



WUTC REPORT:

NW Natural's

**ANNUAL COMMISSION BASIS REPORT**

(For the 12 months ended December 31, 2022)

Dated: April 28, 2023

**NW Natural**  
**Washington Annual Commission Basis Report**  
**Twelve Months Ended December 31, 2022**

<u>Line No.</u>	<u>Test Year Results</u>	<u>Adjustments</u>	<u>Test Year Adjusted</u>
	<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
<b><u>Operating Revenues</u></b>			
1	\$107,562,597	-\$3,496,707	\$104,065,891
2	2,388,654	0	2,388,654
3	-4,489,501	57,601	-4,431,900
4	105,461,750	-3,439,106	102,022,644
			60,734,658
<b>Operating Revenue Deductions</b>			
5	\$44,037,912	-\$2,749,926	\$41,287,986
6	110,478	74,059	184,537
7	21,777,630	73,215	21,850,845
8	65,926,020	-2,602,651	63,323,368
9	2,490,076	-144,629	2,345,447
10	1,717,922	0	1,717,922
11	5,217,156	-146,231	5,070,925
12	13,533,847	0	13,533,847
13	\$88,885,020	-\$2,893,511	\$85,991,509
14	\$16,576,730	-\$545,595	\$16,031,135
<b><u>Average Rate Base</u></b>			
15	\$460,744,930	-\$70,814	\$460,674,116
16	-172,187,237	0	-172,187,237
17	288,557,693	-70,814	288,486,879
18	3,930,135	0	3,930,135
19	2,911,368	0	2,911,368
20	-3,271,483	0	-3,271,483
21	2,944,403	0	2,944,403
22	-41,607,665	0	-41,607,665
23	\$253,464,452	-\$70,814	\$253,393,638
24	6.54%		6.33%
25	9.09%		8.66%

**NW Natural  
State Allocation Factors  
Updated for year ended 2022 data**

	<b>System</b>	<b>Washington</b>	<b>Oregon</b>
<b>Customers</b>			
<b>Total Customers</b>			
December 2022	794,497	96,003	698,494
December 2021	785,897	94,092	691,805
<b>Average</b>	790,197	95,048	695,150
<b>% of System</b>		12.03%	87.97%
<b>Residential Customers</b>			
December 2022	724,287	88,730	635,557
December 2021	714,000	84,738	629,262
<b>Average</b>	719,144	86,734	632,410
<b>% of System</b>		12.06%	87.94%
<b>Commercial Customers</b>			
December 2022	69,234	7,200	62,034
December 2021	68,961	7,325	61,636
<b>Average</b>	69,098	7,263	61,835
<b>% of System</b>		10.51%	89.49%
<b>Industrial Customers</b>			
December 2022	976	73	903
December 2021	978	71	907
<b>Average</b>	977	72	905
<b>% of System</b>		7.37%	92.63%
<b>The Dalles</b>			
December 2022	8,749	2,198	6,551
December 2021	8,665	2,179	6,486
<b>Average</b>	8,707	2,189	6,519
<b>% of System</b>		25.13%	74.87%

**NW Natural  
State Allocation Factors  
Updated for year ended 2022 data  
Volumes - 12 Months Ended 12/31/22**

<b>Firm Sales Delivered</b>	811,887,559	89,840,587	722,046,972
<b>% of System</b>		11.07%	88.93%
<b>Sales Volumes</b>	878,660,879	87,793,271	790,867,608
<b>% of System</b>		9.99%	90.01%
<b>Sendout Volumes</b>	1,259,961,618	111,423,396	1,148,538,222
<b>% of System</b>		8.84%	91.16%

**3-factor formula (simple average)**

<b>Gross Plant Directly Assigned</b>		12.27%	87.73%
<b>Number of Employees Directly Assigned</b>		10.13%	89.87%
<b>Number of Customers</b>		12.03%	87.97%
<b>Average</b>		11.48%	88.52%

**Derivation of factor for 3-factor - Gross Plant Directly Assigned**

**December 31, 2022**

	<b>System</b>	<b>Washington</b>	<b>Oregon</b>
<b>Intangible - Other</b>	84,795	447	84,348
<b>Production</b>	675,198	0	675,198
<b>Transmission</b>	232,435,660	3,904,822	228,530,838
<b>Distribution</b>	2,721,579,656	356,478,905	2,365,100,751

**December 31, 2021**

	<b>System</b>	<b>Washington</b>	<b>Oregon</b>
<b>Intangible</b>	84,795	447	84,348
<b>Production</b>	675,198	0	675,198
<b>Transmission</b>	207,852,729	3,291,600	204,561,129
<b>Distribution</b>	2,606,701,502	344,497,651	2,262,203,851

**Average**

	<b>System</b>	<b>Washington</b>	<b>Oregon</b>
<b>Intangible - Other</b>	84,795	447	84,348
<b>Production</b>	675,198	0	675,198
<b>Transmission</b>	220,144,195	3,598,211	216,545,983
<b>Distribution</b>	2,664,140,579	350,488,278	2,313,652,301

**Gross Plant Directly Assigned  
% of System**

	2,885,044,767	354,086,936	2,530,957,831
		12.27%	87.73%

**NW Natural  
State Allocation Factors  
Updated for year ended 2022 data**

<b>Allocation Factors - Summary</b>	<b>Washington</b>	<b>Oregon</b>
<b>Customers-all</b>	12.030%	87.970%
<b>Customers-Residential</b>	12.060%	87.940%
<b>Customers-Commercial</b>	10.510%	89.490%
<b>Customers-Industrial</b>	7.370%	92.630%
<b>Customers-The Dalles</b>	25.130%	74.870%
<b>3-factor</b>	11.480%	88.520%
<b>firm sales volumes</b>	11.070%	88.930%
<b>sales volumes</b>	9.990%	90.010%
<b>sendout volumes</b>	8.840%	91.160%
<b>sales/sendout volumes</b>	9.410%	90.590%
<b>Customers Portland/Vancouver</b>	16.220%	83.780%
<b>Customers Portland/Vancouver 80%</b>	12.980%	87.020%
<b>Customers Portland/Vancouver Commercial</b>	15.790%	84.210%
<b>Payroll</b>	9.039%	90.961%
<b>Admin Transfer</b>	11.759%	88.241%
<b>Employee Cost</b>	9.773%	90.227%
<b>Regulatory</b>	30.000%	70.000%
<b>Telemetry</b>	12.727%	87.273%
<b>Direct-Wa</b>	100.000%	0.000%
<b>Direct-Or</b>	0.000%	100.000%
<b>Gross plant direct assign</b>	12.270%	87.730%
<b>Transmission</b>	1.240%	98.760%
<b>Accum Depreciation</b>	10.900%	89.100%
<b>Rate Base</b>	13.940%	86.060%

