

EXHIBIT A

BEFORE THE
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

NW NATURAL SUPPORTING MATERIALS

REQUEST FOR AMORTIZATION ASSOCIATED WITH
RESIDENTIAL BILL DISCOUNT PROGRAM

NWN WUTC Advice No. 23-05

September 12, 2023

NW NATURAL

EXHIBIT A

Supporting Materials

REQUEST FOR AMORTIZATION ASSOCIATED WITH RESIDENTIAL BILL DISCOUNT PROGRAM

NWN WUTC ADVICE NO. 23-05

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NW Natural
 Rates & Regulatory Affairs
 2023-2024 Residential Bill Discount Program Filing - Washington
 Calculation of Increments Allocated on the EQUAL PERCENTAGE OF MARGIN BASIS

											Residential Bill Discount Program		
											Proposed Amount:	\$1,188,000 Allocated to Rate Schedules	
											Revenue Sensitive Multiplier:	4.357% add revenue sensitive factor	
											Amount to Amortize:	\$1,242,117 All Customers	
Schedule	Block	A	B	C	D	E	F = E * A	G	H	I = (G*H*12)+F	Multiplier	Allocation to RS	Increment
											S	T	U
1R	n/a	318,916	\$ 1.59190	\$ 0.55668	\$ 0.19500	\$ 0.84022	\$ 267,960	\$ 5.50	1,679	\$ 378,774	1.0	\$8,035	0.02519
1C	n/a	22,569	\$ 1.60601	\$ 0.55668	\$ 0.18173	\$ 0.86760	\$ 19,581	\$ 7.00	37	\$ 22,689	1.0	\$481	0.02131
2R	n/a	60,471,175	\$ 1.28016	\$ 0.55668	\$ 0.16172	\$ 0.56176	\$ 33,970,287	\$ 8.00	87,552	\$ 42,375,279	1.0	\$898,873	0.01486
3 CFS	n/a	19,986,400	\$ 1.25038	\$ 0.55668	\$ 0.15700	\$ 0.53670	\$ 10,726,701	\$ 22.00	6,684	\$ 12,491,277	1.0	\$264,967	0.01326
3 IFS	n/a	277,642	\$ 1.22899	\$ 0.55668	\$ 0.12557	\$ 0.54674	\$ 151,798	\$ 22.00	19	\$ 156,814	1.0	\$3,326	0.01198
27R	n/a	80,870	\$ 1.02062	\$ 0.55668	\$ 0.14933	\$ 0.31461	\$ 25,442	\$ 9.00	295	\$ 57,302	1.0	\$1,216	0.01504
41C Firm Sales	Block 1	1,570,103	\$ 1.03667	\$ 0.46972	\$ 0.14834	\$ 0.41861	\$ 1,441,762	\$ 250.00	83	\$ 1,690,762	1.0	\$35,865	0.01041
	Block 2	2,126,827	\$ 0.98320	\$ 0.46972	\$ 0.14462	\$ 0.36886					1.0		0.00918
41I Firm Sales	Block 1	405,389	\$ 0.96687	\$ 0.46972	\$ 0.12513	\$ 0.37202	\$ 414,086	\$ 250.00	22	\$ 480,086	1.0	\$10,184	0.00915
	Block 2	803,153	\$ 0.92170	\$ 0.46972	\$ 0.12418	\$ 0.32780					1.0		0.00806
41C Interr Sales	Block 1	-	\$ 1.01490	\$ 0.46972	\$ 0.14696	\$ 0.39822	\$ -	\$ 250.00	-	\$ -	1.0	\$0	0.00997
	Block 2	-	\$ 0.96393	\$ 0.46972	\$ 0.14335	\$ 0.35086					1.0		0.00879
41I Interr Sales	Block 1	-	\$ 0.95740	\$ 0.46972	\$ 0.12428	\$ 0.36340	\$ -	\$ 250.00	-	\$ -	1.0	\$0	0.00910
