

EXHIBIT A

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

NW NATURAL SUPPORTING MATERIALS
RESIDENTIAL BILL DISCOUNT PROGRAM ANNUAL COST
RECOVERY UPDATE

NWN WUTC Advice No. 24-15

November 15, 2024

NW NATURAL

EXHIBIT A

Supporting Materials

RESIDENTIAL BILL DISCOUNT PROGRAM ANNUAL COST

RECOVERY UPDATE

NWN WUTC ADVICE NO. 24-15

| Description | Page |
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NW Natural
 Rates & Regulatory Affairs
 2024-2025 PGA Filing - Washington: September Filing
 Calculation of Increments Allocated on the EQUAL PERCENTAGE OF MARGIN BASIS

| Schedule | Block | PGA Column A | Billing Rates from Column B | WACOG & Demand from Column C | Temps from Temporary Increment page, Column A | MARGIN Rate | Volumetric Margin | Customer Charge | Customers | Total Margin | Residential Bill Discount Program | | |
|---------------------|---------|-----------------|-----------------------------------|------------------------------------|--|----------------|----------------------|--------------------|-----------|-----------------|-----------------------------------|--------------|----------------------------------|
| | | | | | | | | | | | Proposed Amount: | Multiplier | Allocation to RS |
| | | | | | | | | | | | \$1,853,391 | 4.357% | rev sensitive factor is built in |
| | | | | | | | | | | | Revenue Sensitive Multiplier: | 1.937,820 | All Customers |
| | | | | | | | | | | | Amount to Amortize: | | |
| | | | | | | | | | | | V | W | X |
| | | | | | | | | | | | Increment | | |
| 1R | | 329,987 | \$1,911.07 | \$0.53611 | \$0.54027 | \$0.83469 | \$275,437 | \$5.50 | 1,878 | \$390,385 | 1.0 | \$12,523 | \$0.03795 |
| 1C | | 15,693 | \$1,916.70 | \$0.53611 | \$0.51751 | \$0.86308 | \$13,545 | \$7.00 | 35 | \$16,485 | 1.0 | \$517 | \$0.03294 |
| 2R | | 60,818,465 | \$1,564.19 | \$0.53611 | \$0.46988 | \$0.55820 | \$33,948,867 | \$8.00 | 88,378 | \$42,433,155 | 1.0 | \$1,330,567 | \$0.02188 |
| 3 CFS | | 20,700,936 | \$1,528.36 | \$0.53611 | \$0.45875 | \$0.53350 | \$11,043,949 | \$22.00 | 6,785 | \$12,835,189 | 1.0 | \$402,470 | \$0.01944 |
| 3 IFS | | 219,194 | \$1,480.49 | \$0.53611 | \$0.40053 | \$0.54385 | \$119,209 | \$22.00 | 21 | \$124,753 | 1.0 | \$3,912 | \$0.01785 |
| 27 | | 60,524 | \$1,355.25 | \$0.53611 | \$0.50661 | \$0.31253 | \$18,915 | \$9.00 | 390 | \$61,035 | 1.0 | \$1,914 | \$0.03162 |
| 41C Firm Sales | Block 1 | 1,451,662 | \$1,290.38 | \$0.43274 | \$0.44156 | \$0.41608 | \$1,468,123 | \$250 | 97 | \$1,759,123 | 1.0 | \$55,160 | \$0.01563 |
| | Block 2 | 2,356,915 | \$1,232.73 | \$0.43274 | \$0.43336 | \$0.36663 | | | | | 1.0 | | \$0.01377 |
| 41I Firm Sales | Block 1 | 380,477 | \$1,198.13 | \$0.43274 | \$0.36992 | \$0.37147 | \$419,001 | \$250.00 | 21 | \$482,001 | 1.0 | \$15,114 | \$0.01340 |
| | Block 2 | 848,324 | \$1,151.55 | \$0.43274 | \$0.39150 | \$0.32731 | | | | | 1.0 | | \$0.01181 |
| 41C Interr Sales | Block 1 | 0 | \$1,215.94 | \$0.43274 | \$0.39867 | \$0.38453 | \$0 | \$250.00 | 0 | \$0 | 1.0 | \$0 | \$0.01483 |
| | Block 2 | 0 | \$1,162.72 | \$0.43274 | \$0.39118 | \$0.33880 | | | | | 1.0 | | \$0.01307 |