**NW Natural**  
**Washington Annual Commission Basis Report**  
**Test Year Based on Twelve Months Ended December 31, 2022**  
**Rate Base**

	2021 Dec	2022 Jan	2022 Feb	2022 Mar	2022 Apr	2022 May	2022 June	2022 July	2022 August	2022 September	2022 October	2022 November	2022 December	Dec 21 - Dec 22 13 month average	
<b>SYSTEM</b>	<b>System</b>	<b>System</b>	<b>System</b>	<b>System</b>	<b>System</b>	<b>System</b>	<b>System</b>	<b>System</b>	<b>System</b>	<b>System</b>	<b>System</b>	<b>System</b>	<b>System</b>	<b>System</b>	Allocation Method
<b>Gross Plant</b>															
<b>Intangible</b>															
<b>Software</b>	177,438,535	177,727,509	178,302,908	176,340,709	176,366,079	176,368,622	176,399,835	177,210,677	177,316,380	249,129,359	274,072,939	248,145,478	248,470,716	200,027,927	Total Customers
<b>Other</b>	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	84,795	Direct
<b>Production</b>	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	Direct
<b>Transmission</b>	207,852,729	207,860,384	208,457,213	208,996,043	211,728,593	216,247,229	217,045,993	217,057,599	217,062,056	217,949,412	229,661,117	229,954,076	232,438,997	216,847,131	Direct
<b>Distribution</b>	2,606,701,502	2,608,348,147	2,614,047,812	2,622,763,048	2,627,507,604	2,632,762,387	2,647,892,029	2,651,625,377	2,657,213,800	2,664,988,579	2,699,439,914	2,705,143,296	2,721,579,656	2,649,656,048	Direct
<b>General</b>	322,820,353	323,381,116	324,242,372	323,160,414	323,729,870	323,608,422	325,485,101	326,206,792	326,504,568	342,303,360	382,243,463	374,637,325	375,588,941	337,058,954	3-Factor & Direct
<b>Storage and storage transmission CNG and LNG</b>	386,258,607 3,790,768	386,344,069 3,790,768	386,576,099 3,790,768	387,991,685 3,790,768	388,599,664 3,790,768	392,768,660 3,790,768	394,385,222 3,790,768	401,174,570 3,790,768	403,562,064 3,790,768	415,362,838 3,790,768	419,829,452 3,790,768	420,310,007 3,790,768	420,632,120 3,790,768	400,029,141 3,790,768	Firm Delivered Volur 3-Factor
<b>Gas Reserves</b>	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	Direct
<b>Total Gross Plant (less Gas Reserves)</b>	3,705,622,487	3,708,211,987	3,716,177,164	3,723,802,661	3,732,482,571	3,746,306,082	3,765,758,941	3,777,825,776	3,786,209,630	3,894,284,311	4,009,797,646	3,982,740,945	4,003,261,191	3,808,169,963	
<b>Accumulated Depreciation</b>															
<b>Intangible</b>	(80,092,795)	(81,057,060)	(82,024,551)	(80,718,126)	(81,682,760)	(82,647,424)	(83,611,608)	(84,591,578)	(85,571,911)	(87,100,623)	(88,754,783)	(65,319,909)	(66,472,586)	(81,363,585)	Total Customers
<b>Production</b>	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	Direct
<b>Transmission</b>	(51,588,811)	(51,911,604)	(52,234,877)	(52,559,033)	(52,885,754)	(53,218,216)	(53,554,593)	(53,891,791)	(54,229,003)	(54,566,988)	(54,914,748)	(55,257,021)	(55,600,237)	(53,568,179)	Direct
<b>Distribution</b>	(1,167,731,191)	(1,171,220,591)	(1,173,582,421)	(1,177,132,007)	(1,180,083,858)	(1,183,718,632)	(1,186,149,290)	(1,189,232,188)	(1,191,623,002)	(1,195,161,614)	(1,198,527,266)	(1,199,776,832)	(1,206,039,430)	(1,186,091,084)	Direct
<b>General</b>	(86,040,772)	(87,584,978)	(89,058,976)	(88,926,771)	(90,448,430)	(91,745,710)	(93,185,524)	(95,050,692)	(96,301,537)	(98,067,867)	(99,510,652)	(93,176,039)	(92,832,682)	(92,707,825)	3-Factor
<b>Storage and storage transmission CNG and LNG</b>	(158,815,203) (2,411,338)	(159,447,581) (2,418,000)	(160,080,393) (2,424,662)	(160,714,510) (2,431,324)	(161,350,413) (2,437,986)	(161,991,833) (2,444,648)	(162,639,579) (2,451,310)	(163,290,573) (2,457,972)	(163,946,162) (2,464,634)	(164,422,307) (2,471,438)	(165,088,160) (2,478,242)	(165,857,164) (2,485,007)	(166,626,918) (2,491,772)	(162,629,145) (2,451,398)	Firm Delivered Volur 3-Factor
<b>Gas Reserves</b>	(155,310,844)	(155,835,475)	(156,283,504)	(156,791,411)	(157,287,170)	(157,802,438)	(158,295,238)	(158,831,842)	(159,360,268)	(159,837,579)	(160,313,736)	(160,622,709)	(160,899,925)	(158,280,563)	Direct
<b>Total Accumulated Depreciation (less Gas Reserves)</b>	(1,547,371,146)	(1,554,330,849)	(1,560,096,916)	(1,563,172,807)	(1,569,580,237)	(1,576,457,500)	(1,582,282,939)	(1,589,205,830)	(1,594,827,284)	(1,602,481,872)	(1,609,964,886)	(1,582,563,006)	(1,590,754,661)	(1,579,502,253)	
<b>Storage Gas</b>	28,096,574	26,221,493	26,221,493	26,221,493	26,221,493	26,221,493	26,221,493	26,221,493	26,221,493	26,221,493	26,221,493	26,221,493	26,221,493	26,299,621	Firm Delivered Volur
<b>Customer Advances</b>	(8,157,679)	(8,389,845)	(8,574,827)	(8,786,834)	(9,062,747)	(9,327,405)	(9,601,781)	(9,048,102)	(9,167,570)	(9,222,901)	(9,732,787)	(9,879,448)	(10,142,617)	(9,070,367)	Direct
<b>Leasehold Improvements</b>	26,154,104	26,073,178	25,975,942	25,912,127	25,858,807	25,748,402	25,675,395	25,489,360	25,380,108	25,259,354	25,237,966	25,375,284	25,428,785	25,648,114	Direct & 3-Factor
<b>Total Rate Base Excluding ADIT and WC Less: ADIT</b>	2,204,344,339 (485,761,071)	2,197,785,964 (485,761,071)	2,199,702,857 (485,761,071)	2,203,976,639 (485,761,071)	2,205,919,887 (485,761,071)	2,212,891,071 (485,761,071)	2,226,471,109 (485,761,071)	2,231,282,697 (485,761,071)	2,233,816,377 (485,761,071)	2,334,060,384 (485,761,071)	2,441,559,432 (485,761,071)	2,441,895,267 (485,761,071)	2,454,014,191 (485,761,071)	2,271,545,079 (485,761,071)	
<b>Total Rate Base Excluding WC</b>	<b>1,718,583,268</b>	<b>1,712,024,893</b>	<b>1,713,941,785</b>	<b>1,718,215,568</b>	<b>1,720,158,816</b>	<b>1,727,130,000</b>	<b>1,740,710,038</b>	<b>1,745,521,626</b>	<b>1,748,055,306</b>	<b>1,848,299,312</b>	<b>1,955,798,361</b>	<b>1,956,134,196</b>	<b>1,968,253,120</b>	<b>1,785,784,008</b>	

