

<u>Line No.</u>	<u>Test Year Results</u>	<u>Adjustments</u>	<u>Test Year Adjusted</u>
	(a)	(b)	(c)
<u>Operating Revenues</u>			
1	\$72,959,972	\$2,405,649	\$75,365,621
2	2,271,072	0	2,271,072
3	-2,496,179	-65,974	-2,562,153
4	72,734,866	2,339,675	75,074,541
			49,142,022
Operating Revenue Deductions			
5	\$24,883,746	\$1,048,773	\$25,932,519
6	89,637	-14,904	74,733
7	18,730,452	-401,207	18,329,245
8	43,703,835	632,662	44,336,497
9	1,368,032	338,314	1,706,346
10	1,628,078	0	1,628,078
11	3,837,791	94,804	3,932,594
12	11,177,644	0	11,177,644
13	\$61,715,381	\$1,065,780	\$62,781,160
14	\$11,019,486	\$1,273,895	\$12,293,381
<u>Average Rate Base</u>			
15	\$390,157,104	\$50,194	\$390,207,298
16	-155,701,953	0	-155,701,953
17	234,455,152	50,194	234,505,346
18	3,543,665	0	3,543,665
19	2,472,932	0	2,472,932
20	-1,082,302	0	-1,082,302
21	3,166,378	0	3,166,378
22	-40,691,938	0	-40,691,938
23	\$201,863,887	\$50,194	\$201,914,081
24	5.46%		6.09%
25	6.74%		8.12%

**NW Natural
State Allocation Factors
Updated for year ended 2020 data**

	System	Washington	Oregon
Customers			
Total Customers			
December 2020	774,476	90,323	684,153
December 2019	762,884	87,504	675,380
Average	768,680	88,914	679,767
% of System		11.57%	88.43%
Residential Customers			
December 2020	702,721	81,029	621,692
December 2019	692,012	80,116	611,896
Average	697,367	80,573	616,794
% of System		11.55%	88.45%
Commercial Customers			
December 2020	68,812	7,266	61,546
December 2019	69,858	7,308	62,550
Average	69,335	7,287	62,048
% of System		10.51%	89.49%
Industrial Customers			
December 2020	989	74	915
December 2019	1,014	80	934
Average	1,002	77	925
% of System		7.69%	92.31%
The Dalles			
December 2020	8,604	2,174	6,430
December 2019	8,460	2,133	6,327
Average	8,532	2,154	6,379
% of System		25.24%	74.76%
Portland / Vancouver			
December 2020	550,730	88,149	462,581
December 2019	542,524	85,371	457,153
Average	546,627	86,760	459,867
% of System		15.87%	84.13%
Portland / Vancouver Commercial			
December 2020	44,797	7,052	37,745
December 2019	45,728	7,088	38,640
Average	45,263	7,070	38,193
% of System		15.62%	84.38%

**NW Natural
State Allocation Factors
Updated for year ended 2020 data
Volumes - 12 Months Ended 12/31/20**

Firm Sales Delivered	713,160,152	77,633,739	635,526,413
% of System		10.89%	89.11%
Sales Volumes	762,017,556	78,832,056	683,185,500
% of System		10.35%	89.65%
Sendout Volumes	1,142,896,790	98,086,988	1,044,809,802
% of System		8.58%	91.42%

3-factor formula (simple average)

Gross Plant Directly Assigned		11.85%	88.15%
Number of Employees Directly Assigned		8.83%	91.17%
Number of Customers		11.57%	88.43%
Average		10.75%	89.25%

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

December 31, 2020

	System	Washington	Oregon
Intangible - Other	84,795	447	84,348
Production	675,198	0	675,198
Transmission	201,360,156	1,115,634	200,244,521
Distribution	2,496,966,222	316,704,624	2,180,261,598

December 31, 2019

	System	Washington	Oregon
Intangible	84,795	447	84,348
Production	675,198	0	675,198
Transmission	192,013,583	1,115,001	190,898,582
Distribution	2,373,283,800	305,117,836	2,068,165,964

Average

	System	Washington	Oregon
Intangible - Other	84,795	447	84,348
Production	675,198	0	675,198
Transmission	196,686,870	1,115,318	195,571,552
Distribution	2,435,125,011	310,911,230	2,124,213,781

**Gross Plant Directly Assigned
% of System**

	2,632,571,874	312,026,995	2,320,544,879
		11.85%	88.15%

**NW Natural
State Allocation Factors
Updated for year ended 2020 data**

Allocation Factors - Summary	Washington	Oregon
Customers-all	11.570%	88.430%
Customers-Residential	11.550%	88.450%
Customers-Commercial	10.510%	89.490%
Customers-Industrial	7.690%	92.310%
Customers-The Dalles	25.240%	74.760%
3-factor	10.750%	89.250%
firm sales volumes	10.890%	89.110%
sales volumes	10.350%	89.650%
sendout volumes	8.580%	91.420%
sales/sendout volumes	9.460%	90.540%
Customers Portland/Vancouver	15.870%	84.130%
Customers Portland/Vancouver 80%	12.700%	87.300%
Customers Portland/Vancouver Commercial	15.620%	84.380%
Payroll	9.982%	90.018%
Admin Transfer	11.277%	88.723%
Employee Cost	10.482%	89.518%
Regulatory	30.000%	70.000%
Telemetry	14.286%	85.714%
Direct-Wa	100.000%	0.000%
Direct-Or	0.000%	100.000%
Gross plant direct assign	11.850%	88.150%
Transmission	1.227%	98.773%
Depreciation	11.560%	88.440%
Rate Base	13.180%	86.820%

