

EXHIBIT B

BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

NW NATURAL
Combined Effects

Annual Purchased Gas Cost and
Deferred Gas Cost Amortization Adjustments

NWN WUTC Advice No. 23-13A / UG-230763

October 24, 2023

NW NATURAL

EXHIBIT B

Combined Effects

Annual Purchased Gas Cost and Deferred Gas Cost Amortization Adjustments

NWN WUTC ADVICE NO. 23-13A / UG-230763

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NW Natural
 Rates & Regulatory Affairs
 2023-2024 PGA Filing - Washington: September Filing
 PGA Effects on Average Bill by Rate Schedule
 Calculation of Effect on Customer Average Bill by Rate Schedule [1]

| | Washington PGA Normalized Volumes page, Column D | Therms in Block | Normal Therms Monthly Average use | Minimum Monthly Charge | Current 11/1/2022 Billing Rates | 11/1/2022 Current Average Bill[2] | Proposed 11/1/2023 Total Rates | Proposed 11/1/2023 Total Average Bill | Proposed 11/1/2023 Total % Bill Change | |
|------------------|---|--------------------|--|------------------------------|--|---|---|--|---|--------|
| | A | B | C | D | E | F=D+(C * E) | Z | AA=D+(C * Z) | AB=(AA - F)/F | |
| Schedule | Block | | | | | | | AA | AB | |
| 1R | | 318,916 | N/A | 16.0 | \$5.50 | \$1.59190 | \$30.97 | \$1.52057 | \$29.83 | -3.7% |
| 1C | | 22,569 | N/A | 51.0 | \$7.00 | \$1.60601 | \$88.91 | \$1.52569 | \$84.81 | -4.6% |
| 2R | | 60,471,175 | N/A | 58.0 | \$8.00 | \$1.41591 | \$90.12 | \$1.19368 | \$77.23 | -14.3% |
| 3 CFS | | 19,986,400 | N/A | 249.0 | \$22.00 | \$1.25038 | \$333.34 | \$1.14785 | \$307.81 | -7.7% |
| 3 IFS | | 277,642 | N/A | 1,218.0 | \$22.00 | \$1.22899 | \$1,518.91 | \$1.08605 | \$1,344.81 | -11.5% |
| 27 | | 80,870 | N/A | 23.0 | \$9.00 | \$1.02062 | \$32.47 | \$0.93722 | \$30.56 | -5.9% |
| 41C Firm Sales | Block 1 | 1,570,103 | 2,000 | 3,712.0 | \$250.00 | \$1.03667 | | \$0.91157 | | |
| | Block 2 | 2,126,827 | all additional | | | \$0.98320 | | \$0.85469 | | |
| | TOTAL | | | | | | \$4,006.58 | \$3,536.37 | | -11.7% |
| 41I Firm Sales | Block 1 | 405,389 | 2,000 | 4,578.0 | \$250.00 | \$0.96687 | | \$0.81033 | | |
| | Block 2 | 803,153 | all additional | | | \$0.92170 | | \$0.76560 | | |
| | TOTAL | | | | | | \$4,559.88 | \$3,844.38 | | -15.7% |
| 41C Interr Sales | Block 1 | 0 | 2,000 | 0.0 | \$250.00 | \$1.01490 | | \$0.87828 | | |
| | Block 2 | 0 | all additional | | | \$0.96393 | | \$0.82564 | | |
| | TOTAL | | | | | | \$250.00 | \$250.00 | | 0.0% |
| 41I Interr Sales | Block 1 | 0 | 2,000 | 0.0 | \$250.00 | \$0.95740 | | \$0.80448 | | |
| | Block 2 | 0 | all additional | | | \$0.91323 | | \$0.76070 | | |
| | TOTAL | | | | | | \$250.00 | \$250.00 | | 0.0% |
| 41C Firm Trans | Block 1 | 148,853 | 2,000 | 4,664.0 | \$500.00 | \$0.38083 | | \$0.38019 | | |
| | Block 2 | 298,848 | all additional | | | \$0.33552 | | \$0.33507 | | |
| | TOTAL | | | | | | \$2,155.49 | \$2,153.01 | | -0.1% |
| 41I Firm Trans | Block 1 | 0 | 2,000 | 0.0 | \$500.00 | \$0.37098 | | \$0.36924 | | |
| | Block 2 | 0 | all additional | | | \$0.32687 | | \$0.32542 | | |
| | TOTAL | | | | | | \$500.00 | \$500.00 | | 0.0% |
| 42C Firm Sales | Block 1 | 701,175 | 10,000 | 17,264.0 | \$1,300.00 | \$0.80750 | | \$0.67622 | | |
| | Block 2 | 698,884 | 20,000 | | | \$0.78434 | | \$0.65073 | | |
| | Block 3 | 213,654 | 20,000 | | | \$0.73831 | | \$0.60003 | | |
| | Block 4 | 43,634 | 100,000 | | | \$0.70801 | | \$0.56664 | | |
| | Block 5 | 0 | 600,000 | | | \$0.66761 | | \$0.52215 | | |
| | Block 6 | 0 | all additional | | | \$0.61709 | | \$0.46652 | | |
| | TOTAL | | | | | | \$15,072.45 | \$12,789.10 | | -15.1% |
