NW Natural®

250 SW Taylor Street
Portland, OR 97204

503-226-4211
nwnatural.com

September 29, 2026

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street SE, Suite 100
Post Office Box 1088
Salem, Oregon 97301-1088

Re: UM 1496 – NW Natural's Application for Reauthorization to Defer Certain Expenses or Revenues

Northwest Natural Gas Company, dba NW Natural ("NW Natural" or the "Company"), hereby files the above-referenced Application for Reauthorization to Defer Certain Expenses or Revenues ("Application"). The Application is filed to continue deferrals of expenses associated with gas commodity costs and demand costs for later recovery through the Company's annual Purchased Gas Adjustment.

A notice concerning this Application will be sent to all parties who participated in the Company's last general rate case, UG 520. A copy of the notice and the certificate of service are attached to the application.

Please address correspondence on this matter to me with copies to the following:

eFiling
Rates & Regulatory Affairs
NW Natural
250 SW Taylor Street
Portland, Oregon 97204
Fax: (503) 220-2579
Telephone: (503) 610-7330
eFiling@nwnatural.com

Sincerely,

/s/ Kyle Walker, CPA

Kyle Walker, CPA
Rates/Regulatory Senior Manager

Attachments

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 1496

In the Matter of NORTHWEST NATURAL GAS COMPANY, dba, NW NATURAL For Reauthorization for Defer Certain Expenses or Revenues Pursuant to ORS 757.259	APPLICATION

Northwest Natural Gas Company, dba NW Natural ("NW Natural" or the "Company"), hereby files with the Public Utility Commission of Oregon (the "Commission") this application ("Application") seeking reauthorization to use deferred accounting pursuant to ORS 757.259 and OAR 860-027-0300, for the 12-month period beginning November 1, 2026 through October 31, 2027 for all expenses associated with gas commodity costs and demand costs.

NW Natural seeks to defer these expenses or revenues so that they can be recovered or returned to customers through the Company's annual Purchased Gas Adjustment ("PGA"), pursuant to ORS 757.210(1)(b).

In support of this Application, NW Natural states:

A. NW Natural.

NW Natural is a public utility in the State of Oregon and is subject to the jurisdiction of the Commission regarding rates, service, and accounting practices. NW Natural provides retail natural gas service in the States of Oregon and Washington.

B. Statutory Authority.

This application is filed pursuant to ORS 757.259, which empowers the Commission to authorize the deferral of expenses or revenues of a public utility for later inclusion in rates.

C. Communications.

Communications regarding this Application should be addressed to:

NW Natural
eFiling for Regulatory Affairs
250 SW Taylor Street
Portland, Oregon 97204
Phone: (503) 610-7330
Fax: (503) 220-2579
Email: eFiling@nwnatural.com;

Eric W. Nelsen (OSB# 192566)
Senior Regulatory Attorney
250 SW Taylor Street
Portland, Oregon 97204
Phone: (503) 610-7618
Email: eric.nelsen@nwnatural.com;

and

Kyle Walker, CPA
Rates/Regulatory Senior Manager
250 SW Taylor Street
Portland, Oregon 97204
Phone: (503) 610-7051
Email: kyle.walker@nwnatural.com

D. Description of the Expenses or Revenues for which Deferred Accounting is Requested – OAR 860-027-0300(3)(a).

NW Natural hereby requests the authorization to use deferred accounting for the following:

1) Demand and other fixed gas costs to be recovered or refunded at one hundred percent (100%) of the difference between the actual cost experienced and the amount collected from rates pursuant to Tariff P.U.C. Or. 25 Schedule P, or its successor, and as previously authorized in Commission Order Nos. 89-1046, 99-272, and 99-697;

2) Commodity gas cost variations to be recovered or refunded as described in NW Natural's Tariff P.U.C. Or. 25 Schedule P, or its successor; and

3) All previously authorized account balances related to PGA commodity and capacity cost deferrals not presently authorized for amortization or being proposed for amortization, all as described in NW Natural OPUC Advice No. 26-05 and Advice No. 26-05A (UG 531).

E. Reasons for Application for Reauthorization of Deferred Accounting – OAR 860-027-0300(3)(b).

The authorization for deferred accounting treatment as described above can be authorized pursuant to ORS 757.259(2)(e) because the described balances are "utility expenses or revenues, the recovery or refund of which the commission finds should be deferred in order to minimize the frequency of rate changes…or to match appropriately the costs borne by and benefits received by ratepayers." Additionally, NW Natural's Tariff P.U.C. Or. 25 Schedule P provides for the collection of these costs through deferred accounting treatment and subsequent amortization through the Company's PGA, which is implemented pursuant to ORS 757.210(1)(b).

F. Accounting – OAR 860-027-0300(3)(c).

Beginning on November 1, 2026, and ending 12 months from this date, NW Natural proposes to account for charges incurred for gas costs pursuant to the PGA activity and other incurred gas costs, absent the requested account 191 deferral, be recorded as increases/decreases in the appropriate 80X gas expense subaccounts.

G. Estimated Amounts Subject to Deferral – OAR 860-027-0300(3)(d).

NW Natural is unable to estimate the amount to be deferred during the next PGA cycle. Please note that market fluctuations and cyclical collection differences make it impossible to accurately estimate capacity and commodity deferral amounts.