NW Natural
Washington Annual Commission Basis Report
Test Year Based on Twelve Months Ended December 31, 2020
Rate Base

	2019 Dec	2020 Jan	2020 Feb	2020 Mar	2020 Apr	2020 May	2020 June	2020 July	2020 August	2020 September	2020 October	2020 November	2020 December
SYSTEM	System	System	System	System	System	System	System	System	System	System	System	System	System
Gross Plant													
Intangible	126,083,551	126,361,928	126,902,292	127,269,224	128,070,084	142,483,946	142,561,912	142,850,694	143,502,504	148,078,451	168,854,488	169,803,961	171,374,549
Software	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
Other	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
Production	192,013,583	192,106,204	192,161,416	192,375,287	192,371,066	192,536,004	192,560,956	192,784,607	192,809,906	194,512,129	198,721,713	199,541,885	201,262,954
Transmission	2,373,283,800	2,382,356,019	2,388,897,736	2,401,160,967	2,406,620,571	2,417,848,886	2,427,637,709	2,433,654,068	2,444,067,223	2,453,023,844	2,481,652,595	2,488,310,118	2,493,115,391
Distribution	243,869,682	246,500,038	248,093,184	257,398,924	262,077,420	267,904,801	272,958,977	273,448,944	274,138,719	277,671,859	281,900,635	279,229,252	284,215,595
General													
Storage and storage transmission	338,708,361	338,721,539	338,714,043	339,293,940	339,301,387	341,466,981	341,483,442	341,577,205	341,578,124	341,578,135	371,967,296	372,735,136	373,302,404
CNG and LNG	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768	3,790,768
Gas Reserves	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
Total Gross Plant (less Gas Reserves)	3,278,509,738	3,290,596,490	3,299,319,433	3,322,049,103	3,332,991,289	3,366,791,380	3,381,753,757	3,388,866,280	3,400,647,238	3,419,415,180	3,507,647,488	3,514,171,114	3,527,821,655
Accumulated Depreciation													
Intangible	(72,302,109)	(72,842,194)	(73,357,372)	(73,875,107)	(74,396,154)	(74,960,175)	(74,891,941)	(75,513,964)	(76,136,297)	(76,778,333)	(77,631,920)	(78,328,800)	(79,146,252)
Production	(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)
Transmission	(44,166,051)	(44,464,096)	(44,762,261)	(45,060,633)	(45,359,171)	(45,657,832)	(45,956,645)	(46,255,650)	(46,554,850)	(46,855,405)	(47,160,578)	(47,469,716)	(47,780,905)
Distribution	(1,084,945,810)	(1,089,103,715)	(1,092,819,126)	(1,096,280,839)	(1,099,277,957)	(1,102,803,754)	(1,105,745,924)	(1,107,580,268)	(1,111,538,084)	(1,114,283,725)	(1,117,898,745)	(1,121,520,000)	(1,124,770,402)
General	(64,631,569)	(65,263,476)	(66,672,450)	(67,851,871)	(69,056,178)	(70,436,192)	(71,725,022)	(73,208,528)	(74,518,352)	(75,829,697)	(77,295,785)	(78,858,957)	(80,486,495)
Storage and storage transmission	(149,607,170)	(150,166,871)	(150,726,650)	(151,286,713)	(151,847,181)	(152,409,565)	(152,973,977)	(153,538,672)	(154,102,993)	(154,667,557)	(155,231,211)	(155,795,818)	(156,360,413)
CNG and LNG	(2,251,450)	(2,258,112)	(2,264,774)	(2,271,436)	(2,278,098)	(2,284,760)	(2,291,422)	(2,298,084)	(2,304,746)	(2,311,408)	(2,318,070)	(2,324,732)	(2,331,394)
Gas Reserves	(123,635,771)	(124,976,105)	(126,230,206)	(127,722,619)	(129,149,154)	(130,472,149)	(132,201,893)	(134,020,173)	(135,780,528)	(137,345,909)	(138,811,366)	(140,092,679)	(141,413,947)
Total Accumulated Depreciation (less Gas Reserves)	(1,418,595,196)	(1,424,789,500)	(1,431,293,668)	(1,437,317,635)	(1,442,905,774)	(1,449,243,315)	(1,454,275,966)	(1,459,086,202)	(1,465,846,358)	(1,471,417,161)	(1,473,247,345)	(1,476,648,658)	(1,483,046,619)
Storage Gas	22,718,208	22,716,520	22,714,910	22,713,527	22,711,937	22,710,187	22,708,216	22,706,315	22,704,390	22,702,467	22,701,725	22,700,651	22,698,815
Customer Advances	(7,367,884)	(7,532,633)	(7,655,812)	(5,635,851)	(5,756,413)	(5,848,989)	(6,008,002)	(6,138,375)	(6,309,949)	(6,434,528)	(6,527,187)	(6,701,706)	(6,253,436)
Leasehold Improvements	23,370,721	27,497,733	28,885,297	29,561,221	29,835,735	30,062,468	30,152,104	30,318,544	30,253,649	30,052,942	29,937,924	26,383,233	26,300,264
Total Rate Base Excluding ADIT and WC	1,898,635,587	1,908,488,609	1,911,970,159	1,931,370,365	1,936,876,774	1,964,471,732	1,974,330,109	1,976,666,563	1,981,448,970	1,994,318,899	2,080,512,605	2,079,904,633	2,087,520,679
Less: ADIT	(477,988,072)	(477,988,072)	(477,988,072)	(477,988,072)	(477,988,072)	(477,988,072)	(477,988,072)	(477,988,072)	(477,988,072)	(477,988,072)	(477,988,072)	(477,988,072)	(477,988,072)
Total Rate Base Excluding WC	1,420,647,515	1,430,500,537	1,433,982,087	1,453,382,294	1,458,888,702	1,486,483,660	1,496,342,037	1,498,678,491	1,503,460,898	1,516,330,827	1,602,524,533	1,601,916,561	1,609,532,607