| 42I Firm Sales | Block 1 | 1,266,148 | 10,000 | 19,128.0 | \$1,300.00 | \$0.75461 | | \$0.60303 | | |
| | Block 2 | 871,827 | 20,000 | | | \$0.73700 | | \$0.58529 | | |
| | Block 3 | 146,523 | 20,000 | | | \$0.70198 | | \$0.55002 | | |
| | Block 4 | 10,867 | 100,000 | | | \$0.67895 | | \$0.52681 | | |
| | Block 5 | 0 | 600,000 | | | \$0.64824 | | \$0.49590 | | |
| | Block 6 | 0 | all additional | | | \$0.60982 | | \$0.45718 | | |
| | TOTAL | | | | | | \$15,573.44 | \$12,672.83 | | -18.6% |
| 42C Firm Trans | Block 1 | 217,853 | 10,000 | 73,112.0 | \$1,550.00 | \$0.15376 | | \$0.15582 | | |
| | Block 2 | 435,705 | 20,000 | | | \$0.13764 | | \$0.13957 | | |
| | Block 3 | 435,705 | 20,000 | | | \$0.10553 | | \$0.10722 | | |
| | Block 4 | 665,436 | 100,000 | | | \$0.08445 | | \$0.08595 | | |
| | Block 5 | 0 | 600,000 | | | \$0.05629 | | \$0.05758 | | |
| | Block 6 | 0 | all additional | | | \$0.02111 | | \$0.02210 | | |
| | TOTAL | | | | | | \$9,902.81 | \$10,030.48 | | 1.3% |
| 42I Firm Trans | Block 1 | 840,318 | 10,000 | 68,813.0 | \$1,550.00 | \$0.15086 | | \$0.15301 | | |
| | Block 2 | 1,062,417 | 20,000 | | | \$0.13503 | | \$0.13705 | | |
| | Block 3 | 936,547 | 20,000 | | | \$0.10354 | | \$0.10528 | | |
| | Block 4 | 2,527,103 | 100,000 | | | \$0.08283 | | \$0.08441 | | |
| | Block 5 | 1,239,686 | 600,000 | | | \$0.05523 | | \$0.05654 | | |
| | Block 6 | 0 | all additional | | | \$0.02071 | | \$0.02172 | | |
| | TOTAL | | | | | | \$9,388.28 | \$9,514.71 | | 1.3% |
| 42C Interr Sales | Block 1 | 226,932 | 10,000 | 39,178.0 | \$1,300.00 | \$0.76839 | | \$0.63198 | | |
| | Block 2 | 425,616 | 20,000 | | | \$0.74928 | | \$0.61151 | | |
| | Block 3 | 194,048 | 20,000 | | | \$0.71125 | | \$0.57073 | | |
| | Block 4 | 93,667 | 100,000 | | | \$0.68621 | | \$0.54391 | | |
| | Block 5 | 0 | 600,000 | | | \$0.65288 | | \$0.50820 | | |
| | Block 6 | 0 | all additional | | | \$0.61118 | | \$0.46353 | | |
| | TOTAL | | | | | | \$30,497.35 | \$25,088.16 | | -17.7% |
| 42I Interr Sales | Block 1 | 128,853 | 10,000 | 18,328.0 | \$1,300.00 | \$0.75105 | | \$0.60374 | | |
| | Block 2 | 91,079 | 20,000 | | | \$0.73376 | | \$0.58631 | | |
| | Block 3 | 0 | 20,000 | | | \$0.69936 | | \$0.55164 | | |
| | Block 4 | 0 | 100,000 | | | \$0.67671 | | \$0.52884 | | |
| | Block 5 | 0 | 600,000 | | | \$0.64652 | | \$0.49840 | | |
| | Block 6 | 0 | all additional | | | \$0.60879 | | \$0.46039 | | |
| | TOTAL | | | | | | \$14,921.25 | \$12,220.19 | | -18.1% |
| 42C Inter Trans | Block 1 | 0 | 10,000 | 0.0 | \$1,550.00 | \$0.14295 | | \$0.14275 | | |
| | Block 2 | 0 | 20,000 | | | \$0.12797 | | \$0.12788 | | |
| | Block 3 | 0 | 20,000 | | | \$0.09813 | | \$0.09826 | | |
| | Block 4 | 0 | 100,000 | | | \$0.07851 | | \$0.07877 | | |
| | Block 5 | 0 | 600,000 | | | \$0.05235 | | \$0.05280 | | |
| | Block 6 | 0 | all additional | | | \$0.01961 | | \$0.02030 | | |
| | TOTAL | | | | | | \$1,550.00 | \$1,550.00 | | 0.0% |
| 42I Inter Trans | Block 1 | 830,413 | 10,000 | 65,068.0 | \$1,550.00 | \$0.14372 | | \$0.14568 | | |
| | Block 2 | 1,522,701 | 20,000 | | | \$0.12865 | | \$0.13050 | | |
| | Block 3 | 1,166,628 | 20,000 | | | \$0.09865 | | \$0.10026 | | |
| | Block 4 | 2,984,749 | 100,000 | | | \$0.07894 | | \$0.08039 | | |
| | Block 5 | 1,303,638 | 600,000 | | | \$0.05263 | | \$0.05387 | | |
| | Block 6 | 0 | all additional | | | \$0.01973 | | \$0.02071 | | |
| | TOTAL | | | | | | \$8,722.67 | \$8,833.32 | | 1.3% |
| 43 Firm Trans | | 0 | N/A | 0.0 | \$38,000.00 | \$0.00578 | \$38,000.00 | \$0.00575 | \$38,000.00 | N/A |
| 43 Interr Trans | | 0 | N/A | 0.0 | \$38,000.00 | \$0.00521 | \$38,000.00 | \$0.00575 | \$38,000.00 | N/A |