	Block 2	-	\$ 0.91323	\$ 0.46972	\$ 0.12334	\$ 0.32017					1.0		0.00802
41C Firm Transp	Block 1	148,853	\$ 0.38083	\$ -	\$ 0.00194	\$ 0.37889	\$ 156,160	\$ 500.00	8	\$ 204,160	1.0	\$4,331	0.01051
	Block 2	298,848	\$ 0.33552	\$ -	\$ 0.00170	\$ 0.33382					1.0		0.00926
41I Firm Transp	Block 1	-	\$ 0.37098	\$ -	\$ 0.00317	\$ 0.36781	\$ -	\$ 500.00	-	\$ -	1.0	\$0	0.00921
	Block 2	-	\$ 0.32687	\$ -	\$ 0.00281	\$ 0.32406					1.0		0.00812
42C Firm Sales	Block 1	701,175	\$ 0.80750	\$ 0.46972	\$ 0.12969	\$ 0.20809	\$ 311,591	\$ 1,300.00	8	\$ 124,801	1.0	\$2,647	0.00177
	Block 2	698,884	\$ 0.78434	\$ 0.46972	\$ 0.12836	\$ 0.18626					1.0		0.00158
	Block 3	213,654	\$ 0.73831	\$ 0.46972	\$ 0.12573	\$ 0.14286					1.0		0.00121
	Block 4	43,634	\$ 0.70801	\$ 0.46972	\$ 0.12401	\$ 0.11428					1.0		0.00097
	Block 5	-	\$ 0.66761	\$ 0.46972	\$ 0.12171	\$ 0.07618					1.0		0.00065
	Block 6	-	\$ 0.61709	\$ 0.46972	\$ 0.11881	\$ 0.02856					1.0		0.00024
42I Firm Sales	Block 1	1,266,148	\$ 0.75461	\$ 0.46972	\$ 0.11807	\$ 0.16682	\$ 359,183	\$ 1,300.00	10	\$ 156,001	1.0	\$3,309	0.00154
	Block 2	871,827	\$ 0.73700	\$ 0.46972	\$ 0.11795	\$ 0.14933					1.0		0.00138
	Block 3	146,523	\$ 0.70198	\$ 0.46972	\$ 0.11775	\$ 0.11451					1.0		0.00105
	Block 4	10,867	\$ 0.67895	\$ 0.46972	\$ 0.11762	\$ 0.09161					1.0		0.00084
	Block 5	-	\$ 0.64824	\$ 0.46972	\$ 0.11743	\$ 0.06109					1.0		0.00056
	Block 6	-	\$ 0.60982	\$ 0.46972	\$ 0.11721	\$ 0.02289					1.0		0.00021
42C Firm Transp	Block 1	217,853	\$ 0.15376	\$ -	\$ (0.00130)	\$ 0.15506	\$ 197,297	\$ 1,550.00	2	\$ 37,201	1.0	\$789	0.00062
	Block 2	435,705	\$ 0.13764	\$ -	\$ (0.00116)	\$ 0.13880					1.0		0.00056
	Block 3	435,705	\$ 0.10553	\$ -	\$ (0.00090)	\$ 0.10643					1.0		0.00043
	Block 4	665,436	\$ 0.08445	\$ -	\$ (0.00071)	\$ 0.08516					1.0		0.00034
	Block 5	-	\$ 0.05629	\$ -	\$ (0.00048)	\$ 0.05677					1.0		0.00023
	Block 6	-	\$ 0.02111	\$ -	\$ (0.00017)	\$ 0.02128					1.0		0.00009
42I Firm Transp	Block 1	840,318	\$ 0.15086	\$ -	\$ (0.00118)	\$ 0.15204	\$ 650,073	\$ 1,550.00	8	\$ 148,801	1.0	\$3,156	0.00074
	Block 2	1,062,417	\$ 0.13503	\$ -	\$ (0.00106)	\$ 0.13609					1.0		0.00066
	Block 3	936,547	\$ 0.10354	\$ -	\$ (0.00082)	\$ 0.10436					1.0		0.00051
	Block 4	2,527,103	\$ 0.08283	\$ -	\$ (0.00066)	\$ 0.08349					1.0		0.00041
	Block 5	1,239,686	\$ 0.05523	\$ -	\$ (0.00043)	\$ 0.05566					1.0		0.00027