| 41I Interr Sales | Block 1 | 0 | \$1,154.05 | \$0.43274 | \$0.35753 | \$0.36378 | \$0 | \$250.00 | 0 | \$0 | 1.0 | \$0 | \$0.01403 |
| | Block 2 | 0 | \$1,108.28 | \$0.43274 | \$0.35504 | \$0.32050 | | | | | 1.0 | | \$0.01236 |
| 41C Firm Trans | Block 1 | 169,476 | \$0.89162 | \$0.00000 | \$0.51377 | \$0.37785 | \$158,308 | \$500.00 | 8 | \$206,308 | 1.0 | \$6,469 | \$0.01544 |
| | Block 2 | 283,174 | \$0.84484 | \$0.00000 | \$0.51193 | \$0.33291 | | | | | 1.0 | | \$0.01360 |
| 41I Firm Trans | Block 1 | 0 | \$0.88012 | \$0.00000 | \$0.51231 | \$0.36781 | \$0 | \$500.00 | 0 | \$0 | 1.0 | \$0 | \$0.01418 |
| | Block 2 | 0 | \$0.83470 | \$0.00000 | \$0.51064 | \$0.32406 | | | | | 1.0 | | \$0.01250 |
| 42C Firm Sales | Block 1 | 665,308 | \$1,050.04 | \$0.43274 | \$0.41120 | \$0.20610 | \$362,313 | \$1,300.00 | 8 | \$487,113 | 1.0 | \$15,274 | \$0.00869 |
| | Block 2 | 902,132 | \$1,024.33 | \$0.43274 | \$0.40711 | \$0.18448 | | | | | 1.0 | | \$0.00778 |
| | Block 3 | 353,351 | \$0.97327 | \$0.43274 | \$0.39903 | \$0.14150 | | | | | 1.0 | | \$0.00597 |
| | Block 4 | 77,473 | \$0.93993 | \$0.43274 | \$0.39371 | \$0.11318 | | | | | 1.0 | | \$0.00477 |
| | Block 5 | 0 | \$0.89479 | \$0.43274 | \$0.38660 | \$0.07545 | | | | | 1.0 | | \$0.00318 |
| | Block 6 | 0 | \$0.83874 | \$0.43274 | \$0.37772 | \$0.02828 | | | | | 1.0 | | \$0.00119 |
| 42I Firm Sales | Block 1 | 966,970 | \$0.98466 | \$0.43274 | \$0.38551 | \$0.16641 | \$279,180 | \$1,300.00 | 11 | \$450,780 | 1.0 | \$14,135 | \$0.00843 |
| | Block 2 | 708,323 | \$0.96593 | \$0.43274 | \$0.38424 | \$0.14895 | | | | | 1.0 | | \$0.00754 |
| | Block 3 | 102,042 | \$0.92867 | \$0.43274 | \$0.38171 | \$0.11422 | | | | | 1.0 | | \$0.00578 |
| | Block 4 | 12,115 | \$0.90415 | \$0.43274 | \$0.38003 | \$0.09138 | | | | | 1.0 | | \$0.00463 |
| | Block 5 | 0 | \$0.87148 | \$0.43274 | \$0.37780 | \$0.06094 | | | | | 1.0 | | \$0.00309 |
| | Block 6 | 0 | \$0.83059 | \$0.43274 | \$0.37502 | \$0.02283 | | | | | 1.0 | | \$0.00116 |
| 42C Firm Trans | Block 1 | 251,608 | \$0.65836 | \$0.00000 | \$0.50394 | \$0.15442 | \$224,401 | \$1,550.00 | 1 | \$243,001 | 1.0 | \$7,620 | \$0.00524 |
| | Block 2 | 503,215 | \$0.64160 | \$0.00000 | \$0.50336 | \$0.13824 | | | | | 1.0 | | \$0.00469 |
| | Block 3 | 503,215 | \$0.60820 | \$0.00000 | \$0.50220 | \$0.10600 | | | | | 1.0 | | \$0.00360 |
| | Block 4 | 738,618 | \$0.58625 | \$0.00000 | \$0.50144 | \$0.08461 | | | | | 1.0 | | \$0.00288 |
| | Block 5 | 0 | \$0.55995 | \$0.00000 | \$0.50041 | \$0.06554 | | | | | 1.0 | | \$0.00192 |
| | Block 6 | 0 | \$0.52036 | \$0.00000 | \$0.49916 | \$0.02120 | | | | | 1.0 | | \$0.00072 |
| 42I Firm Trans | Block 1 | 1,054,570 | \$0.65571 | \$0.00000 | \$0.50410 | \$0.15161 | \$842,181 | \$1,550.00 | 8 | \$990,981 | 1.0 | \$31,074 | \$0.00559 |
| | Block 2 | 1,523,772 | \$0.63920 | \$0.00000 | \$0.50349 | \$0.13571 | | | | | 1.0 | | \$0.00501 |
| | Block 3 | 1,376,179 | \$0.60635 | \$0.00000 | \$0.50229 | \$0.10406 | | | | | 1.0 | | \$0.00384 |
| | Block 4 | 3,236,161 | \$0.58477 | \$0.00000 | \$0.50151 | \$0.08326 | | | | | 1.0 | | \$0.00307 |