[1] Rate Schedule 41 and 42 customers may choose demand charges at a volumetric rate or based on MDDV. For convenience of presentation, demand charges are not included in the calculations for those schedules.
 [2] Residential current bill as of April 1, 2023
 [3] Proposed rates include the effect of removing the current Schedule 215 adjustment and applying the proposed Schedule 215 adjustment. The rate shown is for illustrative 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
 2023-2024 PGA Filing - Washington: September Filing
 Calculation of Proposed Rates - SUMMARY

| | | 11/1/2022 | | | Proposed | Net change | Net Change | Proposed | 2022-23 PGA |
|------------------|---------|-----------|------------|------------|--------------|------------|------------|-----------|-------------|
| | | Billing | Net change | Net change | Rates | Temporary | Permanent | Billing | Change in |
| | | Rates | WACOG | Demand [1] | PGA Only [1] | Increments | Rate | Rates [1] | Rate |
| | | D=A+B+C | | | | | G=D+E+F | | |
| Schedule | Block | A | B | C | D | E | F | G | |
| 1R | | 1.59190 | 0.00145 | 0.01469 | 1.60804 | (0.08087) | (0.00660) | 1.52057 | (0.07133) |
| 1C | | 1.60601 | 0.00145 | 0.01469 | 1.62215 | (0.09098) | (0.00548) | 1.52569 | (0.08032) |
| 2R | | 1.41591 | 0.00145 | 0.01469 | 1.43205 | (0.23419) | (0.00418) | 1.19368 | (0.22223) |
| 3 CFS | | 1.25038 | 0.00145 | 0.01469 | 1.26652 | (0.11492) | (0.00375) | 1.14785 | (0.10253) |
| 3 IFS | | 1.22899 | 0.00145 | 0.01469 | 1.24513 | (0.15569) | (0.00339) | 1.08605 | (0.14294) |
| 27 | | 1.02062 | 0.00145 | 0.01469 | 1.03676 | (0.09657) | (0.00297) | 0.93722 | (0.08340) |
| 41C Firm Sales | Block 1 | 1.03667 | 0.00145 | 0.00000 | 1.03812 | (0.12358) | (0.00297) | 0.91157 | (0.12510) |
| | Block 2 | 0.98320 | 0.00145 | 0.00000 | 0.98465 | (0.12734) | (0.00262) | 0.85469 | (0.12851) |
| 41I Firm Sales | Block 1 | 0.96687 | 0.00145 | 0.00000 | 0.96832 | (0.15706) | (0.00093) | 0.81033 | (0.15654) |
| | Block 2 | 0.92170 | 0.00145 | 0.00000 | 0.92315 | (0.15673) | (0.00082) | 0.76560 | (0.15610) |
| 41C Interr Sales | Block 1 | 1.01490 | 0.00145 | 0.00000 | 1.01635 | (0.12398) | (0.01409) | 0.87828 | (0.13662) |
| | Block 2 | 0.96393 | 0.00145 | 0.00000 | 0.96538 | (0.12733) | (0.01241) | 0.82564 | (0.13829) |
| 41I Interr Sales | Block 1 | 0.95740 | 0.00145 | 0.00000 | 0.95885 | (0.15437) | 0.00000 | 0.80448 | (0.15292) |
| | Block 2 | 0.91323 | 0.00145 | 0.00000 | 0.91468 | (0.15398) | 0.00000 | 0.76070 | (0.15253) |
| 41C Firm Trans | Block 1 | 0.38083 | 0.00000 | 0.00000 | 0.38083 | 0.00040 | (0.00104) | 0.38019 | (0.00064) |
| | Block 2 | 0.33552 | 0.00000 | 0.00000 | 0.33552 | 0.00046 | (0.00091) | 0.33507 | (0.00045) |
| 41I Firm Trans | Block 1 | 0.37098 | 0.00000 | 0.00000 | 0.37098 | (0.00174) | 0.00000 | 0.36924 | (0.00174) |
| | Block 2 | 0.32687 | 0.00000 | 0.00000 | 0.32687 | (0.00145) | 0.00000 | 0.32542 | (0.00145) |
| 42C Firm Sales | Block 1 | 0.80750 | 0.00145 | 0.00000 | 0.80895 | (0.13049) | (0.00224) | 0.67622 | (0.13128) |
| | Block 2 | 0.78434 | 0.00145 | 0.00000 | 0.78579 | (0.13306) | (0.00200) | 0.65073 | (0.13361) |
| | Block 3 | 0.73831 | 0.00145 | 0.00000 | 0.73976 | (0.13820) | (0.00153) | 0.60003 | (0.13828) |
| | Block 4 | 0.70801 | 0.00145 | 0.00000 | 0.70946 | (0.14159) | (0.00123) | 0.56664 | (0.14137) |
| | Block 5 | 0.66761 | 0.00145 | 0.00000 | 0.66906 | (0.14609) | (0.00082) | 0.52215 | (0.14546) |
| | Block 6 | 0.61709 | 0.00145 | 0.00000 | 0.61854 | (0.15171) | (0.00031) | 0.46652 | (0.15057) |
| 42I Firm Sales | Block 1 | 0.75461 | 0.00145 | 0.00000 | 0.75606 | (0.15238) | (0.00065) | 0.60303 | (0.15158) |
| | Block 2 | 0.73700 | 0.00145 | 0.00000 | 0.73845 | (0.15257) | (0.00059) | 0.58529 | (0.15171) |
| | Block 3 | 0.70198 | 0.00145 | 0.00000 | 0.70343 | (0.15296) | (0.00045) | 0.55002 | (0.15196) |
| | Block 4 | 0.67895 | 0.00145 | 0.00000 | 0.68040 | (0.15323) | (0.00036) | 0.52681 | (0.15214) |