NW Natural
Washington Annual Commission Basis Report
Test Year Based on Twelve Months Ended December 31, 2020
Rate Base

		2019	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
		2019	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
		Dec	Jan	Feb	Mar	Apr	May	June	July	August	September	October	November	December
		OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON	OREGON
OREGON														
Gross Plant														
Intangible	Software	111,483,076	111,729,217	112,207,007	112,531,448	113,239,568	125,984,305	126,053,243	126,308,584	126,884,914	130,930,966	149,301,138	150,140,662	151,529,376
	Other	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
Production		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
Transmission		190,898,582	190,991,202	191,046,214	191,260,085	191,255,864	191,420,370	191,445,322	191,668,973	191,694,272	193,396,495	197,606,079	198,426,251	200,147,320
Distribution		2,068,165,964	2,076,214,154	2,081,909,957	2,092,881,809	2,097,914,205	2,108,484,482	2,117,254,449	2,122,343,243	2,131,587,708	2,139,814,888	2,167,001,556	2,172,666,763	2,176,852,562
General		219,156,651	221,504,113	222,926,176	231,240,090	235,416,902	240,617,805	245,083,794	245,520,948	246,138,721	249,291,795	253,067,348	250,683,042	255,142,461
Storage and storage transmission		305,416,720	305,428,464	305,421,784	305,938,530	305,945,166	307,874,927	307,889,595	307,973,147	307,973,966	307,973,976	335,053,757	335,737,980	336,243,472
CNG and LNG		3,383,261	3,383,261	3,383,261	3,383,261	3,383,261	3,383,261	3,383,261	3,383,261	3,383,261	3,383,261	3,383,261	3,383,261	3,383,261
Gas Reserves		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
Total Gross Plant (less Gas Reserves)		2,899,263,800	2,910,009,957	2,917,653,945	2,937,994,769	2,947,914,512	2,978,524,695	2,991,869,209	2,997,957,702	3,008,422,388	3,025,550,927	3,106,172,685	3,111,797,504	3,124,057,998
Accumulated Depreciation														
Intangible		(63,929,525)	(64,407,068)	(64,862,588)	(65,320,370)	(65,781,079)	(66,279,787)	(66,219,454)	(66,769,447)	(67,319,714)	(67,887,402)	(68,642,143)	(69,258,325)	(69,981,116)
Production		(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)
Transmission		(43,974,492)	(44,270,790)	(44,567,208)	(44,863,833)	(45,160,623)	(45,457,537)	(45,754,602)	(46,051,859)	(46,349,312)	(46,648,119)	(46,951,544)	(47,258,934)	(47,568,375)
Distribution		(964,338,167)	(967,895,077)	(971,054,545)	(974,029,611)	(976,564,751)	(979,605,111)	(982,048,489)	(983,459,484)	(986,842,590)	(989,201,930)	(992,308,253)	(995,430,200)	(998,186,330)
General		(58,034,432)	(58,602,297)	(59,863,695)	(60,920,225)	(61,998,975)	(63,234,544)	(64,383,927)	(65,711,866)	(66,884,795)	(68,059,084)	(69,371,483)	(70,736,029)	(72,149,959)
Storage and storage transmission		(134,292,345)	(134,795,500)	(135,298,725)	(135,802,204)	(136,306,043)	(136,811,590)	(137,318,943)	(137,826,549)	(138,333,822)	(138,841,311)	(139,349,311)	(139,857,311)	(140,365,311)
CNG and LNG		(2,009,419)	(2,015,365)	(2,021,311)	(2,027,257)	(2,033,202)	(2,039,148)	(2,045,094)	(2,051,040)	(2,056,986)	(2,062,932)	(2,068,877)	(2,074,823)	(2,080,769)
Gas Reserves		(123,635,771)	(124,976,105)	(126,230,206)	(127,722,619)	(129,149,154)	(130,472,149)	(132,201,893)	(134,020,173)	(135,780,528)	(137,345,909)	(138,811,366)	(140,092,679)	(141,413,947)
Total Accumulated Depreciation (less Gas Reserves)		(1,267,269,416)	(1,272,677,134)	(1,278,359,108)	(1,283,654,535)	(1,288,535,709)	(1,294,118,752)	(1,298,461,545)	(1,302,561,280)	(1,308,478,253)	(1,313,391,813)	(1,314,943,647)	(1,317,902,473)	(1,323,500,202)
Storage Gas		20,244,195	20,242,691	20,241,256	20,240,024	20,238,607	20,237,048	20,235,291	20,233,597	20,231,882	20,230,168	20,229,507	20,228,550	20,226,914
Customer Advances		(6,385,597)	(6,538,018)	(6,645,731)	(4,613,528)	(4,729,878)	(4,803,239)	(4,920,147)	(5,030,004)	(5,177,085)	(5,277,480)	(5,357,678)	(5,514,272)	(5,145,257)
Leasehold Improvements		20,727,492	24,541,726	25,780,128	26,383,390	26,628,393	26,830,753	26,910,753	27,059,301	27,001,381	26,822,250	26,719,597	23,183,086	23,110,613
Total Rate Base Excluding ADIT and WC		1,666,580,474	1,675,579,223	1,678,670,490	1,696,350,120	1,701,515,926	1,726,670,505	1,735,633,561	1,737,659,317	1,742,000,313	1,753,934,053	1,832,820,465	1,831,792,396	1,838,750,066
Less: ADIT		(436,696,134)	(436,696,134)	(436,696,134)	(436,696,134)	(436,696,134)	(436,696,134)	(436,696,134)	(436,696,134)	(436,696,134)	(436,696,134)	(436,696,134)	(436,696,134)	(436,696,134)
Total Rate Base Excluding WC		1,229,884,340	1,238,883,089	1,241,974,356	1,259,653,986	1,264,819,792	1,289,974,371	1,298,937,428	1,300,963,183	1,305,304,180	1,317,237,919	1,396,124,331	1,395,096,262	1,402,053,932