**NW Natural**  
**Washington Annual Commission Basis Report**  
**Test Year Based on Twelve Months Ended December 31, 2022**  
**Rate Base**

	2021	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	Dec 21 - Dec 22	Dec 21 - Dec 22		
	2021	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	13	13		
	Dec	Jan	Feb	Mar	Apr	May	June	July	August	September	October	November	December	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	
<b>OREGON</b>	<b>OREGON</b>	<b>OREGON</b>	<b>OREGON</b>	<b>OREGON</b>	<b>OREGON</b>	<b>OREGON</b>	<b>OREGON</b>	<b>OREGON</b>	<b>OREGON</b>	<b>OREGON</b>	<b>OREGON</b>	<b>OREGON</b>	<b>OREGON</b>	<b>OREGON</b>	<b>OREGON</b>	<b>OREGON</b>	<b>OREGON</b>	<b>OREGON</b>	<b>OREGON</b>	
<b>Gross Plant</b>																				
<b>Intangible</b>	156,092,679	156,346,890	156,853,068	155,126,922	155,149,240	155,151,477	155,178,935	155,892,232	155,985,220	219,159,097	241,101,964	218,293,577	218,579,689	175,964,567	175,964,567	175,964,567	175,964,567	175,964,567	Total Customers	
<b>Software</b>	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	84,348	Direct
<b>Other</b>	71,744,331	71,999,542	72,508,720	70,782,574	70,804,892	70,807,129	70,834,587	71,547,884	71,636,872	134,810,749	156,753,616	133,945,229	134,231,341	91,616,219	91,616,219	91,616,219	91,616,219	91,616,219	91,616,219	Direct
<b>Production</b>	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	675,198	Direct
<b>Transmission</b>	204,561,129	204,568,355	204,568,662	205,099,072	207,824,108	212,342,406	213,141,171	213,152,776	213,157,234	214,044,589	225,756,295	226,049,254	228,534,174	213,020,964	213,020,964	213,020,964	213,020,964	213,020,964	213,020,964	Direct
<b>Distribution</b>	2,262,203,851	2,263,353,934	2,268,234,030	2,275,359,309	2,279,368,043	2,283,605,755	2,297,540,855	2,300,149,434	2,304,997,477	2,312,355,524	2,346,346,950	2,351,638,347	2,365,100,751	2,299,716,830	2,299,716,830	2,299,716,830	2,299,716,830	2,299,716,830	2,299,716,830	Direct
<b>General</b>	282,107,069	283,251,704	284,012,498	283,054,103	283,557,845	283,446,295	285,106,587	285,745,411	286,008,911	299,994,002	334,788,431	328,043,271	328,879,334	295,208,521	295,208,521	295,208,521	295,208,521	295,208,521	295,208,521	3-Factor & Direct
<b>Storage and storage transmission</b>	347,152,880	347,228,881	347,435,225	348,694,106	349,234,781	352,942,270	354,379,878	360,417,645	362,540,844	373,035,272	377,007,432	377,434,789	377,721,244	359,399,015	359,399,015	359,399,015	359,399,015	359,399,015	359,399,015	Firm Delivered Volur
<b>CNG and LNG</b>	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3,355,588	3-Factor
<b>Gas Reserves</b>	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	187,307,385	Direct
<b>Total Gross Plant (less Gas Reserves)</b>	3,256,232,742	3,258,864,898	3,265,218,617	3,271,448,646	3,279,249,152	3,291,603,337	3,309,462,560	3,319,472,633	3,326,804,820	3,422,703,619	3,529,116,206	3,505,574,373	3,522,930,327	3,347,425,033	3,347,425,033	3,347,425,033	3,347,425,033	3,347,425,033	3,347,425,033	
<b>Accumulated Depreciation</b>																				
<b>Intangible</b>	(70,457,632)	(71,305,896)	(72,156,998)	(71,007,735)	(71,856,324)	(72,704,939)	(73,553,132)	(74,415,211)	(75,277,610)	(76,622,418)	(78,077,582)	(75,461,924)	(78,475,934)	(71,575,546)	(71,575,546)	(71,575,546)	(71,575,546)	(71,575,546)	(71,575,546)	Total Customers
<b>Production</b>	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	(691,036)	Direct
<b>Transmission</b>	(51,337,407)	(51,655,042)	(51,972,691)	(52,290,748)	(52,611,358)	(52,937,702)	(53,267,962)	(53,599,043)	(53,930,137)	(54,262,005)	(54,603,647)	(54,940,030)	(55,277,357)	(53,281,479)	(53,281,479)	(53,281,479)	(53,281,479)	(53,281,479)	(53,281,479)	Direct