	Block 6	-	\$ 0.02071	\$ -	\$ (0.00016)	\$ 0.02087					1.0		0.00010
42C Interr Sales	Block 1	226,932	\$ 0.76839	\$ 0.46972	\$ 0.12880	\$ 0.16987	\$ 134,629	\$ 1,300.00	2	\$ 31,201	1.0	\$662	0.00084
	Block 2	425,616	\$ 0.74928	\$ 0.46972	\$ 0.12750	\$ 0.15206					1.0		0.00075
	Block 3	194,048	\$ 0.71125	\$ 0.46972	\$ 0.12494	\$ 0.11659					1.0		0.00057
	Block 4	93,667	\$ 0.68621	\$ 0.46972	\$ 0.12322	\$ 0.09327					1.0		0.00046
	Block 5	-	\$ 0.65288	\$ 0.46972	\$ 0.12096	\$ 0.06220					1.0		0.00031
	Block 6	-	\$ 0.61118	\$ 0.46972	\$ 0.11813	\$ 0.02333					1.0		0.00011
42I Interr Sales	Block 1	128,853	\$ 0.75105	\$ 0.46972	\$ 0.11742	\$ 0.16391	\$ 34,484	\$ 1,300.00	1	\$ 15,601	1.0	\$331	0.00157
	Block 2	91,079	\$ 0.73376	\$ 0.46972	\$ 0.11731	\$ 0.14673					1.0		0.00141
	Block 3	-	\$ 0.69936	\$ 0.46972	\$ 0.11712	\$ 0.11252					1.0		0.00108
	Block 4	-	\$ 0.67671	\$ 0.46972	\$ 0.11697	\$ 0.09002					1.0		0.00086
	Block 5	-	\$ 0.64652	\$ 0.46972	\$ 0.11680	\$ 0.06000					1.0		0.00058
	Block 6	-	\$ 0.60879	\$ 0.46972	\$ 0.11657	\$ 0.02250					1.0		0.00022
42C Inter Transp	Block 1	-	\$ 0.14295	\$ -	\$ 0.00126	\$ 0.14169	\$ -	\$ 1,550.00	-	\$ -	1	\$0	0.00355
	Block 2	-	\$ 0.12797	\$ -	\$ 0.00112	\$ 0.12685					1.0		0.00318
	Block 3	-	\$ 0.09813	\$ -	\$ 0.00086	\$ 0.09727					1.0		0.00244
	Block 4	-	\$ 0.07851	\$ -	\$ 0.00069	\$ 0.07782					1.0		0.00195
	Block 5	-	\$ 0.05235	\$ -	\$ 0.00046	\$ 0.05189					1.0		0.00130
	Block 6	-	\$ 0.01961	\$ -	\$ 0.00017	\$ 0.01944					1.0		0.00049
42I Inter Transp	Block 1	830,413	\$ 0.14372	\$ -	\$ (0.00094)	\$ 0.14466	\$ 739,329	\$ 1,550.00	10	\$ 186,001	1.0	\$3,945	0.00077
	Block 2	1,522,701	\$ 0.12865	\$ -	\$ (0.00084)	\$ 0.12949					1.0		0.00069
	Block 3	1,166,628	\$ 0.09865	\$ -	\$ (0.00064)	\$ 0.09929					1.0		0.00053
	Block 4	2,984,749	\$ 0.07894	\$ -	\$ (0.00051)	\$ 0.07945					1.0		0.00042
	Block 5	1,303,638	\$ 0.05263	\$ -	\$ (0.00034)	\$ 0.05297					1.0		0.00028
	Block 6	-	\$ 0.01973	\$ -	\$ (0.00013)	\$ 0.01986					1.0		0.00011
43 Firm Transp	n/a	-	\$ 0.00578	\$ -	\$ 0.00087	\$ 0.00491	\$ 38,000.00				1.0	\$0	0.00012
43 Interr Transp	n/a	-	\$ 0.00521	\$ -	\$ 0.00030	\$ 0.00491	\$ 38,000.00				1.0	\$0	0.00012
Special Contract	n/a	-	\$ -	\$ -	\$ -	\$ -							
Intentionally blank													
Totals		107,792,550					\$49,600,363			\$58,556,751		\$1,242,117	