NW Natural
Washington Annual Commission Basis Report
Test Year Based on Twelve Months Ended December 31, 2020
Rate Base

		2019 2019 Dec	2020 2020 Jan	2020 2020 Feb	2020 2020 Mar	2020 2020 Apr	2020 2020 May	2020 2020 June	2020 2020 July	2020 2020 August	2020 2020 September	2020 2020 October	2020 2020 November	2020 2020 December
WASHINGTON		WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON	WASHINGTON
Gross Plant														
Intangible	Software	14,600,475	14,632,711	14,695,285	14,737,776	14,830,516	16,499,641	16,508,669	16,542,110	16,617,590	17,147,485	19,553,350	19,663,299	19,845,173
	Other	447	447	447	447	447	447	447	447	447	447	447	447	447
Production		0	0	0	0	0	0	0	0	0	0	0	0	0
Transmission		1,115,001	1,115,001	1,115,202	1,115,202	1,115,202	1,115,634	1,115,634	1,115,634	1,115,634	1,115,634	1,115,634	1,115,634	1,115,634
Distribution		305,117,836	306,141,865	306,987,779	308,279,157	308,706,366	309,364,405	310,383,260	311,310,825	312,479,515	313,208,956	314,651,039	315,643,355	316,262,829
General		24,713,031	24,995,925	25,167,008	26,158,834	26,660,518	27,286,996	27,875,182	27,927,995	27,999,998	28,380,064	28,833,287	28,546,211	29,073,134
Storage and storage transmission		33,291,640	33,293,076	33,292,259	33,355,410	33,356,221	33,592,054	33,593,847	33,604,058	33,604,158	33,604,159	36,913,539	36,997,156	37,058,932
CNG and LNG		407,508	407,508	407,508	407,508	407,508	407,508	407,508	407,508	407,508	407,508	407,508	407,508	407,508
Total Gross Plant (less Gas Reserves)		379,245,938	380,586,533	381,665,488	384,054,334	385,076,777	388,266,685	389,884,548	390,908,577	392,224,850	393,864,252	401,474,802	402,373,610	403,763,657
Accumulated Depreciation														
Intangible		(8,372,584)	(8,435,126)	(8,494,784)	(8,554,737)	(8,615,075)	(8,680,388)	(8,672,487)	(8,744,517)	(8,816,583)	(8,890,931)	(8,989,776)	(9,070,475)	(9,165,136)
Production		0	0	0	0	0	0	0	0	0	0	0	0	0
Transmission		(191,559)	(193,306)	(195,053)	(196,800)	(198,547)	(200,295)	(202,043)	(203,790)	(205,538)	(207,286)	(209,034)	(210,782)	(212,530)
Distribution		(120,607,643)	(121,208,638)	(121,764,581)	(122,251,228)	(122,713,206)	(123,198,644)	(123,697,435)	(124,120,785)	(124,695,494)	(125,081,795)	(125,590,492)	(126,089,800)	(126,584,072)
General		(6,597,137)	(6,661,179)	(6,808,755)	(6,931,646)	(7,057,204)	(7,201,648)	(7,341,095)	(7,496,662)	(7,633,557)	(7,770,613)	(7,924,303)	(8,089,800)	(8,270,206)
Storage and storage transmission		(15,314,825)	(15,371,371)	(15,427,924)	(15,484,509)	(15,541,138)	(15,597,976)	(15,655,034)	(15,712,123)	(15,769,172)	(15,826,246)	(15,340,900)	(15,402,292)	(15,463,849)
CNG and LNG		(242,031)	(242,747)	(243,463)	(244,179)	(244,896)	(245,612)	(246,328)	(247,044)	(247,760)	(248,476)	(249,193)	(249,909)	(250,625)
Total Accumulated Depreciation (less Gas Reserves)		(151,325,780)	(152,112,367)	(152,934,560)	(153,663,100)	(154,370,065)	(155,124,562)	(155,814,421)	(156,524,921)	(157,368,104)	(158,025,348)	(158,303,698)	(158,746,185)	(159,546,417)
Storage Gas		2,474,013	2,473,829	2,473,654	2,473,503	2,473,330	2,473,139	2,472,925	2,472,718	2,472,508	2,472,299	2,472,218	2,472,101	2,471,901
Customer Advances		(982,286)	(994,615)	(1,010,081)	(1,022,323)	(1,026,535)	(1,045,749)	(1,087,855)	(1,108,371)	(1,132,864)	(1,157,048)	(1,169,509)	(1,187,434)	(1,108,179)
Leasehold Improvements		2,643,229	2,956,006	3,105,169	3,177,831	3,207,341	3,231,715	3,241,351	3,259,244	3,252,267	3,230,691	3,218,327	3,200,147	3,189,652
Total Rate Base Excluding ADIT and WC		232,055,113	232,909,386	233,299,669	235,020,245	235,360,848	237,801,228	238,696,547	239,007,246	239,448,656	240,384,846	247,692,140	248,112,237	248,770,613
Less: ADIT		(41,291,938)	(41,291,938)	(41,291,938)	(41,291,938)	(41,291,938)	(41,291,938)	(41,291,938)	(41,291,938)	(41,291,938)	(41,291,938)	(41,291,938)	(41,291,938)	(41,291,938)
Total Rate Base Excluding WC		190,763,175	191,617,448	192,007,731	193,728,307	194,068,910	196,509,289	197,404,609	197,715,308	198,156,718	199,092,908	206,400,202	206,820,299	207,478,675