| | Block 5 | 0.64824 | 0.00145 | 0.00000 | 0.64969 | (0.15355) | (0.00024) | 0.49590 | (0.15234) |
| | Block 6 | 0.60982 | 0.00145 | 0.00000 | 0.61127 | (0.15400) | (0.00009) | 0.45718 | (0.15264) |
| 42C Firm Trans | Block 1 | 0.15376 | 0.00000 | 0.00000 | 0.15376 | 0.00270 | (0.00064) | 0.15582 | 0.00206 |
| | Block 2 | 0.13764 | 0.00000 | 0.00000 | 0.13764 | 0.00249 | (0.00056) | 0.13957 | 0.00193 |
| | Block 3 | 0.10553 | 0.00000 | 0.00000 | 0.10553 | 0.00212 | (0.00043) | 0.10722 | 0.00169 |
| | Block 4 | 0.08445 | 0.00000 | 0.00000 | 0.08445 | 0.00185 | (0.00035) | 0.08595 | 0.00150 |
| | Block 5 | 0.05629 | 0.00000 | 0.00000 | 0.05629 | 0.00152 | (0.00023) | 0.05758 | 0.00129 |
| | Block 6 | 0.02111 | 0.00000 | 0.00000 | 0.02111 | 0.00107 | (0.00008) | 0.02210 | 0.00099 |
| 42I Firm Trans | Block 1 | 0.15086 | 0.00000 | 0.00000 | 0.15086 | 0.00258 | (0.00043) | 0.15301 | 0.00215 |
| | Block 2 | 0.13503 | 0.00000 | 0.00000 | 0.13503 | 0.00240 | (0.00038) | 0.13705 | 0.00202 |
| | Block 3 | 0.10354 | 0.00000 | 0.00000 | 0.10354 | 0.00204 | (0.00030) | 0.10528 | 0.00174 |
| | Block 4 | 0.08283 | 0.00000 | 0.00000 | 0.08283 | 0.00181 | (0.00023) | 0.08441 | 0.00158 |
| | Block 5 | 0.05523 | 0.00000 | 0.00000 | 0.05523 | 0.00147 | (0.00016) | 0.05654 | 0.00131 |
| | Block 6 | 0.02071 | 0.00000 | 0.00000 | 0.02071 | 0.00106 | (0.00005) | 0.02172 | 0.00101 |
| 42C Interr Sales | Block 1 | 0.76839 | 0.00145 | 0.00000 | 0.76984 | (0.13653) | (0.00133) | 0.63198 | (0.13641) |
| | Block 2 | 0.74928 | 0.00145 | 0.00000 | 0.75073 | (0.13803) | (0.00119) | 0.61151 | (0.13777) |
| | Block 3 | 0.71125 | 0.00145 | 0.00000 | 0.71270 | (0.14106) | (0.00091) | 0.57073 | (0.14052) |
| | Block 4 | 0.68621 | 0.00145 | 0.00000 | 0.68766 | (0.14302) | (0.00073) | 0.54391 | (0.14230) |
| | Block 5 | 0.65288 | 0.00145 | 0.00000 | 0.65433 | (0.14564) | (0.00049) | 0.50820 | (0.14468) |
| | Block 6 | 0.61118 | 0.00145 | 0.00000 | 0.61263 | (0.14892) | (0.00018) | 0.46353 | (0.14765) |
| 42I Interr Sales | Block 1 | 0.75105 | 0.00145 | 0.00000 | 0.75250 | (0.14816) | (0.00060) | 0.60374 | (0.14731) |
| | Block 2 | 0.73376 | 0.00145 | 0.00000 | 0.73521 | (0.14836) | (0.00054) | 0.58631 | (0.14745) |
| | Block 3 | 0.69936 | 0.00145 | 0.00000 | 0.70081 | (0.14875) | (0.00042) | 0.55164 | (0.14772) |
| | Block 4 | 0.67671 | 0.00145 | 0.00000 | 0.67816 | (0.14899) | (0.00033) | 0.52884 | (0.14787) |
| | Block 5 | 0.64652 | 0.00145 | 0.00000 | 0.64797 | (0.14935) | (0.00022) | 0.49840 | (0.14812) |
| | Block 6 | 0.60879 | 0.00145 | 0.00000 | 0.61024 | (0.14976) | (0.00009) | 0.46039 | (0.14840) |
| 42C Inter Trans | Block 1 | 0.14295 | 0.00000 | 0.00000 | 0.14295 | (0.00020) | 0.00000 | 0.14275 | (0.00020) |
| | Block 2 | 0.12797 | 0.00000 | 0.00000 | 0.12797 | (0.00009) | 0.00000 | 0.12788 | (0.00009) |
| | Block 3 | 0.09813 | 0.00000 | 0.00000 | 0.09813 | 0.00013 | 0.00000 | 0.09826 | 0.00013 |
| | Block 4 | 0.07851 | 0.00000 | 0.00000 | 0.07851 | 0.00026 | 0.00000 | 0.07877 | 0.00026 |
| | Block 5 | 0.05235 | 0.00000 | 0.00000 | 0.05235 | 0.00045 | 0.00000 | 0.05280 | 0.00045 |
| | Block 6 | 0.01961 | 0.00000 | 0.00000 | 0.01961 | 0.00069 | 0.00000 | 0.02030 | 0.00069 |
| 42I Inter Trans | Block 1 | 0.14372 | 0.00000 | 0.00000 | 0.14372 | 0.00232 | (0.00036) | 0.14568 | 0.00196 |
| | Block 2 | 0.12865 | 0.00000 | 0.00000 | 0.12865 | 0.00217 | (0.00032) | 0.13050 | 0.00185 |
| | Block 3 | 0.09865 | 0.00000 | 0.00000 | 0.09865 | 0.00185 | (0.00024) | 0.10026 | 0.00161 |
| | Block 4 | 0.07894 | 0.00000 | 0.00000 | 0.07894 | 0.00165 | (0.00020) | 0.08039 | 0.00145 |
| | Block 5 | 0.05263 | 0.00000 | 0.00000 | 0.05263 | 0.00137 | (0.00013) | 0.05387 | 0.00124 |
| | Block 6 | 0.01973 | 0.00000 | 0.00000 | 0.01973 | 0.00103 | (0.00005) | 0.02071 | 0.00098 |
| 43 Firm Trans | | 0.00578 | 0.00000 | 0.00000 | 0.00578 | (0.00003) | 0.00000 | 0.00575 | (0.00003) |
| 43 Interr Trans | | 0.00521 | 0.00000 | 0.00000 | 0.00521 | 0.00054 | 0.00000 | 0.00575 | 0.00054 |
| | | | | | | | | | |