| | Block 5 | 1,132,591 | \$0.55596 | \$0.00000 | \$0.50046 | \$0.05550 | | | | | 1.0 | | \$0.00205 |
| | Block 6 | 0 | \$0.51997 | \$0.00000 | \$0.49915 | \$0.02082 | | | | | 1.0 | | \$0.00077 |
| 42C Interr Sales | Block 1 | 256,616 | \$0.96570 | \$0.43274 | \$0.36424 | \$0.16872 | \$145,599 | \$1,300.00 | 2 | \$176,799 | 1.0 | \$5,544 | \$0.00642 |
| | Block 2 | 488,108 | \$0.94503 | \$0.43274 | \$0.36126 | \$0.15103 | | | | | 1.0 | | \$0.00575 |
| | Block 3 | 219,844 | \$0.90383 | \$0.43274 | \$0.35529 | \$0.11580 | | | | | 1.0 | | \$0.00441 |
| | Block 4 | 33,747 | \$0.87675 | \$0.43274 | \$0.35137 | \$0.09264 | | | | | 1.0 | | \$0.00353 |
| | Block 5 | 0 | \$0.84967 | \$0.43274 | \$0.34615 | \$0.06178 | | | | | 1.0 | | \$0.00235 |
| | Block 6 | 0 | \$0.79550 | \$0.43274 | \$0.33959 | \$0.02317 | | | | | 1.0 | | \$0.00088 |
| 42I Interr Sales | Block 1 | 124,246 | \$0.94438 | \$0.43274 | \$0.34811 | \$0.16353 | \$31,890 | \$1,300.00 | 1 | \$47,490 | 1.0 | \$1,489 | \$0.00764 |
| | Block 2 | 79,054 | \$0.92603 | \$0.43274 | \$0.34691 | \$0.14638 | | | | | 1.0 | | \$0.00683 |
| | Block 3 | 0 | \$0.88951 | \$0.43274 | \$0.34452 | \$0.11225 | | | | | 1.0 | | \$0.00524 |
| | Block 4 | 0 | \$0.86548 | \$0.43274 | \$0.34293 | \$0.08981 | | | | | 1.0 | | \$0.00419 |
| | Block 5 | 0 | \$0.83342 | \$0.43274 | \$0.34082 | \$0.05986 | | | | | 1.0 | | \$0.00279 |
| | Block 6 | 0 | \$0.79339 | \$0.43274 | \$0.33821 | \$0.02244 | | | | | 1.0 | | \$0.00105 |
| 42C Inter Trans | Block 1 | 0 | \$0.64538 | \$0.00000 | \$0.50369 | \$0.14169 | \$0 | \$1,550.00 | 0 | \$0 | 1.0 | \$0 | \$0.00546 |
| | Block 2 | 0 | \$0.62998 | \$0.00000 | \$0.50313 | \$0.12685 | | | | | 1.0 | | \$0.00489 |
| | Block 3 | 0 | \$0.59927 | \$0.00000 | \$0.50200 | \$0.09727 | | | | | 1.0 | | \$0.00375 |
| | Block 4 | 0 | \$0.57908 | \$0.00000 | \$0.50126 | \$0.07782 | | | | | 1.0 | | \$0.00300 |
| | Block 5 | 0 | \$0.55216 | \$0.00000 | \$0.50027 | \$0.05189 | | | | | 1.0 | | \$0.00200 |
| | Block 6 | 0 | \$0.51849 | \$0.00000 | \$0.49904 | \$0.01944 | | | | | 1.0 | | \$0.00075 |
| 42I Inter Trans | Block 1 | 978,826 | \$0.64823 | \$0.00000 | \$0.50393 | \$0.14430 | \$899,467 | \$1,550.00 | 10 | \$1,085,467 | 1.0 | \$34,037 | \$0.00546 |
| | Block 2 | 1,713,725 | \$0.63252 | \$0.00000 | \$0.50335 | \$0.12917 | | | | | 1.0 | | \$0.00489 |
| | Block 3 | 1,330,900 | \$0.60123 | \$0.00000 | \$0.50218 | \$0.09905 | | | | | 1.0 | | \$0.00375 |
| | Block 4 | 3,813,650 | \$0.58067 | \$0.00000 | \$0.50142 | \$0.07925 | | | | | 1.0 | | \$0.00300 |
| | Block 5 | 1,945,561 | \$0.55324 | \$0.00000 | \$0.50040 | \$0.05284 | | | | | 1.0 | | \$0.00200 |
| | Block 6 | 0 | \$0.51895 | \$0.00000 | \$0.49914 | \$0.01981 | | | | | 1.0 | | \$0.00075 |
| 43 Firm Trans | | 0 | \$0.50331 | \$0.00000 | \$0.49840 | \$0.00491 | \$0 | \$38,000.00 | 0 | \$0 | 1.0 | \$0 | \$0.00019 |
| 43 Interr Trans | | 0 | \$0.50331 | \$0.00000 | \$0.49840 | \$0.00491 | \$0 | \$38,000.00 | 0 | \$0 | 1.0 | \$0 | \$0.00019 |
| Intentionally blank | | | | | | | | | | | | | |
| Totals | | 112,726,745 | | | | | \$50,250,385 | | | \$61,799,065 | | \$61,799,065 | 1,937,819 |

