br>Amortization<br>F | Total<br>Estimated<br>Amount for<br>(Refund) or<br>Collection<br>G | Amounts<br>Excluded from<br>PGA Filing<br>H | Amounts<br>Included in<br>PGA Filing<br>I |
|---|---------------------------|---------------------------------------|--------------------------|---|--|--|---|---|
|   |                           |                                       |                          | E = sum B thru D                        | 3.43%  | G = E + F  |   |   |
| <b>MISC Deferrals and Amortizations</b> |                           |                                       |                          |   |  |  |   |   |
| 254121 WA INTERIM TAX DEFER AMORT       | (228,620)                 | 214,616                               | 0                        | (14,004)                                |  |  |   |   |
|   | (228,620)                 | 214,616                               | 0                        | (14,004)                                | (262)  | (14,266)   |   | (14,266)                                  |

7 Notes

8 Please refer to NWN workpapers or electronic file "NWN 2020-21 Washington PGA rate development file September filing.xls" for application of revenue sensitive effect and calculation of rate increments.

Company: Northwest Natural Gas Company  
 State: Washington  
 Description: Washington Interim Tax Deferral Amortization  
 Account Number: 254121  
 Temp Increment under Schedule 305

1 Debit (Credit)

2  
 3  
 4  
 5  
 6

| Month/Year             | Note | Amortization      | Transfers      | Activity          | Balance        |
|------------------------|------|-------------------|----------------|-------------------|----------------|
| (a)                    | (b)  | (c)               | (d)            | (e)               | (f)            |
| Beginning Balance      |      |                   |                |                   | 0.00           |
| Nov-19 new <b>(1)</b>  |      | 89,606.12         | (2,100,000.01) | (2,010,393.89)    | (2,010,393.89) |
| Dec-19                 |      | 310,494.19        |                | 310,494.19        | (1,699,899.70) |
| Jan-20                 |      | 344,847.24        |                | 344,847.24        | (1,355,052.46) |
| Feb-20                 |      | 288,086.83        |                | 288,086.83        | (1,066,965.63) |
| Mar-20                 |      | 279,796.88        |                | 279,796.88        | (787,168.75)   |
| Apr-20                 |      | 212,858.68        |                | 212,858.68        | (574,310.07)   |
| May-20                 |      | 118,367.07        |                | 118,367.07        | (455,943.00)   |
| Jun-20                 |      | 92,771.45         |                | 92,771.45         | (363,171.55)   |
| Jul-20                 |      | 73,911.96         |                | 73,911.96         | (289,259.59)   |
| Aug-20                 |      | 60,639.71         |                | 60,639.71         | (228,619.88)   |
| Sep-20 <i>forecast</i> |      | <i>72,297.68</i>  |                | <i>72,297.68</i>  | (156,322.20)   |
| Oct-20 <i>forecast</i> |      | <i>142,318.45</i> |                | <i>142,318.45</i> | (14,003.75)    |

20  
 21 **History truncated for ease of viewing**

22

23 **Notes**

24 **1** - Transfer in authorized balance from 254120 for amortization.

**NW Natural**  
**Rates & Regulatory Affairs**  
**2020-21 Washington: September Filing**  
**Tariff Advice 20-07: Schedule 209 Holding Company Credit and Interim Period Tax Deferral**

|    | <u>Amount</u> | <u>Reference</u> |
|----|---------------|------------------|
| 1  |               |                  |
| 2  |               |                  |
| 3  |               |                  |
| 4  |               |                  |
| 5  |               |                  |
| 6  |               |                  |
| 7  |               |                  |
| 8  |               |                  |
| 9  |               |                  |
| 10 |               |                  |
| 11 |               |                  |
| 12 |               |                  |
| 13 |               |                  |
| 14 |               |                  |
| 15 |               |                  |
| 16 |               |                  |
| 17 |               |                  |
| 18 |               |                  |
| 19 |               |                  |
| 20 |               |                  |

  

|   | <u>Amount</u>                   | <u>Reference</u>  |
|---|---------------------------------|---|
| <b><u>Temporary Increments</u></b>  |                                 |   |
| <u>Removal of Current Temporary Increments</u>  |                                 |   |
| Amortization of Holding Company Credit  | 57,386                          | NWN 2019-20 Washington PGA rate development file September.xlsx |
| <u>Addition of Proposed Temporary Increments</u>  |                                 |   |
| Amortization of Holding Company Credit and<br>Residual Amortization of Interim Tax Deferral | <u>(72,271)</u>                 | NWN 2020-21 WA PGA rate development file September.xlsx         |
| <b>TOTAL OF ALL COMPONENTS OF RATE CHANGES</b>  | <b><u><u>(\$14,885)</u></u></b> |   |
| <b>2019 Washington CBR Normalized Total Revenues</b>  | <b>\$65,154,832</b>             |   |
| <b>Effect of this filing, as a percentage change</b>  | <b>-0.02%</b>                   |   |