Rate Base Average Allocation Factors

	OR	WA	SYSTEM
Gross Plant Average Factor	2,995,460,766 88.48%	390,157,104 11.52%	3,385,617,871
Accumulated Deprec Average Factor	(1,297,372,421) 89.28%	(155,701,953) 10.72%	(1,453,074,374)
Leasehold Improvement Average Factor	25,814,984 89.07%	3,166,378 10.93%	28,981,362
Customer Advance Average Factor	(5,364,374) 83.21%	(1,082,302) 16.79%	(6,446,676)
Gross Plant Growth Factor	224,794,199 90.17%	24,517,719 9.83%	249,311,917
Average Total Rate Base	1,302,078,169 86.82%	197,720,221 13.18%	1,499,798,391

NW Natural
Washington Annual Commission Basis Report
Test Year Based on Twelve Months Ended December 31, 2020
Rate Base

Extracts from Balance Sheet	2019 December 2019	2020 January 2020	2020 February 2020	2020 March 2020	2020 April 2020	2020 May 2020	2020 June 2020	2020 July 2020	2020 August 2020	2020 September 2020	2020 October 2020	2020 November 2020	2020 December 2020
Leasehold Improvement													
WA Leasehold Improvements (direct+3-factor on the rest)	2,643,229	2,956,006	3,105,169	3,177,831	3,207,341	3,231,715	3,241,351	3,259,244	3,252,267	3,230,691	3,218,327	3,200,147	3,189,652
System Leasehold Improvements	23,370,721	27,497,733	28,885,297	29,561,221	29,835,735	30,062,468	30,152,104	30,318,544	30,253,649	30,052,942	29,937,924	26,383,233	26,300,264
Customer Advances and Deposits													
System Contributions	7,367,884	7,532,633	7,655,812	5,635,851	5,756,413	5,848,989	6,008,002	6,138,375	6,309,949	6,434,528	6,527,187	6,701,706	6,253,436
Washington Contributions	982,286	994,615	1,010,081	1,022,323	1,026,535	1,045,749	1,087,855	1,108,371	1,132,864	1,157,048	1,169,509	1,187,434	1,108,179
System Deposits	(4,855,552)	(4,844,875)	(4,785,128)	(4,718,044)	(4,625,695)	(4,429,573)	(4,220,874)	(4,007,467)	(3,868,004)	(3,687,457)	(3,593,885)	(3,351,932)	(3,213,864)
Gas in Storage Extract	22,718,208	22,716,520	22,714,910	22,713,527	22,711,937	22,710,187	22,708,216	22,706,315	22,704,390	22,702,467	22,701,725	22,700,651	22,698,815

NW Natural
Washington Annual Commission Basis Report
Twelve Months Ended December 31, 2020

Deferred Income Taxes

1 **Allocation factor: Accumulated Depreciation** **10.72%**

2

3 **2019 December Balances:**

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	Federal	State	SYS Total	Washington Allocation	Oregon Allocation
Accumulated Deferred Income Tax - Depreciation	(376,337,799)	(63,451,939)	(439,789,739)	(40,707,256)	(399,082,482)
Accumulated Deferred Income Tax - Encana	(21,704,609)	(3,178,010)	(24,882,619)	0	(24,882,619)
Accumulated Deferred Income Tax - Other	(7,639,738)	(1,435,443)	(9,075,181)	(869,815)	(8,205,366)
2019 Balances	(405,682,146)	(68,065,393)	(473,747,538)	(41,577,071)	(432,170,467)

2020 December Balances:

	Federal	State	SYS Total	Washington Allocation	Oregon Allocation
Accumulated Deferred Income Tax - Depreciation	(368,857,960)	(78,976,848)	(447,834,808)	(40,169,106)	(407,665,701)
Accumulated Deferred Income Tax - Encana	(18,571,714)	(2,766,868)	(21,338,582)	0	(21,338,582)
Accumulated Deferred Income Tax - Other	(11,482,095)	(1,573,121)	(13,055,216)	(837,699)	(12,217,517)
2020 Balances	(398,911,769)	(83,316,837)	(482,228,606)	(41,006,805)	(441,221,800)