Sources for line 2 above:

Input's page

Column G

Line 50

Tariff Schedules:

Schedule #

Sched 231

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

NW Natural
 Rates & Regulatory Affairs
 2024-2025 PGA Filing - Washington: September Filing
 PGA Effects on Average Bill by Rate Schedule
 Calculation of Effect on Customer Average Bill by Rate Schedule [1]

| Schedule | Block | Washington PGA Normalized Volumes page, Column D | Therms in Block | Normal Therms Monthly Average use | Minimum Monthly Charge | Current CCA Monthly Avg. Credit | Current Net Minimum Monthly Charge | Proposed CCA Monthly Avg. Credit | Proposed Net Minimum Monthly Charge | Current 11/1/2024 Billing Rates | Proposed 11/1/2024 Current Average Bill[2] | Proposed 1/1/2025 RBDP Average Bill | Proposed 1/1/2025 RBDP Average Bill | Proposed 1/1/2025 RBDP % Bill Change |
|------------------|--------------|---|--------------------|--|------------------------------|--|--|---|---|--|---|--|--|---|
| | | | | | | | | | | | | | | |
| 1R | | 329,987 | N/A | 15.0 | \$5.50 | \$5.10 | \$0.40 | \$2.47 | \$3.03 | \$1.91107 | \$29.07 | \$1.92483 | \$29.27 | 0.7% |
| 1C | | 15,693 | N/A | 37.0 | \$7.00 | \$16.67 | (\$9.67) | \$7.27 | (\$0.27) | \$1.91670 | \$61.25 | \$1.92917 | \$61.71 | 0.7% |
| 2R | | 60,818,465 | N/A | 57.0 | \$8.00 | \$19.36 | (\$11.36) | \$14.16 | (\$6.16) | \$1.56419 | \$77.80 | \$1.57180 | \$78.23 | 0.6% |
| 3 CFS | | 20,700,936 | N/A | 254.0 | \$22.00 | \$81.50 | (\$59.50) | \$59.64 | (\$37.64) | \$1.52836 | \$328.70 | \$1.53507 | \$330.41 | 0.5% |
| 3 IFS | | 219,194 | N/A | 870.0 | \$22.00 | \$396.95 | (\$374.95) | \$175.70 | (\$153.70) | \$1.48049 | \$913.08 | \$1.48684 | \$918.60 | 0.6% |
| 27 | | 60,524 | N/A | 13.0 | \$9.00 | \$0.00 | \$9.00 | \$0.00 | \$9.00 | \$1.35525 | \$26.62 | \$1.37244 | \$26.84 | 0.8% |
| 41C Firm Sales | Block 1 | 1,451,662 | 2,000 | 3,272.0 | \$250.00 | \$1,244.55 | (\$994.55) | \$700.67 | (\$450.67) | \$1.29038 | | \$1.29601 | | |
| | Block 2 | 2,356,915 | all additional | | | | | | | \$1.23273 | | \$1.23769 | | |
| | TOTAL | | | | | | | | | \$3,154.24 | | \$3,171.81 | | 0.6% |
| 41I Firm Sales | Block 1 | 380,477 | 2,000 | 4,876.0 | \$250.00 | \$1,492.26 | (\$1,242.26) | \$847.09 | (\$597.09) | \$1.19813 | | \$1.20275 | | |
| | Block 2 | 848,324 | all additional | | | | | | | \$1.15155 | | \$1.15562 | | |
| | TOTAL | | | | | | | | | \$4,465.86 | | \$4,486.80 | | 0.5% |
| 41C Interr Sales | Block 1 | 0 | 2,000 | 0.0 | \$250.00 | \$1,244.55 | (\$994.55) | \$700.67 | (\$450.67) | \$1.21594 | | \$1.22080 | | |
| | Block 2 | 0 | all additional | | | | | | | \$1.16272 | | \$1.16700 | | |
| | TOTAL | | | | | | | | | (\$994.55) | | (\$994.55) | | 0.0% |
| 41I Interr Sales | Block 1 | 0 | 2,000 | 0.0 | \$250.00 | \$1,492.26 | (\$1,242.26) | \$847.09 | (\$597.09) | \$1.15405 | | \$1.15898 | | |