Tariff Schedules:

Schedule #	Sched 231
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Note: Allocation to rate schedules or blocks with zero volumes is calculated on an overall margin percentage change basis.

NW Natural
 Rates & Regulatory Affairs
 2023-2024 Residential Bill Discount Program (RBDP) Filing - Washington
 Effects on Average Bill by Rate Schedule
 Calculation of Effect on Customer Average Bill by Rate Schedule [1]

		PGA	Therms in	Normal	Minimum	Current	Current	Current	Proposed	Proposed	Proposed
		Volumes	Block	Therms	Monthly	Billing	Average	11/1/2022	11/1/2023	11/1/2023	11/1/2023
				Monthly	Charge	Rate	Bill	RBDP	RBDP	RBDP	RBDP
				Average Use		11/1/2022	11/1/2022	Rates	Rates	Average Bill	% Bill Change
							F=D+(C * E)		[2]	T = D+(C*G)	I=(K-I)/I
Schedule	Block	A	B	C	D	E	F	G	H	I	J
1R		318,916	N/A	16.0	\$ 5.50	\$1,59190	\$30.97	\$0.00000	\$1.61709	\$31.37	1.3%
1C		22,569	N/A	51.0	\$ 7.00	\$1,60601	\$88.91	\$0.00000	\$1.62732	\$89.99	1.2%
2R		60,471,175	N/A	58.0	\$ 8.00	\$1,28016	\$82.25	\$0.00000	\$1.29502	\$83.11	1.0%
3 CFS		19,986,400	N/A	249.0	\$ 22.00	\$1,25038	\$333.34	\$0.00000	\$1.26364	\$336.65	1.0%
3 IFS		277,642	N/A	1,218.0	\$ 22.00	\$1,22899	\$1,518.91	\$0.00000	\$1.24097	\$1,533.50	1.0%
27		80,870	N/A	23.0	\$ 9.00	\$1,02062	\$32.47	\$0.00000	\$1.03566	\$32.82	1.1%
41C Firm Sales	Block 1	1,570,103	2,000	3,712.0	\$ 250.00	\$1,03667		\$0.00000	\$1.04708		
	Block 2	2,126,827	all additional			\$0.98320		\$0.00000	\$0.99238		
	TOTAL						\$4,006.58			\$4,043.11	0.9%
41I Firm Sales	Block 1	405,389	2,000	4,578.0	\$ 250.00	\$0.96687		\$0.00000	\$0.97602		
	Block 2	803,153	all additional			\$0.92170		\$0.00000	\$0.92976		
	TOTAL						\$4,559.88			\$4,598.96	0.9%
41C Interr Sales	Block 1	0	2,000	0.0	\$ 250.00	\$1.01490		\$0.00000	\$1.02487		
	Block 2	0	all additional			\$0.96393		\$0.00000	\$0.97272		
	TOTAL						\$250.00			\$250.00	0.0%
41I Interr Sales	Block 1	0	2,000	0.0	\$ 250.00	\$0.95740		\$0.00000	\$0.96650		
	Block 2	0	all additional			\$0.91323		\$0.00000	\$0.92125		
	TOTAL						\$250.00			\$250.00	0.0%
41C Firm Transp	Block 1	148,853	2,000	4,664.0	\$ 500.00	\$0.38083		\$0.00000	\$0.39134		
	Block 2	298,848	all additional			\$0.33552		\$0.00000	\$0.34478		
	TOTAL						\$2,155.49			\$2,201.17	2.1%
41I Firm Transp	Block 1	0	2,000	0.0	\$ 500.00	\$0.37098		\$0.00000	\$0.38019		
	Block 2	0	all additional			\$0.32687		\$0.00000	\$0.33499		
	TOTAL						\$500.00			\$500.00	0.0%
42C Firm Sales	Block 1	701,175	10,000	17,264.0	\$ 1,300.00	\$0.80750		\$0.00000	\$0.80927		
	Block 2	698,884	20,000			\$0.78434		\$0.00000	\$0.78592		
	Block 3	213,654	20,000			\$0.73831		\$0.00000	\$0.73952		
	Block 4	43,634	100,000			\$0.70801		\$0.00000	\$0.70898		
	Block 5	0	600,000			\$0.66761		\$0.00000	\$0.66826		
	Block 6	0	all additional			\$0.61709		\$0.00000	\$0.61733		
	TOTAL						\$15,072.45			\$15,101.62	0.2%
42I Firm Sales	Block 1	1,266,148	10,000	19,128.0	\$ 1,300.00	\$0.75461		\$0.00000	\$0.75615		
	Block 2	871,827	20,000			\$0.73700		\$0.00000	\$0.73838		
	Block 3	146,523	20,000			\$0.70198		\$0.00000	\$0.70303		