<b>Distribution</b>	(1,036,965,938)	(1,039,853,563)	(1,041,787,996)	(1,044,708,899)	(1,047,142,058)	(1,050,182,948)	(1,052,255,219)	(1,054,885,717)	(1,056,849,684)	(1,059,790,984)	(1,062,635,712)	(1,063,327,947)	(1,068,795,029)	(1,052,191,768)	(1,052,191,768)	(1,052,191,768)	(1,052,191,768)	(1,052,191,768)	(1,052,191,768)	Direct
<b>General</b>	(75,684,901)	(77,144,000)	(78,444,148)	(78,322,482)	(79,664,816)	(80,808,526)	(82,078,401)	(83,724,799)	(84,827,399)	(86,386,305)	(87,658,280)	(88,045,589)	(81,736,341)	(81,651,280)	(81,651,280)	(81,651,280)	(81,651,280)	(81,651,280)	(81,651,280)	3-Factor
<b>Storage and storage transmission</b>	(142,335,405)	(142,902,257)	(143,469,496)	(144,037,896)	(144,607,883)	(145,182,777)	(145,763,296)	(146,346,704)	(146,934,198)	(147,362,113)	(147,958,735)	(148,646,564)	(149,335,061)	(145,753,929)	(145,753,929)	(145,753,929)	(145,753,929)	(145,753,929)	(145,753,929)	Firm Delivered Volur
<b>CNG and LNG</b>	(2,134,517)	(2,140,414)	(2,146,311)	(2,152,208)	(2,158,105)	(2,164,003)	(2,169,900)	(2,175,797)	(2,181,694)	(2,187,717)	(2,193,739)	(2,199,728)	(2,205,716)	(2,169,978)	(2,169,978)	(2,169,978)	(2,169,978)	(2,169,978)	(2,169,978)	3-Factor
<b>Gas Reserves</b>	(155,310,844)	(155,835,475)	(156,283,504)	(156,791,411)	(157,287,170)	(157,802,438)	(158,295,238)	(158,831,842)	(159,360,268)	(159,837,579)	(160,313,736)	(160,622,709)	(160,899,925)	(158,280,563)	(158,280,563)	(158,280,563)	(158,280,563)	(158,280,563)	(158,280,563)	Direct
<b>Total Accumulated Depreciation (less Gas Reserves)</b>	(1,379,606,835)	(1,385,692,209)	(1,390,668,675)	(1,393,211,004)	(1,398,731,580)	(1,404,671,931)	(1,409,778,945)	(1,415,838,307)	(1,420,691,758)	(1,427,302,577)	(1,433,818,731)	(1,440,312,817)	(1,446,516,474)	(1,407,315,016)	(1,407,315,016)	(1,407,315,016)	(1,407,315,016)	(1,407,315,016)	(1,407,315,016)	
<b>Storage Gas</b>	24,986,283	23,318,774	23,318,774	23,318,774	23,318,774	23,318,774	23,318,774	23,318,774	23,318,774	23,318,774	23,318,774	23,318,774	23,318,774	23,388,253	23,388,253	23,388,253	23,388,253	23,388,253	23,388,253	Firm Delivered Volur
<b>Customer Advances</b>	(5,421,491)	(5,563,545)	(5,680,308)	(5,750,199)	(5,826,142)	(5,691,596)	(5,673,265)	(5,768,989)	(5,778,710)	(5,829,544)	(6,029,679)	(6,153,050)	(6,261,656)	(5,798,883)	(5,798,883)	(5,798,883)	(5,798,883)	(5,798,883)	(5,798,883)	Direct
<b>Leasehold Improvements</b>	23,151,613	23,079,977	22,993,904	22,937,415	22,890,216	22,792,485	22,727,860	22,563,182	22,466,472	22,359,580	22,340,647	22,462,201	22,509,561	22,703,710	22,703,710	22,703,710	22,703,710	22,703,710	22,703,710	Direct & 3-Factor
<b>Total Rate Base Excluding ADIT and WC</b>	1,919,342,312	1,914,007,895	1,915,182,311	1,918,743,631	1,920,900,420	1,927,351,069	1,940,056,983	1,943,747,292	1,946,119,598	2,035,249,851	2,134,927,216	2,135,889,480	2,145,980,531	1,980,403,097	1,980,403,097	1,980,403,097	1,980,403,097	1,980,403,097	1,980,403,097	
<b>Less: ADIT</b>	(443,590,907)	(443,590,907)	(443,590,907)	(443,590,907)	(443,590,907)	(443,590,907)	(443,590,907)	(443,590,907)	(443,590,907)	(443,590,907)	(443,590,907)	(443,590,907)	(443,590,907)	(443,590,907)	(443,590,907)	(443,590,907)	(443,590,907)	(443,590,907)	(443,590,907)	
<b>Total Rate Base Excluding WC</b>	<b>1,475,751,406</b>	<b>1,470,416,989</b>	<b>1,471,591,405</b>	<b>1,475,152,724</b>	<b>1,477,309,513</b>	<b>1,483,760,162</b>	<b>1,496,466,077</b>	<b>1,500,156,386</b>	<b>1,502,528,692</b>	<b>1,591,658,944</b>	<b>1,691,336,309</b>	<b>1,692,298,574</b>	<b>1,702,389,624</b>	1,536,812,191	1,536,812,191	1,536,812,191	1,536,812,191	1,536,812,191	1,536,812,191	