| | Block 2 | 0 | all additional | | | | | | | \$1.10828 | | \$1.11262 | | |
| | TOTAL | | | | | | | | | (\$1,242.26) | | (\$1,242.26) | | 0.0% |
| 41C Firm Trans | Block 1 | 169,476 | 2,000 | 4,715.0 | \$500.00 | \$1,244.55 | (\$744.55) | \$700.67 | (\$200.67) | \$0.89162 | | \$0.89697 | | |
| | Block 2 | 283,174 | all additional | | | | | | | \$0.84484 | | \$0.84955 | | |
| | TOTAL | | | | | | | | | \$3,332.43 | | \$3,355.92 | | 0.7% |
| 41I Firm Trans | Block 1 | 0 | 2,000 | 0.0 | \$500.00 | \$1,492.26 | (\$992.26) | \$847.09 | (\$347.09) | \$0.88012 | | \$0.88508 | | |
| | Block 2 | 0 | all additional | | | | | | | \$0.83470 | | \$0.83908 | | |
| | TOTAL | | | | | | | | | (\$992.26) | | (\$992.26) | | 0.0% |
| 42C Firm Sales | Block 1 | 665,308 | 10,000 | 20,815.0 | \$1,300.00 | \$10,512.74 | (\$9,212.74) | \$6,995.00 | (\$5,695.00) | \$1.05004 | | \$1.05279 | | |
| | Block 2 | 902,132 | 20,000 | | | | | | | \$1.02433 | | \$1.02680 | | |
| | Block 3 | 353,351 | 20,000 | | | | | | | \$0.97327 | | \$0.97516 | | |
| | Block 4 | 77,473 | 100,000 | | | | | | | \$0.93963 | | \$0.94114 | | |
| | Block 5 | 0 | 600,000 | | | | | | | \$0.89479 | | \$0.89580 | | |
| | Block 6 | 0 | all additional | | | | | | | \$0.83874 | | \$0.83912 | | |
| | TOTAL | | | | | | | | | \$12,365.79 | | \$12,420.00 | | 0.4% |
| 42I Firm Sales | Block 1 | 966,970 | 10,000 | 13,556.0 | \$1,300.00 | \$13,852.77 | (\$12,552.77) | \$5,367.41 | (\$4,067.41) | \$0.98466 | | \$0.98822 | | |
| | Block 2 | 708,323 | 20,000 | | | | | | | \$0.96593 | | \$0.96911 | | |
| | Block 3 | 102,042 | 20,000 | | | | | | | \$0.92867 | | \$0.93110 | | |
| | Block 4 | 12,115 | 100,000 | | | | | | | \$0.90415 | | \$0.90610 | | |
| | Block 5 | 0 | 600,000 | | | | | | | \$0.87148 | | \$0.87279 | | |
| | Block 6 | 0 | all additional | | | | | | | \$0.83059 | | \$0.83108 | | |
| | TOTAL | | | | | | | | | \$728.68 | | \$775.59 | | 6.4% |
| 42C Firm Trans | Block 1 | 251,608 | 10,000 | 166,388.0 | \$1,550.00 | \$10,512.74 | (\$8,962.74) | \$6,995.00 | (\$5,445.00) | \$0.65836 | | \$0.65985 | | |
| | Block 2 | 503,215 | 20,000 | | | | | | | \$0.64160 | | \$0.64293 | | |
| | Block 3 | 503,215 | 20,000 | | | | | | | \$0.60820 | | \$0.60922 | | |
| | Block 4 | 738,618 | 100,000 | | | | | | | \$0.58625 | | \$0.58707 | | |
| | Block 5 | 0 | 600,000 | | | | | | | \$0.55695 | | \$0.55750 | | |
| | Block 6 | 0 | all additional | | | | | | | \$0.52036 | | \$0.52056 | | |
| | TOTAL | | | | | | | | | \$90,369.16 | | \$90,522.07 | | 0.2% |
| 42I Firm Trans | Block 1 | 1,054,570 | 10,000 | 86,701.0 | \$1,550.00 | \$13,852.77 | (\$12,302.77) | \$5,367.41 | (\$3,817.41) | \$0.65571 | | \$0.65749 | | |
| | Block 2 | 1,523,772 | 20,000 | | | | | | | \$0.63920 | | \$0.64080 | | |
| | Block 3 | 1,376,179 | 20,000 | | | | | | | \$0.60635 | | \$0.60758 | | |
| | Block 4 | 3,236,161 | 100,000 | | | | | | | \$0.58477 | | \$0.58575 | | |
