

Assumptions

Monthly take rate expected through Month 30	0.05%	percent enrolled per month
Expected participation at Month 30	1.50%	percent enrolled
WA Residential Customers; November 30, 2021	86,252	gas customers
Expected average purchase quantity per month	46.0	therms / subscriber
Cost Per Therm	\$ 0.15246	per therm
Voluntary carbon offset purchase	96%	therms funded
Voluntary RNG purchase	4%	therms funded
RNG contract price		cost / therm
Carbon offset price		cost / therm

Notes

Based on NWN's experience with Washington customer acquisition for Smart Energy carbon offsets.
Based on uptake for existing products and research on voluntary RNG.
Based on system average therms and volumetric historical use

Product costs

M&A

Carbon reduction cost (RNG & Offsets)

Total therms sold

Total M&A

\$0.15246

[Redacted]

Notes

[Redacted] 40.52%
[Redacted] 59.48%

30 months
30 months

922,465.14

[Redacted]

Estimate of Customer Participation and Projected Therms

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	
2022														
New Customers								43	43	43	43	43	43	259
Total Customers								43	86	129	173	216	259	259
Therms sold							1983.80	3967.59	5951.39	7935.18	9918.98	11902.78	41,660	
RNG therms							79	159	238	317	397	476	1,666	
2023														
New Customers	43	43	43	43	43	43	43	43	43	43	43	43	518	
Total Customers	302	345	388	431	474	518	561	604	647	690	733	776	776	
Therms sold	13,886.57	15,870.37	17,854.16	19,837.96	21,821.76	23,805.55	25,789.35	27,773.14	29,756.94	31,740.74	33,724.53	35,708.33	297,569	
RNG therms	555	635	714	794	873	952	1,032	1,111	1,190	1,270	1,349	1,428	11,903	
2024														
New Customers	43	43	43	43	43	43	43	43	43	43	43	43	518	
Total Customers	819	863	906	949	992	1,035	1,078	1,121	1,164	1,208	1,251	1,294	1,294	
Therms sold	37,692.12	39,675.92	41,659.72	43,643.51	45,627.31	47,611.10	49,594.90	51,578.70	53,562.49	55,546.29	57,530.08	59,513.88	583,236	
RNG therms	1,508	1,587	1,666	1,746	1,825	1,904	1,984	2,063	2,142	2,222	2,301	2,381	23,329	

Total Therms Funded	922,465
Total RNG sold (therms)	36,899
Total Offset therms funded	885,567

4%

Carbon Offset Program

Anticipated Program Costs and Expenses

Expenses	2022	2023	2024	Total
Administration				
Purchase of Offsets				
Purchase of RNG				
	\$6,234	\$44,529	\$87,276	\$138,039