Simple Average December Balances (use for Rate Base)	(41,291,938)	(436,696,134)
EDIT Rate Base - 13 AMA	600,000	
Total DIT Rate Base	(40,691,938)	

**NW Natural
Washington Annual Commission Basis Report
Twelve Months Ended December 31, 2020
Tax Adjustment**

<u>Line No.</u>	<u>Amount</u> <u>(a)</u>	
1 Utility Income before Interest and Taxes	\$12,387,518	
2 Interest on Historic Average Rate Base	<u>4,784,174</u>	
3 Pre-Tax Net Income	7,603,344	
4 Less: Permanent Differences	815,905	11.56% Depreciation Factor
5 Taxable Income	8,419,248	
6 Tax Rate	<u>21.00%</u>	
7 Federal Income Tax	1,768,042	
8 Credits and EDIT Amortization	<u>(400,010)</u>	
9 Total Tax	<u><u>\$1,368,032</u></u>	

NW Natural
Washington Annual Commission Basis Report
Twelve Months Ended December 31, 2020
Proforma Cost of Capital and Input Assumptions

Line No.	13 month average			13 month average	
	Percent of Total Capital (a)	Average Cost (b)	Weighted Cost (c)		
Cost of Capital					
1	Long Term Debt	49.72%	4.66%	2.32%	902,825,000
2	Short Term Debt [1]	4.44%	1.20%	0.05%	80,696,875
3	Preferred Stock	0.00%	0.00%	0.00%	0
4	Common Stock	45.84%	9.40%	4.31%	832,395,567
5	Total	100.00%		6.68%	1,815,917,442
Revenue Sensitive Costs					
6	Gas Sales	100.39%			
7	Transportation	3.03%			
8	Other	-3.41%			
9	Subtotal	100.00%			
10	O & M - Uncollectible	0.091%			
11	Franchise Taxes	0.000%			
12	WA Utility Tax	3.852%			
13	WUTC Fee	0.200%			
14	State Taxable Income	95.86%			
15	State Income Tax	0.00%			
16	Federal Taxable Income	95.86%			
17	Federal Income Tax	20.13%			
18	Total Income Taxes	20.13%			
19	Total Revenue Sensitive Costs	24.27%			
20	Utility Operating Income	75.73%			
21	Net-to-gross factor	1.32053			
22	Interest Coordination Factor	0.0237			
23	Federal tax rate	21.00%			
24	State tax rate	0.00%			
25	Uncollectible Accounts	0.09%			

**NW Natural
Washington Annual Commission Basis Report
Adjustments to Test Period
Twelve Months Ended December 31, 2020**

Line No.	Column A Page 1	Weather Normalized Gas Sales & Purchases (a)	Miscellaneous Revenues Adjustment (b)	Bonus Adjustment (c)	Uncollect. Accounts Adjustment (d)	Working Capital Adjustment (e)	Sales, Marketing & Customer Communications Adjustment (f)	Claims Adjustment (g)	Clearing Adjustment (h)	Total Adjustments (i)	Column C Page 1	
Operating Revenues												
1	Sale of Gas	72,959,972	2,405,649							2,405,649	75,365,621	
2	Transportation	2,271,072	0							0	2,271,072	
3	Miscellaneous Revenues	(2,496,179)		(65,974)						(65,974)	(2,562,153)	
4	Total Operating Revenues	72,734,866	2,405,649	(65,974)	0	0	0	0	0	2,339,675	75,074,541	
Operating Revenue Deductions												
5	Gas Purchased	24,883,746	1,048,773							1,048,773	25,932,519	
6	Uncollectible Accrual	89,637	2,189	0	(17,093)					(14,904)	74,733	
7	Other Operating & Maintenance Expenses	18,730,452			88,795		(493,259)	3,257	0	(401,207)	18,329,245	
8	Total Operating & Maintenance Expense	43,703,835	1,050,962	0	88,795	(17,093)	(493,259)	3,257	0	632,662	44,336,497	
9	Federal Income Tax	1,368,032	264,014	(13,293)	(18,869)	3,590	0	103,584	(712)	338,314	1,706,346	
10	Property Taxes	1,628,078								0	1,628,078	
11	Other Taxes	3,837,791	97,477	(2,673)						94,804	3,932,594	
12	Depreciation & Amortization	11,177,644								0	11,177,644	
13	Total Operating Revenue Deductions	61,715,381	1,412,453	(15,966)	69,926	(13,503)	0	(389,675)	2,545	1,065,780	62,781,160	
14	Net Operating Revenues	11,019,486	993,196	(50,008)	(69,926)	13,503	0	389,675	(2,545)	1,273,895	12,293,381	
Average Rate Base												
15	Utility Plant in Service	390,157,104			44,506				5,688	0	50,194	390,207,298
16	Accumulated Depreciation	(155,701,953)								0	(155,701,953)	
17	Net Utility Plant	234,455,152	0	0	44,506	0	0	0	5,688	0	234,505,346	
18	Working Capital	3,543,665								0	3,543,665	
19	Storage Gas	2,472,932								0	2,472,932	
20	Customer Advances	(1,082,302)								0	(1,082,302)	
21	Leasehold Improvements	3,166,378								0	3,166,378	
22	Accumulated Deferred Income Taxes	(40,691,938)								0	(40,691,938)	
23	Total Rate Base	201,863,887	0	0	44,506	0	0	5,688	0	50,194	201,914,081	
24	Interest Coordination		0	0	1,055	0	0	0	135	0	1,190	