| | Block 5 | 1,132,591 | 600,000 | | | | | | | \$0.55596 | | \$0.55662 | | |
| | Block 6 | 0 | all additional | | | | | | | \$0.51997 | | \$0.52022 | | |
| | TOTAL | | | | | | | | | \$40,626.97 | | \$40,737.34 | | 0.3% |
| 42C Interr Sales | Block 1 | 256,616 | 10,000 | 41,596.0 | \$1,300.00 | \$10,512.74 | (\$9,212.74) | \$6,995.00 | (\$5,695.00) | \$0.96570 | | \$0.96786 | | |
| | Block 2 | 488,108 | 20,000 | | | | | | | \$0.94503 | | \$0.94696 | | |
| | Block 3 | 219,844 | 20,000 | | | | | | | \$0.90383 | | \$0.90531 | | |
| | Block 4 | 33,747 | 100,000 | | | | | | | \$0.87675 | | \$0.87794 | | |
| | Block 5 | 0 | 600,000 | | | | | | | \$0.84067 | | \$0.84146 | | |
| | Block 6 | 0 | all additional | | | | | | | \$0.79550 | | \$0.79579 | | |
| | TOTAL | | | | | | | | | \$29,825.67 | | \$29,903.03 | | 0.3% |
| 42I Interr Sales | Block 1 | 124,246 | 10,000 | 16,942.0 | \$1,300.00 | \$13,852.77 | (\$12,552.77) | \$5,367.41 | (\$4,067.41) | \$0.94438 | | \$0.94717 | | |
| | Block 2 | 79,054 | 20,000 | | | | | | | \$0.92603 | | \$0.92852 | | |
| | Block 3 | 0 | 20,000 | | | | | | | \$0.88951 | | \$0.89142 | | |
| | Block 4 | 0 | 100,000 | | | | | | | \$0.86548 | | \$0.86701 | | |
| | Block 5 | 0 | 600,000 | | | | | | | \$0.83342 | | \$0.83444 | | |
| | Block 6 | 0 | all additional | | | | | | | \$0.79339 | | \$0.79377 | | |
| | TOTAL | | | | | | | | | \$3,319.53 | | \$3,364.72 | | 1.4% |
| 42C Inter Trans | Block 1 | 0 | 10,000 | 0.0 | \$1,550.00 | \$10,512.74 | (\$8,962.74) | \$6,995.00 | (\$5,445.00) | \$0.64538 | | \$0.64729 | | |
| | Block 2 | 0 | 20,000 | | | | | | | \$0.62998 | | \$0.63169 | | |
| | Block 3 | 0 | 20,000 | | | | | | | \$0.59927 | | \$0.60058 | | |
| | Block 4 | 0 | 100,000 | | | | | | | \$0.57908 | | \$0.58013 | | |
| | Block 5 | 0 | 600,000 | | | | | | | \$0.55216 | | \$0.55286 | | |
| | Block 6 | 0 | all additional | | | | | | | \$0.51848 | | \$0.51874 | | |
| | TOTAL | | | | | | | | | (\$8,962.74) | | (\$8,962.74) | | 0.0% |
| 42I Inter Trans | Block 1 | 978,826 | 10,000 | 81,522.0 | \$1,550.00 | \$13,852.77 | (\$12,302.77) | \$5,367.41 | (\$3,817.41) | \$0.64823 | | \$0.65000 | | |
| | Block 2 | 1,713,725 | 20,000 | | | | | | | \$0.63252 | | \$0.63411 | | |
| | Block 3 | 1,330,900 | 20,000 | | | | | | | \$0.60123 | | \$0.60245 | | |
| | Block 4 | 3,813,650 | 100,000 | | | | | | | \$0.58067 | | \$0.58164 | | |
| | Block 5 | 1,945,561 | 600,000 | | | | | | | \$0.55324 | | \$0.55389 | | |
| | Block 6 | 0 | all additional | | | | | | | \$0.51895 | | \$0.51919 | | |
| | TOTAL | | | | | | | | | \$37,156.41 | | \$37,262.89 | | 0.3% |
| 43 Firm Trans | | 0 | N/A | 0.0 | \$38,000.00 | | \$38,000.00 | 0.0 | | \$0.50331 | \$38,000.00 | \$0.50338 | \$38,000.00 | 0.0% |
| 43 Interr Trans | | 0 | N/A | 0.0 | \$38,000.00 | | \$38,000.00 | 0.0 | | \$0.50331 | \$38,000.00 | \$0.50338 | \$38,000.00 | 0.0% |