Sources:

| | |
|---------------|-------------|
| Direct Inputs | 2022-23 PGA |
|---------------|-------------|

| | | | | | |
|-----------------|--------------|----------------|--------------|----------|----------|
| Rates in detail | Column F - B | Column G+H-C-D | Column K - J | Column L | Column N |
|-----------------|--------------|----------------|--------------|----------|----------|

[1] Rate Schedule 41 and 42 customers may choose demand charges at a volumetric rate or based on MDDV.

NW Natural
 Rates & Regulatory Affairs
 2023-2024 PGA Filing - Washington: September Filing
 Calculation of Proposed Rates - DETAIL

| | | 11/1/2022 | REMOVE | REMOVE | REMOVE | | ADD | ADD | ADD | | REMOVE | ADD | ADD | 11/1/2023 |
|------------------|---------|-----------|---------|---------|---------|--------------|-----------|-----------|----------|--------------|-----------|-----------|-----------|-----------|
| | | Billing | Current | Current | Current | | Proposed | Proposed | Proposed | | Current | Proposed | Proposed | Proposed |
| | | Rates | WACOG | FIRM | INTERR | Subtotal [1] | WACOG | FIRM | INTERR | Subtotal [1] | Temporary | Temporary | Permanent | Tariff |
| | | | | Demand | Demand | | | Demand | Demand | | Items | Items | Rates | Rates [1] |
| | | | | | | E=A-B-C-D | | | | I=E+F+G+H | | | | L=I-J+K |
| Schedule | Block | A | B | C | D | E | F | G | H | I | J | K | L | L |
| 1R | | 1.59190 | 0.46972 | 0.08696 | 0.00000 | 1.03522 | \$0.47117 | \$0.10165 | 0.00000 | 1.60804 | 0.19500 | 0.11413 | (0.00660) | 1.52057 |
| 1C | | 1.60601 | 0.46972 | 0.08696 | 0.00000 | 1.04933 | \$0.47117 | \$0.10165 | 0.00000 | 1.62215 | 0.18173 | 0.09075 | (0.00548) | 1.52569 |
| 2R | | 1.41591 | 0.46972 | 0.08696 | 0.00000 | 0.85923 | \$0.47117 | \$0.10165 | 0.00000 | 1.43205 | 0.29747 | 0.06328 | (0.00418) | 1.19368 |
| 3 CFS | | 1.25038 | 0.46972 | 0.08696 | 0.00000 | 0.69370 | \$0.47117 | \$0.10165 | 0.00000 | 1.26652 | 0.15700 | 0.04208 | (0.00375) | 1.14785 |
| 3 IFS | | 1.22899 | 0.46972 | 0.08696 | 0.00000 | 0.67231 | \$0.47117 | \$0.10165 | 0.00000 | 1.24513 | 0.12557 | (0.03012) | (0.00339) | 1.08605 |
| 27 | | 1.02062 | 0.46972 | 0.08696 | 0.00000 | 0.46394 | \$0.47117 | \$0.10165 | 0.00000 | 1.03676 | 0.14933 | 0.05276 | (0.00297) | 0.93722 |
| 41C Firm Sales | Block 1 | 1.03667 | 0.46972 | | | 0.56695 | \$0.47117 | | | 1.03812 | 0.14834 | 0.02476 | (0.00297) | 0.91157 |
| | Block 2 | 0.98320 | 0.46972 | | | 0.51348 | \$0.47117 | | | 0.98465 | 0.14462 | 0.01728 | (0.00262) | 0.85469 |
| 41I Firm Sales | Block 1 | 0.96687 | 0.46972 | | | 0.49715 | \$0.47117 | | | 0.96832 | 0.12513 | (0.03193) | (0.00093) | 0.81033 |
| | Block 2 | 0.92170 | 0.46972 | | | 0.45198 | \$0.47117 | | | 0.92315 | 0.12418 | (0.03255) | (0.00082) | 0.76560 |
| 41C Interr Sales | Block 1 | 1.01490 | 0.46972 | | | 0.54518 | \$0.47117 | | | 1.01635 | 0.14696 | 0.02298 | (0.01409) | 0.87828 |
| | Block 2 | 0.96393 | 0.46972 | | | 0.49421 | \$0.47117 | | | 0.96538 | 0.14335 | 0.01602 | (0.01241) | 0.82564 |
| 41I Interr Sales | Block 1 | 0.95740 | 0.46972 | | | 0.48768 | \$0.47117 | | | 0.95885 | 0.12428 | (0.03009) | 0.00000 | 0.80448 |
| | Block 2 | 0.91323 | 0.46972 | | | 0.44351 | \$0.47117 | | | 0.91468 | 0.12334 | (0.03064) | 0.00000 | 0.76070 |