**NW Natural**  
**Washington Annual Commission Basis Report**  
**Test Year Based on Twelve Months Ended December 31, 2022**  
**Rate Base**

	2021 2021 Dec	2022 2022 Jan	2022 2022 Feb	2022 2022 Mar	2022 2022 Apr	2022 2022 May	2022 2022 June	2022 2022 July	2022 2022 August	2022 2022 September	2022 2022 October	2022 2022 November	2022 2022 December	Dec 21 - Dec 22 13 month average WASHINGTON	
<b>WASHINGTON</b>	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	
<b>Gross Plant</b>															
<b>Intangible</b>															
<b>Software</b>	21,345,856	21,380,619	21,449,840	21,213,787	21,216,839	21,217,145	21,220,900	21,318,444	21,331,161	29,970,262	32,970,975	29,851,901	29,891,027	24,063,360	Total Customers
<b>Other</b>	447	447	447	447	447	447	447	447	447	447	447	447	447	447	Direct
<b>Production</b>															
<b>Transmission</b>	3,291,600	3,292,029	3,888,550	3,896,971	3,904,485	3,904,822	3,904,822	3,904,822	3,904,822	3,904,822	3,904,822	3,904,822	3,904,822	3,826,167	Direct
<b>Distribution</b>	344,497,651	344,994,213	345,813,782	347,403,739	348,139,561	349,156,633	350,351,174	351,475,943	352,216,322	352,633,055	353,092,964	353,504,949	356,478,905	349,939,218	Direct
<b>General</b>	40,713,283	40,129,412	40,229,873	40,106,311	40,172,025	40,162,127	40,378,514	40,461,382	40,495,657	42,309,359	47,455,032	46,594,055	46,709,607	41,850,433	3-Factor & Direct
<b>Storage and storage transmission</b>															
<b>CNG and LNG</b>	39,105,728	39,115,188	39,140,874	39,297,580	39,364,883	39,826,391	40,005,344	40,756,925	41,021,221	42,327,566	42,822,020	42,875,218	42,910,876	40,630,126	Firm Delivered Volur
	435,180	435,180	435,180	435,180	435,180	435,180	435,180	435,180	435,180	435,180	435,180	435,180	435,180	435,180	3-Factor
<b>Total Gross Plant (less Gas Reserves)</b>	449,389,746	449,347,089	450,958,547	452,354,015	453,233,420	454,702,745	456,296,382	458,353,143	459,404,810	471,580,692	480,681,441	477,166,573	480,330,864	460,744,930	
<b>Accumulated Depreciation</b>															
<b>Intangible</b>															
<b>Production</b>	(9,635,163)	(9,751,164)	(9,867,554)	(9,710,391)	(9,826,436)	(9,942,485)	(10,058,476)	(10,176,367)	(10,294,301)	(10,478,205)	(10,677,200)	(7,857,985)	(7,996,652)	(9,788,039)	Total Customers
<b>Transmission</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Direct
<b>Distribution</b>	(251,404)	(256,562)	(262,186)	(268,285)	(274,396)	(280,513)	(286,631)	(292,749)	(298,866)	(304,984)	(311,101)	(316,991)	(322,881)	(286,701)	Direct
<b>General</b>	(130,765,253)	(131,367,028)	(131,794,425)	(132,423,108)	(132,941,800)	(133,535,684)	(134,129,570)	(134,723,456)	(135,317,342)	(135,911,228)	(136,505,114)	(137,099,000)	(137,692,886)	(133,899,317)	Direct
	(10,355,871)	(10,440,977)	(10,614,828)	(10,783,614)	(10,937,185)	(11,107,123)	(11,285,893)	(11,474,138)	(11,681,561)	(11,904,984)	(12,144,407)	(12,403,830)	(12,684,253)	(11,056,545)	3-Factor
<b>Storage and storage transmission</b>															
<b>CNG and LNG</b>	(16,479,798)	(16,545,323)	(16,610,896)	(16,676,614)	(16,742,530)	(16,809,056)	(16,876,283)	(16,943,869)	(17,011,964)	(17,060,194)	(17,129,425)	(17,210,599)	(17,291,857)	(16,875,215)	Firm Delivered Volur
	(276,822)	(277,586)	(278,351)	(279,116)	(279,881)	(280,646)	(281,410)	(282,175)	(282,940)	(283,705)	(284,470)	(285,235)	(286,000)	(281,421)	3-Factor
<b>Total Accumulated Depreciation (less Gas Reserves)</b>	(167,764,312)	(168,638,641)	(169,428,241)	(169,961,803)	(170,848,657)	(171,785,569)	(172,503,994)	(173,367,523)	(174,135,527)	(175,179,295)	(176,146,154)	(173,250,189)	(174,238,187)	(172,187,237)	
<b>Storage Gas</b>															
<b>Customer Advances</b>	3,110,291	2,902,719	2,902,719	2,902,719	2,902,719	2,902,719	2,902,719	2,902,719	2,902,719	2,902,719	2,902,719	2,902,719	2,902,719	2,911,368	Firm Delivered Volur
<b>Leasehold Improvements</b>	(2,736,189)	(2,826,300)	(2,894,518)	(3,036,635)	(3,236,606)	(3,235,810)	(3,228,517)	(3,279,114)	(3,388,861)	(3,393,357)	(3,703,108)	(3,726,398)	(3,880,961)	(3,271,483)	Direct
	3,002,491	2,993,201	2,982,038	2,974,712	2,968,591	2,955,917	2,947,535	2,926,179	2,913,636	2,899,774	2,897,318	2,913,083	2,919,225	2,944,403	Direct & 3-Factor
<b>Total Rate Base Excluding ADIT and WC</b>	285,002,027	283,778,069	284,520,545	285,233,009	285,019,467	285,540,002	286,414,126	287,535,405	287,696,779	298,810,533	306,632,216	306,005,787	308,033,660	291,141,982	
<b>Less: ADIT</b>	(42,170,165)	(42,170,165)	(42,170,165)	(42,170,165)	(42,170,165)	(42,170,165)	(42,170,165)	(42,170,165)	(42,170,165)	(42,170,165)	(42,170,165)	(42,170,165)	(42,170,165)	(42,170,165)	
<b>Total Rate Base Excluding WC</b>	<b>242,831,862</b>	<b>241,607,904</b>	<b>242,350,381</b>	<b>243,062,844</b>	<b>242,849,302</b>	<b>243,369,837</b>	<b>244,243,961</b>	<b>245,365,240</b>	<b>245,526,614</b>	<b>256,640,368</b>	<b>264,462,051</b>	<b>263,835,622</b>	<b>265,863,496</b>	<b>248,971,817</b>	

**Rate Base Average Allocation Factors**

	OR	WA	SYSTEM
<b>Gross Plant Average Factor</b>	3,347,425,033 87.90%	460,744,930 12.10%	3,808,169,963
<b>Accumulated Deprec Average Factor</b>	(1,407,315,016) 89.10%	(172,187,237) 10.90%	(1,579,502,253)
<b>Leasehold Improvement Average Factor</b>	22,703,710 88.52%	2,944,403 11.48%	25,648,114
<b>Customer Advance Average Factor</b>	(5,798,883) 63.93%	(3,271,483) 36.07%	(9,070,367)
<b>Gross Plant Growth Factor</b>	266,697,585 89.60%	30,941,119 10.40%	297,638,704
<b>Average Total Rate Base</b>	1,536,812,191 86.06%	248,971,817 13.94%	1,785,784,008



**NW Natural  
Washington Annual Commission Basis Report  
Test Year Based on Twelve Months Ended December 31, 2022  
Rate Base**

Dec 21 - Dec 22

<b>Extracts from Balance Sheet</b>	2021 <b>December 2021</b>	2022 <b>January 2022</b>	2022 <b>February 2022</b>	2022 <b>March 2022</b>	2022 <b>April 2022</b>	2022 <b>May 2022</b>	2022 <b>June 2022</b>	2022 <b>July 2022</b>	2022 <b>August 2022</b>	2022 <b>September 2022</b>	2022 <b>October 2022</b>	2022 <b>November 2022</b>	2022 <b>December 2022</b>
<b>Leasehold Improvement</b>													
WA Leasehold Improvements (direct+3-factor on the rest)	3,002,491	2,993,201	2,982,038	2,974,712	2,968,591	2,955,917	2,947,535	2,926,179	2,913,636	2,899,774	2,897,318	2,913,083	2,919,225
System Leasehold Improvements	26,154,104	26,073,178	25,975,942	25,912,127	25,858,807	25,748,402	25,675,395	25,489,360	25,380,108	25,259,354	25,237,966	25,375,284	25,428,785
<b>Customer Advances and Deposits</b>													
System Contributions	8,157,679	8,389,845	8,574,827	8,786,834	9,062,747	8,927,405	8,901,781	9,048,102	9,167,570	9,222,901	9,732,787	9,879,448	10,142,617
Washington Contributions	2,736,189	2,826,300	2,894,518	3,036,635	3,236,606	3,235,810	3,228,517	3,279,114	3,388,861	3,393,357	3,703,108	3,726,398	3,880,961
System Deposits	(1,534,781)	(1,388,063)	(1,453,036)	(1,477,473)	(1,500,524)	(1,499,207)	(1,507,992)	(2,041,500)	(2,046,393)	(2,037,489)	(2,024,413)	(2,074,286)	(1,559,067)
<b>Gas in Storage Extract</b>	28,096,574	26,221,493	26,221,493	26,221,493	26,221,493	26,221,493	26,221,493	26,221,493	26,221,493	26,221,493	26,221,493	26,221,493	26,221,493