[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. Assumes customer receives CCA credit.

[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
Estimate for 2025 Washington Bill Discount Program

| <u>From PGA</u> | | <u>From GL</u> | |
|-------------------------|-------------------------------|---------------------------------|-------------------------------------|
| Average Residential use | 684 | Account 151921 balance Oct 2024 | \$230,001.89 amount under-collected |
| RS 2 Fixed | \$8.00 excludes CCA credit | | |
| RS 2 Volumetric | \$1.06693 excludes CCA charge | | |
| Average monthly bill | \$68.82 | | |
| Average annual bill | \$825.78 | | |

| <u>Analysis and other data</u> | | <u>Amount to collect 2025</u> | |
|--|--------|--|---|
| Sep 2024 residential customers | 89,716 | Previous under-collection | \$230,001.89 |
| BDP count at Sep 2024 | 7,322 | Forecast for 2024 | \$2,224,473.50 |
| BDP count as % of res customers | 8.16% | Total | \$2,454,475.39 excludes revenue-sensitive costs |
| From EBA - est. low income customers | 17,800 | November & December Weighted Exclusion | 24.49% 601,084 |
| BDP count as % of low income customers | 41.1% | January - October Weighted Total | 75.51% 1,853,391 |
| | | Revenue Sensitive Multiplier | 4.36% 84,429 |
| <u>Forecast for 2025</u> | | Total to Amortize | 1,937,820 |
| From EBA - est. low income customers | 17,800 | Placed in rates for 2024 | \$1,242,118.00 includes revenue-sensitive costs |
| Forecast - 60% of low income customers | 10,680 | Increase | \$695,701.91 |
| Growth from Sep 2024 count | 3,358 | | 56.0% percent increase |
| half-year convention on growth | 1,679 | | |

| Disc tiers | % discount | % at Sep 2024 | Annual cost of current participants | Incremental Cost for 2025 | Total cost for 2025 update |
|-------------|------------|---------------|---|------------------------------|-------------------------------|
| Level - 80% | 80.0% | 12.1% | \$584,652 | \$134,066 | \$718,718 |
| Level - 40% | 40.0% | 25.6% | \$619,996 | \$142,171 | \$762,166 |
| Level - 20% | 20.0% | 13.2% | \$160,201 | \$36,736 | \$196,937 |
| Level - 15% | 15.0% | 49.0% | \$444,683 | \$101,970 | \$546,652 |
| | | | \$1,809,532 | \$414,942 | \$2,224,473 |

**NW Natural
 Rates & Regulatory Affairs
 November 2024 Filing
 Tariff Advice 24-15: Schedule 231 Residential Bill Discount Program**

| | <u>Amount</u> | <u>Reference</u> |
|----|---------------|------------------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
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| 15 | | |
| 16 | | |
| 17 | | |
| 18 | | |

| | <u>Amount</u> | <u>Reference</u> |
|--|--------------------------------|---|
| <u>Temporary Increments</u> | | |
| <u>Removal of Current Temporary Increments</u> | | |
| Amortization of Bill Discount Program | (1,242,118) | NWN 2023-24 WA PGA rate development file September_CCA.xlsx |
| <u>Addition of Proposed Temporary Increments</u> | | |
| Amortization of Bill Discount Program | <u>\$ 1,937,820</u> | NWN 2024-25 WA PGA rate development file September.xlsx |
| TOTAL OF ALL COMPONENTS OF RATE CHANGES | <u><u>\$695,702</u></u> | |
| 2023 Washington CBR Normalized Total Revenues | \$121,797,100 | |
| Effect of this filing, as a percentage change | 0.57% | |



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November 15, 2024

Lower rates for NW Natural customers in Washington started November 1 Further reductions possible starting January 1, 2025

Lower rates for NW Natural customers in Washington took effect Nov. 1, 2024, to reflect the annual Purchased Gas Adjustment for the expected cost of natural gas. On Nov. 15, 2024, NW Natural requested other rate changes with the Washington Utilities & Transportation Commission (WUTC). If all rate changes are approved by the WUTC as filed, starting Jan. 1, 2025, residential and small-commercial bills will further decrease, but the amount will depend on the State of Washington's rules regarding when your premises was connected to NW Natural's system OR if you are an Identified Low-Income Customer.