	Block 4	10,867	100,000			\$0.67895		\$0.00000	\$0.67979		
	Block 5	0	600,000			\$0.64824		\$0.00000	\$0.64880		
	Block 6	0	all additional			\$0.60982		\$0.00000	\$0.61003		
	TOTAL						\$15,573.44			\$15,601.43	0.2%
42C Firm Trans	Block 1	217,853	10,000	73,112.0	\$ 1,550.00	\$0.15376		\$0.00000	\$0.15438		
	Block 2	435,705	20,000			\$0.13764		\$0.00000	\$0.13820		
	Block 3	435,705	20,000			\$0.10553		\$0.00000	\$0.10596		
	Block 4	665,436	100,000			\$0.08445		\$0.00000	\$0.08479		
	Block 5	0	600,000			\$0.05629		\$0.00000	\$0.05652		
	Block 6	0	all additional			\$0.02111		\$0.00000	\$0.02120		
	TOTAL						\$9,902.81			\$9,936.67	0.3%
42I Firm Trans	Block 1	840,318	10,000	68,813.0	\$ 1,550.00	\$0.15086		\$0.00000	\$0.15160		
	Block 2	1,062,417	20,000			\$0.13503		\$0.00000	\$0.13569		
	Block 3	936,547	20,000			\$0.10354		\$0.00000	\$0.10405		
	Block 4	2,527,103	100,000			\$0.08283		\$0.00000	\$0.08324		
	Block 5	1,239,686	600,000			\$0.05523		\$0.00000	\$0.05550		
	Block 6	0	all additional			\$0.02071		\$0.00000	\$0.02081		
	TOTAL						\$9,388.28			\$9,426.79	0.4%
42C Interr Sales	Block 1	226,932	10,000	39,178.0	\$ 1,300.00	\$0.76839		\$0.00000	\$0.76923		
	Block 2	425,616	20,000			\$0.74928		\$0.00000	\$0.75003		
	Block 3	194,048	20,000			\$0.71125		\$0.00000	\$0.71182		
	Block 4	93,667	100,000			\$0.68621		\$0.00000	\$0.68667		
	Block 5	0	600,000			\$0.65288		\$0.00000	\$0.65319		
	Block 6	0	all additional			\$0.61118		\$0.00000	\$0.61129		
	TOTAL						\$30,497.35			\$30,525.98	0.1%
42I Interr Sales	Block 1	128,853	10,000	18,328.0	\$ 1,300.00	\$0.75105		\$0.00000	\$0.75262		
	Block 2	91,079	20,000			\$0.73376		\$0.00000	\$0.73517		
	Block 3	0	20,000			\$0.69936		\$0.00000	\$0.70044		
	Block 4	0	100,000			\$0.67671		\$0.00000	\$0.67757		
	Block 5	0	600,000			\$0.64652		\$0.00000	\$0.64710		
	Block 6	0	all additional			\$0.60879		\$0.00000	\$0.60901		
	TOTAL						\$14,921.25			\$14,948.70	0.2%
42C Inter Trans	Block 1	0	10,000	0.0	\$ 1,550.00	\$0.14295		\$0.00000	\$0.14650		
	Block 2	0	20,000			\$0.12797		\$0.00000	\$0.13115		
	Block 3	0	20,000			\$0.09813		\$0.00000	\$0.10057		
	Block 4	0	100,000			\$0.07851		\$0.00000	\$0.08046		
	Block 5	0	600,000			\$0.05235		\$0.00000	\$0.05365		
	Block 6	0	all additional			\$0.01961		\$0.00000	\$0.02010		
	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		\$0.00000	\$0.14449		
	Block 2	1,522,701	20,000			\$0.12865		\$0.00000	\$0.12934		
	Block 3	1,166,628	20,000			\$0.09865		\$0.00000	\$0.09918		
	Block 4	2,984,749	100,000			\$0.07894		\$0.00000	\$0.07936		
	Block 5	1,303,638	600,000			\$0.05263		\$0.00000	\$0.05291		
	Block 6	0	all additional			\$0.01973		\$0.00000	\$0.01984		
	TOTAL						\$8,722.67			\$8,761.10	0.4%
43 Firm Trans		0	N/A	0.0	\$38,000.00	\$0.00492	\$38,000.00	\$0.00000	\$0.00504	\$38,000.00	0.0%
43 Interr Trans		0	N/A	0.0	\$38,000.00	\$0.00492	\$38,000.00	\$0.00000	\$0.00504	\$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] Proposed new ECRM rates is equal to Current Billing Rate plus New ECRM rates less Current ECRM rates.