**NW Natural  
Washington Annual Commission Basis Report  
Twelve Months Ended December 31, 2022**

**Deferred Income Taxes**

1 Allocation factor: Accumulated Depreciation 10.90%

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3 **2021 December Balances:**

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17 **2022 December Balances:**

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	Federal	State	SYS Total	Washington Allocation	Oregon Allocation
Accumulated Deferred Income Tax - Depreciation	(374,071,067)	(82,294,887)	(456,365,954)	(40,810,329)	(415,555,625)
Accumulated Deferred Income Tax - Encana	(13,033,981)	(1,811,323)	(14,845,304)	0	(14,845,304)
Accumulated Deferred Income Tax - Other	(7,442,026)	(1,693,240)	(9,135,266)	(837,463)	(8,297,803)
<b>2021 Balances</b>	<b>(394,547,074)</b>	<b>(85,799,450)</b>	<b>(480,346,524)</b>	<b>(41,647,792)</b>	<b>(438,698,732)</b>
Accumulated Deferred Income Tax - Depreciation	(382,879,335)	(86,116,385)	(468,995,720)	(41,768,875)	(427,226,844)
Accumulated Deferred Income Tax - Encana	(10,749,787)	(1,352,726)	(12,102,513)	0	(12,102,513)
Accumulated Deferred Income Tax - Other	(8,037,905)	(2,039,481)	(10,077,386)	(923,662)	(9,153,724)
<b>2022 Balances</b>	<b>(401,667,027)</b>	<b>(89,508,592)</b>	<b>(491,175,619)</b>	<b>(42,692,537)</b>	<b>(448,483,081)</b>
<b>Simple Average December Balances</b> (use for Rate Base)				<b>(42,170,165)</b>	<b>(443,590,907)</b>
			<b>EDIT Rate Base - 13 AMA</b>	<b>562,500</b>	
			<b>Total DIT Rate Base</b>	<b>(41,607,665)</b>	

**NW Natural  
Washington Annual Commission Basis Report  
Twelve Months Ended December 31, 2022  
Tax Adjustment**

<u>Line No.</u>	<u>Amount (a)</u>	
<b>1 Utility Income before Interest and Taxes</b>	\$19,066,806	
<b>2 Interest on Historic Average Rate Base</b>	<u>5,424,139</u>	
<b>3 Pre-Tax Net Income</b>	13,642,667	
<b>4 Less: Permanent Differences</b>	602	10.90% Depreciation Factor
<b>5 Taxable Income</b>	13,643,269	
<b>6 Tax Rate</b>	<u>21.00%</u>	
<b>7 Federal Income Tax</b>	2,865,086	
<b>8 Credits and EDIT Amortization</b>	<u>(375,011)</u>	3-Factor
<b>9 Total Tax</b>	<u><u>\$2,490,076</u></u>	

**NW Natural**  
**Washington Annual Commission Basis Report**  
**Twelve Months Ended December 31, 2022**  
**Proforma Cost of Capital and Input Assumptions**

Line No.	13 month average			
	Percent of Total Capital (a)	Average Cost (b)	Weighted Cost (c)	
<b>Cost of Capital</b>				
1	Long Term Debt	45.68%	4.44%	2.03%
2	Short Term Debt	5.91%	1.89%	0.11%
3	Preferred Stock	0.00%	0.00%	0.00%
4	Common Stock	48.41%	9.40%	4.55%
5	<b>Total</b>	<u>100.00%</u>		<u>6.69%</u>
<b>Revenue Sensitive Costs</b>				
6	Gas Sales	102.00%		
7	Transportation	2.34%		
8	Other	<u>-4.34%</u>		
9	<b>Subtotal</b>	100.00%		
10	O & M - Uncollectible	0.175%		
11	Franchise Taxes	0.000%		
12	WA Utility Tax	3.852%		
13	WUTC Fee	<u>0.400%</u>		
14	State Taxable Income	95.57%		
15	State Income Tax	<u>0.00%</u>		
16	Federal Taxable Income	95.57%		
17	Federal Income Tax	<u>20.07%</u>		
18	<b>Total Income Taxes</b>	20.07%		
19	<b>Total Revenue Sensitive Costs</b>	<u>24.50%</u>		
20	<b>Utility Operating Income</b>	<u>75.50%</u>		
21	Net-to-gross factor	1.32446		
22	Interest Coordination Factor	0.0214		
23	Federal tax rate	21.00%		
24	State tax rate	0.00%		
25	Uncollectible Accounts	0.18%		

**NW Natural  
Washington Annual Commission Basis Report  
Adjustments to Test Period  
Twelve Months Ended December 31, 2022**

<b>Line No.</b>	<b>Column A Page 1</b>	<b>Weather Normalized Gas Sales &amp; Purchases (a)</b>	<b>Miscellaneous Revenues Adjustment (b)</b>	<b>Bonus Adjustment (c)</b>	<b>Uncollect. Accounts Adjustment (d)</b>	<b>Working Capital Adjustment (e)</b>	<b>Claims Adjustment (g)</b>	<b>Clearing Adjustment (h)</b>	<b>Total Adjustments (i)</b>	<b>Column C Page 1</b>
Operating Revenues										
<b>1</b>	Sale of Gas	107,562,597	(3,496,707)						(3,496,707)	104,065,891
<b>2</b>	Transportation	2,388,654	0						0	2,388,654
<b>3</b>	Miscellaneous Revenues	(4,489,501)		57,601					57,601	(4,431,900)
<b>4</b>	<b>Total Operating Revenues</b>	<b>105,461,750</b>	<b>(3,496,707)</b>	<b>57,601</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,439,106)</b>	<b>102,022,644</b>
Operating Revenue Deductions										
<b>5</b>	Gas Purchased	44,037,912	(2,749,926)						(2,749,926)	41,287,986
<b>6</b>	Uncollectible Accrual	110,478	(6,259)	0		80,318			74,059	184,537
<b>7</b>	Other Operating & Maintenance Expenses	21,777,630			58,089		15,126	0	73,215	21,850,845
<b>8</b>	<b>Total Operating &amp; Maintenance Expense</b>	<b>65,926,020</b>	<b>(2,756,185)</b>	<b>0</b>	<b>58,089</b>	<b>80,318</b>	<b>15,126</b>	<b>0</b>	<b>(2,602,651)</b>	<b>63,323,368</b>
<b>9</b>	Federal Income Tax	2,490,076	(124,287)	11,582	(11,867)	(16,867)	0	(3,190)	(144,629)	2,345,447
<b>10</b>	Property Taxes	1,717,922							0	1,717,922
<b>11</b>	Other Taxes	5,217,156	(148,680)	2,449					(146,231)	5,070,925
<b>12</b>	Depreciation & Amortization	13,533,847							0	13,533,847
<b>13</b>	<b>Total Operating Revenue Deductions</b>	<b>88,885,020</b>	<b>(3,029,152)</b>	<b>14,031</b>	<b>46,222</b>	<b>63,451</b>	<b>11,936</b>	<b>0</b>	<b>(2,893,511)</b>	<b>85,991,509</b>
<b>14</b>	<b>Net Operating Revenues</b>	<b>16,576,730</b>	<b>(467,555)</b>	<b>43,569</b>	<b>(46,222)</b>	<b>(63,451)</b>	<b>0</b>	<b>(11,936)</b>	<b>(545,595)</b>	<b>16,031,135</b>
Average Rate Base										
<b>15</b>	Utility Plant in Service	460,744,930			(73,882)			3,068	(70,814)	460,674,116
<b>16</b>	Accumulated Depreciation	(172,187,237)							0	(172,187,237)
<b>17</b>	<b>Net Utility Plant</b>	<b>288,557,693</b>	<b>0</b>	<b>0</b>	<b>(73,882)</b>	<b>0</b>	<b>0</b>	<b>3,068</b>	<b>(70,814)</b>	<b>288,486,879</b>
<b>18</b>	Working Capital	3,930,135							0	3,930,135
<b>19</b>	Storage Gas	2,911,368							0	2,911,368
<b>20</b>	Customer Advances	(3,271,483)							0	(3,271,483)
<b>21</b>	Leasehold Improvements	2,944,403							0	2,944,403
<b>22</b>	Accumulated Deferred Income Taxes	(41,607,665)							0	(41,607,665)
<b>23</b>	<b>Total Rate Base</b>	<b>253,464,452</b>	<b>0</b>	<b>0</b>	<b>(73,882)</b>	<b>0</b>	<b>0</b>	<b>3,068</b>	<b>(70,814)</b>	<b>253,393,638</b>
<b>24</b>	Interest Coordination		0	0	(1,581)	0	0	66	(1,515)	(1,515)