| 41C Firm Trans | Block 1 | 0.38083 | 0.00000 | | | 0.38083 | \$0.00000 | | | 0.38083 | 0.00194 | 0.00234 | (0.00104) | 0.38019 |
| | Block 2 | 0.33552 | 0.00000 | | | 0.33552 | \$0.00000 | | | 0.33552 | 0.00170 | 0.00216 | (0.00091) | 0.33507 |
| 41I Firm Trans | Block 1 | 0.37098 | 0.00000 | | | 0.37098 | \$0.00000 | | | 0.37098 | 0.00317 | 0.00143 | 0.00000 | 0.36924 |
| | Block 2 | 0.32687 | 0.00000 | | | 0.32687 | \$0.00000 | | | 0.32687 | 0.00281 | 0.00136 | 0.00000 | 0.32542 |
| 42C Firm Sales | Block 1 | 0.80750 | 0.46972 | | | 0.33778 | \$0.47117 | | | 0.80895 | 0.12969 | (0.00080) | (0.00224) | 0.67622 |
| | Block 2 | 0.78434 | 0.46972 | | | 0.31462 | \$0.47117 | | | 0.78579 | 0.12836 | (0.00470) | (0.00200) | 0.65073 |
| | Block 3 | 0.73831 | 0.46972 | | | 0.26859 | \$0.47117 | | | 0.73976 | 0.12573 | (0.01247) | (0.00153) | 0.60003 |
| | Block 4 | 0.70801 | 0.46972 | | | 0.23829 | \$0.47117 | | | 0.70946 | 0.12401 | (0.01758) | (0.00123) | 0.56664 |
| | Block 5 | 0.66761 | 0.46972 | | | 0.19789 | \$0.47117 | | | 0.66906 | 0.12171 | (0.02438) | (0.00082) | 0.52215 |
| | Block 6 | 0.61709 | 0.46972 | | | 0.14737 | \$0.47117 | | | 0.61854 | 0.11881 | (0.03290) | (0.00031) | 0.46652 |
| 42I Firm Sales | Block 1 | 0.75461 | 0.46972 | | | 0.28489 | \$0.47117 | | | 0.75606 | 0.11807 | (0.03431) | (0.00065) | 0.60303 |
| | Block 2 | 0.73700 | 0.46972 | | | 0.26728 | \$0.47117 | | | 0.73845 | 0.11795 | (0.03462) | (0.00059) | 0.58529 |
| | Block 3 | 0.70198 | 0.46972 | | | 0.23226 | \$0.47117 | | | 0.70343 | 0.11775 | (0.03521) | (0.00045) | 0.55002 |
| | Block 4 | 0.67895 | 0.46972 | | | 0.20923 | \$0.47117 | | | 0.68040 | 0.11762 | (0.03561) | (0.00036) | 0.52681 |
| | Block 5 | 0.64824 | 0.46972 | | | 0.17852 | \$0.47117 | | | 0.64969 | 0.11743 | (0.03612) | (0.00024) | 0.49590 |
| | Block 6 | 0.60982 | 0.46972 | | | 0.14010 | \$0.47117 | | | 0.61127 | 0.11721 | (0.03679) | (0.00009) | 0.45718 |
| 42C Firm Trans | Block 1 | 0.15376 | 0.00000 | | | 0.15376 | \$0.00000 | | | 0.15376 | (0.00130) | 0.00140 | (0.00064) | 0.15582 |
| | Block 2 | 0.13764 | 0.00000 | | | 0.13764 | \$0.00000 | | | 0.13764 | (0.00116) | 0.00133 | (0.00056) | 0.13957 |
| | Block 3 | 0.10553 | 0.00000 | | | 0.10553 | \$0.00000 | | | 0.10553 | (0.00090) | 0.00122 | (0.00043) | 0.10722 |
| | Block 4 | 0.08445 | 0.00000 | | | 0.08445 | \$0.00000 | | | 0.08445 | (0.00071) | 0.00114 | (0.00035) | 0.08595 |
| | Block 5 | 0.05629 | 0.00000 | | | 0.05629 | \$0.00000 | | | 0.05629 | (0.00048) | 0.00104 | (0.00023) | 0.05758 |
| | Block 6 | 0.02111 | 0.00000 | | | 0.02111 | \$0.00000 | | | 0.02111 | (0.00017) | 0.00090 | (0.00008) | 0.02210 |
| 42I Firm Trans | Block 1 | 0.15086 | 0.00000 | | | 0.15086 | \$0.00000 | | | 0.15086 | (0.00118) | 0.00140 | (0.00043) | 0.15301 |
| | Block 2 | 0.13503 | 0.00000 | | | 0.13503 | \$0.00000 | | | 0.13503 | (0.00106) | 0.00134 | (0.00038) | 0.13705 |
| | Block 3 | 0.10354 | 0.00000 | | | 0.10354 | \$0.00000 | | | 0.10354 | (0.00082) | 0.00122 | (0.00030) | 0.10528 |
| | Block 4 | 0.08283 | 0.00000 | | | 0.08283 | \$0.00000 | | | 0.08283 | (0.00066) | 0.00115 | (0.00023) | 0.08441 |
| | Block 5 | 0.05523 | 0.00000 | | | 0.05523 | \$0.00000 | | | 0.05523 | (0.00043) | 0.00104 | (0.00016) | 0.05654 |