Sources:

Direct Inputs	per Tariff	per Tariff
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NW Natural
Rates & Regulatory Affairs
Washington Bill Discount Program
Estimate of Bill Discount Cost

636,785 Oregon residential customers at June 2023
 5.10% OR BDP as % of total residential customers

88,920 WA residential customers at June 2023
 4,533 WA BDP participants using Oregon experience through June

2,200 WA BDP auto-enrolls that will occur at program launch
 104.5% Percentage increase from 2200 to 4500

Tier	Discount %	OR experience	WA proposed Tier Distribution	Participants	Avg Bill
				4500	\$960
0	80%	13.7%	10%	450	\$345,600
1	40%	20.1%	20%	900	\$345,600
2	20%	21.8%	20%	900	\$172,800
3	15%	44.4%	50%	2250	\$324,000
				4500	\$1,188,000

Reference Data:

Washington Rate Schedule 2

\$8.00		
\$1.28016	excludes rate mitigation	
Annual usage	675.0	56.3
Annual bill	\$960.11	\$80.01

Oregon BDP data for reference

	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	
Auto-enrolled	11,587	12,455	12,497	12,624	12,381	12,113	12,317	12,042	
Self-Certified	5,492	7,959	10,792	13,268	15,682	17,476	19,179	20,421	
	17,079	20,414	23,289	25,892	28,063	29,589	31,496	32,463	90.1% percentage increase from Nov to Jun 23
Level - 40%	5.9%	7.3%	9.0%	10.2%	11.6%	12.4%	13.2%	13.7%	
Level - 25%	10.7%	12.8%	15.2%	16.7%	18.0%	18.9%	19.6%	20.1%	
Level - 20%	10.2%	13.2%	15.9%	17.6%	19.3%	20.4%	21.2%	21.8%	
Level - 15%	73.1%	66.7%	59.9%	55.5%	51.1%	48.3%	46.0%	44.4%	