NW Natural  
Washington Annual Commission Basis Report  
Twelve Months Ended December 31, 2021  
Weather Normalized Gas Sales and Purchases Adjustment

Worksheet a

1	<b>Revenues</b>						
2							
3							
4		<b>Test Period</b>	<b>Test Period</b>	<b>Normalized</b>	<b>Normalized</b>	<b>Normalized</b>	<b>Net</b>
5		<b>Sales in</b>	<b>Revenue</b>	<b>Sales in</b>	<b>Revenues</b>	<b>Rate</b>	<b>Normalizing</b>
6		<b>Therms</b>		<b>Therms</b>			<b>Effect</b>
7		<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	<b>(f)</b>
8	<b>Sales</b>						
9	Residential	59,400,888	\$72,984,915	59,087,287	\$72,808,151	\$0.56366	(\$176,763)
10	Commercial	26,967,788	\$29,695,251	22,632,955	\$27,487,347	\$0.50934	(\$2,207,904)
11	Industrial Firm	3,471,912	\$2,853,668	3,471,912	\$2,853,668		\$0
12	Interruptible	1,212,306	\$916,725	1,212,306	\$916,725		\$0
13							
14							
15	<b>Total Sales</b>	91,052,895	\$106,450,558	86,404,460	\$104,065,891		(\$2,384,668)
16							
17	<b>Unbilled amounts</b>	767,015	\$1,112,039				(\$1,112,039)
18							
19	<b>Unaccounted For Gas</b>						
20							
21	<b>Total Sales Sendout</b>	91,819,910	\$107,562,597	\$86,404,460	\$104,065,891		(\$3,496,707)
22							
23							
24	<b>Transportation</b>						
25	Firm Transportation	11,746,655	\$1,529,641	11,746,655	\$1,529,641	\$0.13022	\$0
26	Interruptible Transportation	7,856,832	\$859,013	7,856,832	\$859,013	\$0.10933	\$0
27	Special Contracts	0	\$0	0	\$0		\$0
28	Other Charges	0	\$0	0	\$0		\$0
29	<b>Total Transportation</b>	19,603,487	\$2,388,654	\$19,603,487	\$2,388,654		\$0
30							
31	<b>Total Deliveries / Revenues</b>	111,423,397	\$109,951,251	\$106,007,947	\$106,454,545		(\$3,496,707)
32							
33							
34							
35	<b>Cost of Gas</b>						
36							
37		<b>Actual</b>	<b>Actual</b>	<b>Normalized</b>	<b>Normalized</b>	<b>Normalized</b>	<b>Normalizing</b>
38		<b>Therms</b>	<b>Costs</b>	<b>Therms</b>	<b>Costs</b>	<b>Rate</b>	<b>Effect</b>
39							
40	Demand Incurred & Deferred	92,326,077	\$8,632,011	85,192,154	\$8,082,283	0.10151	(\$549,728)
41							
42	Commodity Incurred & Deferred	93,538,383	\$32,241,860	86,404,460	\$30,177,055	0.38128	(\$2,064,805)
43							
44	<b>Commodity and Demand Amortizations</b>		\$3,164,041		\$3,028,648		(\$135,393)
45							
46	<b>Total Cost of Gas</b>		\$44,037,912		\$41,287,986		(\$2,749,926)

**NW Natural  
Washington Annual Commission Basis Report  
Twelve Months Ended December 31, 2022  
Adjustment to Miscellaneous Revenue**

**Worksheet b**

<u>Line No.</u>	<u>Washington Actual (a)</u>	<u>Normalized (b)</u>	<u>Adjustment (c)</u>	
<b>1</b>	<b><u>Other Miscellaneous Revenues</u></b>			
<b>2</b>	\$400	\$24,056	\$23,656	<b>[1]</b>
<b>3</b>	94,184	94,184	0	
<b>4</b>	0	2,678	2,678	<b>[1]</b>
<b>5</b>	55,635	37,329	(18,306)	<b>[1]</b>
<b>6</b>	135	19,385	19,250	<b>[1]</b>
<b>7</b>	18,202	18,039	(163)	<b>[1]</b>
<b>8</b>	0	28,298	28,298	<b>[1]</b>
<b>9</b>	0	0	0	<b>[1]</b>
<b>10</b>	(4,676,598)	(4,676,598)	0	
<b>11</b>	18,541	20,729	2,188	<b>[1]</b>
<b>12</b>				
<b>13</b>	(\$4,489,501)	(\$4,431,900)	\$57,601	
<b>14</b>				
<b>15</b>				
<b>16</b>				
<b>17</b>				
<b>18</b>	<b><u>Notes:</u></b>			
<b>19</b>	<b>[1] Normalized to 3-year average</b>			
<b>20</b>				