NW Natural
Washington Annual Commission Basis Report
Twelve Months Ended December 31, 2020
Weather Normalized Gas Sales and Purchases Adjustment

Worksheet a

1	Revenues						
2							
3							
4		Test Period	Test Period	Normalized	Normalized	Normalized	Net
5		Sales in	Revenue	Sales in	Revenues	Rate	Normalizing
6		Therms		Therms			Effect
7		(a)	(b)	(c)	(d)	(e)	(f)
8	Sales						
9	Residential	52,610,362	\$51,280,792	54,555,435	\$52,804,872	\$0.78356	\$1,524,079
10	Commercial	22,004,647	\$18,981,614	23,492,299	\$20,087,927	\$0.74366	\$1,106,313
11	Industrial Firm	3,018,729	\$1,909,623	3,018,729	\$1,909,623	\$0.63259	\$0
12	Interruptible	1,198,317	\$563,199	1,198,317	\$563,199	\$0.46999	\$0
13							
14	Total Sales	78,832,055	\$72,735,229	\$82,264,780	\$75,365,621		\$2,630,392
15							
16	Unbilled amounts	(208,610)	\$224,744				(\$224,744)
17							
18	Unaccounted For Gas						
19							
20							
21	Total Sales Sendout	78,623,445	\$72,959,972	\$82,264,780	\$75,365,621		\$2,405,649
22							
23							
24	Transportation						
25	Firm Transportation	12,030,303	\$1,525,914	12,030,303	\$1,525,914	\$0.12684	\$0
26	Interruptible Transportation	7,433,242	\$745,159	7,433,242	\$745,159	\$0.10025	\$0
27	Special Contracts	0	\$0	0	\$0		\$0
28	Other Charges	0	\$0	0	\$0		\$0
29	Total Transportation	19,463,545	\$2,271,072	\$19,463,545	\$2,271,072		\$0
30							
31	Total Deliveries / Revenues	98,086,990	\$75,231,045	\$101,728,325	\$77,636,694		\$2,405,649
32							
33							
34							
35	Cost of Gas						
36							
37		Actual	Actual	Normalized	Normalized	Normalized	Normalizing
38		Therms	Costs	Therms	Costs	Rate	Effect
39							
40	Demand Incurred & Deferred	77,425,128	\$8,074,034	81,066,463	\$8,469,404	0.10858	\$395,370
41							
42	Commodity Incurred & Deferred	78,623,445	\$16,536,691	82,264,780	\$17,321,569	0.21555	\$784,878
43							
44	Commodity and Demand Amortizations		\$273,022		\$141,546		(\$131,475)
45							
46	Total Cost of Gas		\$24,883,746		\$25,932,519		\$1,048,773

**NW Natural
Washington Annual Commission Basis Report
Twelve Months Ended December 31, 2020
Adjustment to Miscellaneous Revenue**

Worksheet b

<u>Line No.</u>	<u>Washington Actual (a)</u>	<u>Normalized (b)</u>	<u>Adjustment (c)</u>	
1	<u>Other Miscellaneous Revenues</u>			
2	\$18,830	\$41,632	\$22,802	[1]
3	91,185	91,185	0	
4	2,905	4,538	1,633	[1]
5	17,323	14,240	(3,083)	[1]
6	9,750	23,777	14,027	[1]
7	17,980	18,069	89	[1]
8	0	5,475	5,475	[1]
9	0	17,146	17,146	[1]
10	(2,675,623)	(2,792,132)	(116,509)	
11	21,471	13,919	(7,552)	[1]
12				
13	(\$2,496,179)	(\$2,562,153)	(\$65,974)	
14				
15				
16				
17				
18	<u>Notes:</u>			
19	[1] Normalized to 3-year average			
20				

**NW Natural
Washington Annual Commission Basis Report
Twelve Months Ended December 31, 2020
Bonus Adjustment**

Worksheet c

Line No.	(a)	2017 paid in 2018 (b)	2018 paid in 2019 (c)	2019 paid in 2020 (d)	Three Year Average (e)	2020 Accrual (f)	Adjustment (g)=(e)-(f)	
Performance Bonus - O & M								
1	Officers/Exempt	\$6,107,412	\$6,248,053	\$6,790,399	\$6,381,955	\$6,081,777	\$300,178	
2	Clerical/Hourly	0	0	0	0	0	0	
3	Total	6,107,412	6,248,053	6,790,399	6,381,955	6,081,777	300,178	
Performance Bonus - Construction								
4	Officers/Exempt	2,952,686	2,907,513	3,267,796	3,042,665	2,963,404	79,261	
5	Clerical/Hourly	0	0	0	0	0	0	
6	Total	2,952,686	2,907,513	3,267,796	3,042,665	2,963,404	79,261	
Key Goals Bonus - O & M								
7	Officers/Exempt	0	0	0	0	0		
8	Clerical/Hourly	1,105,922	535,006	0	546,976	0		
9	Total	1,105,922	535,006	0	546,976	0	546,976	
Key Goals Bonus - Construction								
10	Officers/Exempt	0	0	0	0	0		
11	Clerical/Hourly	534,668	354,286	0	296,318	0		
12	Total	534,668	354,286	0	296,318	0	296,318	
13	Total Adjusted O & M (line 3 + line 9)							\$847,154
14	Washington Allocation Factor						Employee Cost	10.482%
15	Adjustment to Washington - O&M							<u>\$88,795</u>
16	Total Adjusted Construction (line 6 + line 12)							\$375,579
17	Washington Allocation Factor						Gross Plant	11.850%
18	Adjustment to Washington - Rate Base							<u>\$44,506</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, 2020
Uncollectible Accounts Adjustments
(\$000's, except Washington amounts at lines 22-24)