The combined effects of new rate adjustments

- **Premises connected to the natural gas system before July 25, 2021:** If approved, bills will decrease by a combined total of about \$5 a month for residential customers using an average of 57 therms per month. Small-commercial rates will decrease by about \$30 based on average usage of 254 therms per month.
- **Premises connected to the natural gas system after July 25, 2021:** If approved, bills will decrease by a combined total of about \$14 a month for residential customers using an average of 57 therms per month. Small-commercial rates will decrease by about \$63 based on average usage of 254 therms per month.
- **Low-income customers:** If approved, bills will increase by less than \$1 a month for residential low-income customers using an average of 57 therms per month. Low-income customers are held harmless from all Climate Commitment Act costs.

This means NW Natural customers will be paying less than they did 20 years ago for their natural gas bills.

How NW Natural is keeping natural gas affordable

The company has taken several steps to maximize affordability, such as locking in gas purchases at lower rates, smart investments in energy storage, and energy-efficiency measures. The combined effects of the following filings contribute to rate changes for customers in Washington as shown on the next page.

What are the components of the rate adjustments?

Starting Nov. 1, the Purchased Gas Adjustment portion of residential rates—reflecting the commodity cost of natural gas—decreased by about \$8 a month for customers using an average of 57 therms per month. Small-commercial rates decreased by about \$33 based on average usage of 254 therms per month. This rate adjustment was approved by the WUTC.

Additionally, two other rate adjustments have been filed by NW Natural and are pending approval by the WUTC. If approved as filed, these adjustments would go into effect Jan. 1, 2025:

- The Climate Act Fee to comply with Washington's Climate Commitment Act would decrease bills by about \$6 per month for residential customers and \$32 per month for small-commercial customers. For customers who connected to the natural gas system after July 25, 2021, a residential customer will see monthly bill decreases of about \$15 and small-commercial customers will see a decrease of about \$65 per month.
- The Washington Bill Discount Program, which funds assistance for low-income NW Natural customers in Washington would increase bills by less than \$1 per month for residential customers and about \$2 per month for small-commercial customers.

Continued on page 2

Relief for income-qualified customers

We know households are facing financial pressures with continued cost increases for everyday goods and services. NW Natural offers **bill discounts of 15% to 80%** to cut energy costs for customers whose household income is at or below 80% of area median income or federal poverty level.

Our **Equal Pay payment plan** is another way that could help make the winter heating season more affordable. Equal Pay is designed to take the ups and downs out of monthly gas bills, which would typically rise and fall depending on the weather and gas use. With Equal Pay, customers may receive steady, predictable bills throughout the year.

| Type of Service | Schedule Number | Current Total Billing Rate | Proposed Total Billing Rate | Percent Change in Average Bill* |
|---|-----------------|----------------------------|-----------------------------|---------------------------------|
| General Residential Sales Service | 1 | \$1.91107 | \$1.66830 | -1.2% |
| General Commercial Sales Service | 1 | \$1.91670 | \$1.67264 | 3.8% |
| Residential Sales Service | 2 | \$1.56419 | \$1.31527 | -6.9% |
| Commercial Sales Service | 3 | \$1.52836 | \$1.27854 | -9.2% |
| Industrial Sales Service | 3 | \$1.48049 | \$1.23031 | 5.5% |
| Residential Heating Dry-Out Service | 27 | \$1.35525 | \$1.11591 | -11.7% |
| Commercial Firm Sales | 41 | \$1.25470 | \$1.00339 | -2.9% |
| Commercial Firm Transportation | 41 | \$0.86235 | \$0.61077 | -13.7% |
| Industrial Firm Sales | 41 | \$1.16597 | \$0.91368 | -8.1% |
| Industrial Firm Transportation | 41 | N/A | N/A | 0.00% |
| Large Volume Commercial Firm Sales | 42 | \$1.02058 | \$0.76647 | 0.4% |
| Large Volume Commercial Interruptible Sales | 42 | \$0.93896 | \$0.68430 | -17.5% |
| Large Volume Industrial Firm Sales | 42 | \$0.97351 | \$0.72031 | 0.6% |
| Large Volume Industrial Interruptible Sales | 42 | \$0.93724 | \$0.68339 | 2.0% |
| Large Volume Commercial Firm Transportation | 42 | \$0.61482 | \$0.35937 | -41.1% |
| Large Volume Industrial Firm Transportation | 42 | \$0.60337 | \$0.34803 | -30.1% |

*Estimates include Climate Act Credits available for customers connected to the gas system prior to July 25, 2021. Identified low-income customers are not subject to the Climate Commitment Act. For more information, visit nwnatural.com/cca

NW Natural's filings are requests, subject to public review and a decision by the WUTC. Customers may comment on the proposed rate changes by clicking "Submit a Comment" at www.utc.wa.gov, emailing comments@utc.wa.gov, calling 1-888-333-9882 (WUTC), or mailing Washington Utilities and Transportation Commission, 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.