**NW Natural  
Washington Annual Commission Basis Report  
Twelve Months Ended December 31, 2022  
Bonus Adjustment**

**Worksheet c**

<b>Line No.</b>	<b>(a)</b>	<b>2019 paid in 2020 (b)</b>	<b>2020 paid in 2021 (c)</b>	<b>2021 paid in 2022 (d)</b>	<b>Three Year Average (e)</b>	<b>2022 Accrual (f)</b>	<b>Adjustment (g)=(e)-(f)</b>	
<b>Performance Bonus - O &amp; M</b>								
1	Officers/Exempt	\$6,790,399	\$6,492,245	\$7,470,160	\$6,917,601	\$6,323,240	\$594,361	
2	Clerical/Hourly	0	0	0	0	0	0	
3	<b>Total</b>	6,790,399	6,492,245	7,470,160	6,917,601	6,323,240	594,361	
<b>Performance Bonus - Construction</b>								
4	Officers/Exempt	3,267,796	3,124,312	4,649,954	3,680,687	4,282,825	(602,138)	
5	Clerical/Hourly	0	0	0	0	0	0	
6	<b>Total</b>	3,267,796	3,124,312	4,649,954	3,680,687	4,282,825	(602,138)	
<b>Key Goals Bonus - O &amp; M</b>								
7	Officers/Exempt	0	0	0	0	0	0	
8	Clerical/Hourly	0	0	0	0	0	0	
9	<b>Total</b>	0	0	0	0	0	0	
<b>Key Goals Bonus - Construction</b>								
10	Officers/Exempt	0	0	0	0	0	0	
11	Clerical/Hourly	0	0	0	0	0	0	
12	<b>Total</b>	0	0	0	0	0	0	
13	<b>Total Adjusted O &amp; M (line 3 + line 9)</b>							\$594,361
14	<b>Washington Allocation Factor</b>						<b>Employee Cost</b>	9.773%
15	<b>Adjustment to Washington - O&amp;M</b>							<u>\$58,089</u>
16	<b>Total Adjusted Construction (line 6 + line 12)</b>							(\$602,138)
17	<b>Washington Allocation Factor</b>						<b>Gross Plant</b>	12.270%
18	<b>Adjustment to Washington - Rate Base</b>							<u>(\$73,882)</u>

**Adjustment takes expense from test period accrual to 3 year paid average**



NW Natural  
Washington Annual Commission Basis Report  
Twelve Months Ended December 31, 2022  
Uncollectible Accounts Adjustments  
(\$'000's, except Washington amounts at lines 22-24)

<u>Line No.</u>	<b>2022-2020 Total</b>	<b>2022 Actual</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>
<b>Gas Revenues</b>				
<b>1 Residential</b>	\$1,508,259	\$572,746	\$484,611	\$450,902
<b>2 Commercial</b>	682,506	274,398	214,853	193,255
<b>3 Industrial</b>	68,389	26,499	21,740	20,151
<b>4 Interruptible</b>	45,912	3,407	23,927	18,578
<b>5 Total</b>	<u>2,305,067</u>	<u>877,050</u>	<u>745,131</u>	<u>682,886</u>
<b>Net Write-Offs</b>				
<b>6 Residential</b>	3,418	1,503	1,476	438
<b>7 Commercial</b>	741	291	276	174
<b>8 Industrial</b>	(25)	(28)	(4)	7
<b>9 Interruptible</b>	-	-	-	-
<b>10 Total</b>	<u>4,134</u>	<u>1,766</u>	<u>1,748</u>	<u>620</u>
<b>Write-Off % - 3-Year Average</b>				
<b>11 Residential</b>	0.227%	0.262%	0.305%	0.097%
<b>12 Commercial</b>	0.109%	0.106%	0.128%	0.090%
<b>13 Industrial</b>	-0.037%	-0.107%	-0.020%	0.037%
<b>14 Interruptible</b>	0.000%	0.000%	0.000%	0.000%
<b>15 Weighted Total [1]</b>	<u>0.179%</u>	<u>0.201%</u>	<u>0.235%</u>	<u>0.091%</u>
<b>Normalized Uncollectible</b>				
<b>16 Residential</b>	\$1,298			
<b>17 Commercial</b>	298			
<b>18 Industrial</b>	(10)			
<b>19 Interruptible</b>	0			
<b>20 Total</b>	<u>\$1,586</u>			
<b>21 Allocation Factor</b>	<u>12.030%</u>	<b>Customers - All</b>		
<b>22 Washington Normalized Amount (X 1000)</b>	\$190,796			
<b>23 Washington Allocation of Accrued Amount</b>	<u>\$110,478</u>			
<b>24 Adjustment (Normalized less Accrued)</b>	<u><u>\$80,318</u></u>			

[1] Weighted uncollectible rate of

0.179% is used on page 1, column (b)

**NW Natural**  
**Washington Annual Commission Basis Report**  
**Investor Supplied Working Capital**  
**Twelve Months Ended December 31, 2022**

**Worksheet e**

<u>Line No.</u>		<u>Average Balance</u>
1	Current Working Capital Assets	\$ 233,322,250
2	Current Working Capital Liabilities	\$ (195,521,264)
3	Net Working Capital	<u>\$ 37,800,986</u>
4		
5	WA Allocation of Total Investments	10.40%
6	Total WA Working Capital	<u>\$ 3,930,135</u>

**NW Natural  
Washington Annual Commission Basis Report  
Twelve Months Ended December 31, 2022  
Claims Expense Adjustment**

**Worksheet g**

<u>Line No.</u>	<u>O&amp;M Expense (a)</u>	<u>Construction (b)</u>
<b>1 Expensed during Test period</b>	\$150,127	\$27,560
<b>Normalized Expenses</b>		
<b>2 Actual Claims - Ordinary</b>	\$150,127	52,560
<b>3 3-Year Average Claims - Extraordinary</b>	131,755	0
<b>4 Subtotal</b>	<u>281,882</u>	<u>52,560</u>
<b>5 Adjustment - System (line 4 - line 1)</b>	131,755	25,000
<b>6 Allocation to Washington (O&amp;M on 3-factor, const on gross plant)</b>	<u>11.480%</u>	<u>12.270%</u>
<b>7 Adjustment</b>	<u><u>\$15,126</u></u>	<u><u>\$3,068</u></u>

**NW Natural  
Washington Annual Commission Basis Report  
##  
Elimination of Clearing Account Balances**

**Worksheet h**

<b>Line No.</b>	<b>Amount</b>
<b>1 Adjustment to O&amp;M</b>	<u>\$0</u>
<b>2 Allocation to Washington (3-Factor)</b>	<u>11.48%</u>
<b>3 Adjustment</b>	<u><u>\$0</u></u>
<b>4 Adjustment to Construction</b>	\$0
<b>5 Allocation to Washington (Gross Plant)</b>	<u>12.27%</u>
<b>6 Adjustment</b>	<u><u>\$0</u></u>

**Clearing accounts are completely allocated by year end closing.**