| | Block 6 | 0.02071 | 0.00000 | | | 0.02071 | \$0.00000 | | | 0.02071 | (0.00016) | 0.00090 | (0.00005) | 0.02172 |
| 42C Interr Sales | Block 1 | 0.76839 | 0.46972 | | | 0.29867 | \$0.47117 | | | 0.76984 | 0.12880 | (0.00773) | (0.00133) | 0.63198 |
| | Block 2 | 0.74928 | 0.46972 | | | 0.27956 | \$0.47117 | | | 0.75073 | 0.12750 | (0.01053) | (0.00119) | 0.61151 |
| | Block 3 | 0.71125 | 0.46972 | | | 0.24153 | \$0.47117 | | | 0.71270 | 0.12494 | (0.01612) | (0.00091) | 0.57073 |
| | Block 4 | 0.68621 | 0.46972 | | | 0.21649 | \$0.47117 | | | 0.68766 | 0.12322 | (0.01980) | (0.00073) | 0.54391 |
| | Block 5 | 0.65288 | 0.46972 | | | 0.18316 | \$0.47117 | | | 0.65433 | 0.12096 | (0.02468) | (0.00049) | 0.50820 |
| | Block 6 | 0.61118 | 0.46972 | | | 0.14146 | \$0.47117 | | | 0.61263 | 0.11813 | (0.03079) | (0.00018) | 0.46353 |
| 42I Interr Sales | Block 1 | 0.75105 | 0.46972 | | | 0.28133 | \$0.47117 | | | 0.75250 | 0.11742 | (0.03074) | (0.00060) | 0.60374 |
| | Block 2 | 0.73376 | 0.46972 | | | 0.26404 | \$0.47117 | | | 0.73521 | 0.11731 | (0.03105) | (0.00054) | 0.58631 |
| | Block 3 | 0.69936 | 0.46972 | | | 0.22964 | \$0.47117 | | | 0.70081 | 0.11712 | (0.03163) | (0.00042) | 0.55164 |
| | Block 4 | 0.67671 | 0.46972 | | | 0.20699 | \$0.47117 | | | 0.67816 | 0.11697 | (0.03202) | (0.00033) | 0.52884 |
| | Block 5 | 0.64652 | 0.46972 | | | 0.17680 | \$0.47117 | | | 0.64797 | 0.11680 | (0.03255) | (0.00022) | 0.49840 |
| | Block 6 | 0.60879 | 0.46972 | | | 0.13907 | \$0.47117 | | | 0.61024 | 0.11657 | (0.03319) | (0.00009) | 0.46039 |
| 42C Inter Trans | Block 1 | 0.14295 | 0.00000 | | | 0.14295 | \$0.00000 | | | 0.14295 | 0.00126 | 0.00106 | 0.00000 | 0.14275 |
| | Block 2 | 0.12797 | 0.00000 | | | 0.12797 | \$0.00000 | | | 0.12797 | 0.00112 | 0.00103 | 0.00000 | 0.12788 |
| | Block 3 | 0.09813 | 0.00000 | | | 0.09813 | \$0.00000 | | | 0.09813 | 0.00086 | 0.00099 | 0.00000 | 0.09826 |
| | Block 4 | 0.07851 | 0.00000 | | | 0.07851 | \$0.00000 | | | 0.07851 | 0.00069 | 0.00095 | 0.00000 | 0.07877 |
| | Block 5 | 0.05235 | 0.00000 | | | 0.05235 | \$0.00000 | | | 0.05235 | 0.00046 | 0.00091 | 0.00000 | 0.05280 |
| | Block 6 | 0.01961 | 0.00000 | | | 0.01961 | \$0.00000 | | | 0.01961 | 0.00017 | 0.00086 | 0.00000 | 0.02030 |
| 42I Inter Trans | Block 1 | 0.14372 | 0.00000 | | | 0.14372 | \$0.00000 | | | 0.14372 | (0.00094) | 0.00138 | (0.00036) | 0.14568 |
| | Block 2 | 0.12865 | 0.00000 | | | 0.12865 | \$0.00000 | | | 0.12865 | (0.00084) | 0.00133 | (0.00032) | 0.13050 |
| | Block 3 | 0.09865 | 0.00000 | | | 0.09865 | \$0.00000 | | | 0.09865 | (0.00064) | 0.00121 | (0.00024) | 0.10026 |
| | Block 4 | 0.07894 | 0.00000 | | | 0.07894 | \$0.00000 | | | 0.07894 | (0.00051) | 0.00114 | (0.00020) | 0.08039 |
| | Block 5 | 0.05263 | 0.00000 | | | 0.05263 | \$0.00000 | | | 0.05263 | (0.00034) | 0.00103 | (0.00013) | 0.05387 |
| | Block 6 | 0.01973 | 0.00000 | | | 0.01973 | \$0.00000 | | | 0.01973 | (0.00013) | 0.00090 | (0.00005) | 0.02071 |
| 43 Firm Trans | | 0.00578 | 0.00000 | | | 0.00578 | \$0.00000 | \$0.00000 | 0.00000 | 0.00578 | 0.00087 | 0.00084 | 0.00000 | 0.00575 |
| 43 Interr Trans | | 0.00521 | 0.00000 | | | 0.00521 | \$0.00000 | \$0.00000 | 0.00000 | 0.00521 | 0.00030 | 0.00084 | 0.00000 | 0.00575 |