Worksheet d

<u>Line No.</u>	2020-2018 Total	2020 Actual	2019 Actual	2018 Actual
	(a)	(b)	(c)	(d)
Gas Revenues				
1 Residential	\$1,304,425	\$450,902	\$438,515	\$415,008
2 Commercial	613,355	193,255	215,042	205,058
3 Industrial	61,938	20,151	20,843	20,943
4 Interruptible	55,146	18,578	17,033	19,535
5 Total	<u>2,034,865</u>	<u>682,886</u>	<u>691,434</u>	<u>660,545</u>
Net Write-Offs				
6 Residential	1,413	438	518	457
7 Commercial	395	174	112	109
8 Industrial	25	7	16	1
9 Interruptible	20	-	20	-
10 Total	<u>1,853</u>	<u>620</u>	<u>666</u>	<u>568</u>
Write-Off % - 3-Year Average				
11 Residential	0.108%	0.097%	0.118%	0.110%
12 Commercial	0.064%	0.090%	0.052%	0.053%
13 Industrial	0.040%	0.037%	0.076%	0.006%
14 Interruptible	0.036%	0.000%	0.117%	0.000%
15 Weighted Total [1]	<u>0.091%</u>	<u>0.091%</u>	<u>0.096%</u>	<u>0.086%</u>
Normalized Uncollectible				
16 Residential	\$488			
17 Commercial	124			
18 Industrial	8			
19 Interruptible	7			
20 Total	<u>\$627</u>			
21 Allocation Factor	<u>11.570%</u>	Customers - All		
22 Washington Normalized Amount (X 1000)	\$72,544			
23 Washington Allocation of Accrued Amount	<u>\$89,637</u>			
24 Adjustment (Normalized less Accrued)	<u>(\$17,093)</u>			

[1] Weighted uncollectible rate of

0.091% is used on page 1, column (b)

NW Natural
Washington Annual Commission Basis Report
Investor Supplied Working Capital
Twelve Months Ended December 31, 2020

Worksheet e

<u>Line No.</u>		<u>Average Balance</u>
1	Current Working Capital Assets	\$ 175,954,275
2	Current Working Capital Liabilities	\$ (142,254,035)
3	Net Working Capital	\$ 33,700,239
4		
5	WA Allocation of Total Investments	10.52%
6	Total WA Working Capital	\$ 3,543,665

NW Natural
Washington Annual Commission Basis Report
Twelve Months Ended December 31, 2020
Sales & Marketing and Customer Communication Adjustment

Worksheet f

<u>Line No.</u>	<u>Washington Amount</u>	<u>Disallowance Percent</u>	<u>Disallowed Amount</u>
1 Expenses Coded to Category 2966 and 2666	\$124,042	100.0%	\$124,042
2 Expenses Coded to Account 5075 (excluding Category 2966/2666 & FERC accts 911,912,913)	2,565	100.0%	2,565
3 FERC Account 911 Supervision	13,486	100.0%	13,486
4 FERC Account 912 Demonstration & Selling	220,680	100.0%	220,680
5 FERC Account 913 Advertising	56,029	100.0%	56,029
6 FERC Account 909 Advertising	273,062	28.0%	<u>76,457</u>
7 Total Disallowance - O&M			<u><u>\$493,259</u></u>

**NW Natural
Washington Annual Commission Basis Report
Twelve Months Ended December 31, 2020
Claims Expense Adjustment**

Worksheet g

<u>Line No.</u>	<u>O&M Expense (a)</u>	<u>Construction (b)</u>
1 Expensed during Test period	\$141,139	\$46,268
Normalized Expenses		
2 Actual Claims - Ordinary	166,139	94,268
3 3-Year Average Claims - Extraordinary	5,295	0
4 Subtotal	<u>171,434</u>	<u>94,268</u>
5 Adjustment - System (line 4 - line 1)	30,295	48,000
6 Allocation to Washington (O&M on 3-factor, const on gross plant)	<u>10.750%</u>	<u>11.850%</u>
7 Adjustment	<u><u>\$3,257</u></u>	<u><u>\$5,688</u></u>

**NW Natural
Washington Annual Commission Basis Report
Twelve Months Ended December 31, 2020
Elimination of Clearing Account Balances**

Worksheet h

Line No.	Amount
1 Adjustment to O&M	<u>\$0</u>
2 Allocation to Washington (3-Factor)	<u>10.75%</u>
3 Adjustment	<u><u>\$0</u></u>
4 Adjustment to Construction	\$0
5 Allocation to Washington (Gross Plant)	<u>11.85%</u>
6 Adjustment	<u><u>\$0</u></u>

Clearing accounts are completely allocated by year end closing.