Intentionally blank

Sources:

| | | | | | | | |
|---------------|-------------|-------------|-------------|-------------|---------------|---------------|---------------|
| Direct Inputs | 2022-23 PGA | 2022-23 PGA | 2022-23 PGA | 2022-23 PGA | Gas Cost File | Gas Cost File | Gas Cost File |
|---------------|-------------|-------------|-------------|-------------|---------------|---------------|---------------|

| | | | | | | | |
|----------------------|--|--|--|--|----------|----------|----------|
| Temporary Increments | | | | | Column A | Column I | |
| Permanent Increments | | | | | | | Column E |
| Equal % of margin | | | | | | | |

[1] Rate Schedule 41 and 42 customers may choose demand charges at a volumetric rate or based on MDDV. For convenience of presentation, demand charges are not shown for those schedules.

NW Natural
Rates & Regulatory Affairs
2022-23 Combined Effects - Washington: September Filing Tariff
Advice 23-13A: Combined Effects on Revenue w/ PGA

| | <u>Amount</u> |
|----|----------------------|
| 1 | |
| 2 | |
| 3 | |
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|--|-------------------------------------|
| <u>Purchased Gas Cost Adjustment (PGA)</u> | |
| Gas Cost Change | \$132,508 |
| Capacity Cost Change | <u>1,563,933</u> |
| Total PGA Change | <u>1,696,441</u> |
| <u>Temporary Rate Adjustments</u> | |
| Proposed Temporary Increments | 4,654,345 |
| Removal of Current Temporary Increments | <u>(16,486,458)</u> |
| Total Net Temporary Rate Adjustment | <u>(11,832,113)</u> |
| <u>Permanent Rate Adjustments</u> | |
| Proposed Permanent Increments | (320,858) |
| Removal of Current Permanent Increments | <u>0</u> |
| Total Net Temporary Rate Adjustment | <u>(320,858)</u> |
| TOTAL OF ALL COMPONENTS OF ALL RATE CHANGES | <u><u>(\$10,456,530)</u></u> |
| 2022 Washington CBR Normalized Total Revenues | \$102,022,644 |
| Effect of this filing, as a percentage change | -10.25% |