H. Entries into deferred accounts during past 12 months - OAR 860-027-0300(4)(a).

Pursuant to OAR 860-027-300(4)(a), NW Natural has deferred $21,071,944 for the months November 2025 through June 2026.[1]

I. Reason for Continuation of Deferred Accounting – OAR 860-027-0300(4)(b)

The continuation of deferred accounting for the matters addressed above is justified because they are continuing in nature.

J. Requirement per Commission Order No. 09-263

Below is the information required per Commission Order No. 09-263, issued in Docket UM 1286, Staff's Investigation into Purchase Gas Adjustment Mechanisms:

[1] The amount deferred includes both the commodity (WACOG) and demand deferrals.

1. **A completed Summary Sheet, the location in the PGA filing, and an account map that highlights the transfer of dollars from one account to another.**

Exhibit A includes the Summary Sheet which shows the amounts deferred and demonstrates the transfer of dollars from one account to another. Exhibit A was attached to our electronic 2026-27 PGA filing as a file entitled, “Proposed_Temps_Oregon_2026-2027_PGA_updated_thru_6.30.26_Aug Update.xlsx."

2. **The effective date of the deferral**

This application is for the 12-month period beginning November 1, 2026 and ending October 31, 2027.

3. **Prior year Order Number approving the deferral**

Approval to defer costs associated with PGA-related expenses was last granted under Commission Order No. 25-523 issued on December 24, 2025.

4. **The amount deferred last year.**

See Exhibit A.

5. **The amount amortized last year.**

See Exhibit A.

6. **The interest rate that will apply to the accounts.**

The interest rate for gas cost deferral accounts is based on the Company’s cost of capital from the last, completed general rate case,

currently at 7.120%. Monies that have been transferred for amortization accrue interest at the rate of 5.16%.

7. An estimate of the upcoming PGA-period deferral and/or amortization.

NW Natural is unable to estimate the amount to be deferred during the next PGA cycle. The Company's intent is to amortize for collection all that is deferred.

K. Notice – OAR 800-027-0300(3)(e)(6).

A notice of this Application has been served to all parties who participated in the Company's last general rate case, UG 520, and is attached to this Application.

NW Natural respectfully requests that the Commission issue an order reauthorizing the Company to defer the expenses or revenues described in the Application to ensure that the Company will be authorized to recover costs associated with the Company's annual PGA.

Dated this 29th day of September 2026.

Respectfully Submitted,

NW NATURAL

/s/ Kyle Walker, CPA
Kyle Walker, CPA
Rates/Regulatory Senior Manager

/s/ Eric W. Nelsen
Eric W. Nelsen (OSB# 192566)
Senior Regulatory Attorney
250 SW Taylor Street
Portland, Oregon 97204
Phone: (503) 610-7618
Email: eric.nelsen@nwnatural.com

Company: Northwest Natural Gas Company
State: Oregon
Description: Amortization of Oregon WACOG Deferral
Account Number: 151510
Dockets UM 1496, UG 524
Amortization of deferral approved in Order No. 25-426

Debit (Credit)

Month/Year	Note	Amortization	Transfers	Interest	Interest rate	Activity	Balance
(a)	(b)	(c)	(d)	(e1)	(e2)	(f)	(g)
Beginning Balance							
Nov-25	OLD	1,175,020.52		(9,103.60)	5.40%	1,165,916.92	(1,444,616.00)
Nov-25	New Rates (**1**)	1,065,886.42	(26,596,476.68)	(112,073.19)	5.16%	(25,642,663.45)	(27,087,279.44)
Dec-25		3,206,328.49		(109,581.70)	5.16%	3,096,746.79	(23,990,532.65)
Jan-26		4,038,542.14		(94,476.42)	5.16%	3,944,065.72	(20,046,466.93)
Feb-26		3,877,119.38		(77,864.00)	5.16%	3,799,255.38	(16,247,211.55)
Mar-26		3,171,371.40		(63,044.56)	5.16%	3,108,326.84	(13,138,884.71)
Apr-26		2,292,644.41		(51,568.02)	5.16%	2,241,076.39	(10,897,808.32)
May-26		1,529,460.60		(43,572.24)	5.16%	1,485,888.36	(9,411,919.96)
Jun-26		1,114,338.51		(38,075.43)	5.16%	1,076,263.08	(8,335,656.87)
Jul-26	*forecasted*	*992,425.72*		(33,709.61)	5.16%	958,716.11	(7,376,940.76)
Aug-26	*forecasted*	*969,771.54*		(29,635.84)	5.16%	940,135.70	(6,436,805.06)
Sep-26	*forecasted*	*1,059,010.77*		(25,401.39)	5.16%	1,033,609.38	(5,403,195.68)
Oct-26	*forecasted*	*517,623.61*		(22,120.85)	5.16%	495,502.76	(4,907,692.92)

History truncated for ease of viewing

Amount amortized during Nov 25 - Jun 26 with interest: 20,871,352.72

NOTES:

1 - Transferred in authorized balance from account 151505.

Company: Northwest Natural Gas Company
State: Oregon
Description: Amortization of Oregon Demand Deferral
Account Number: 151525
Dockets UM 1496, UG 524
Amortization of deferral approved in Order No. 25-426

Debit (Credit)

Month/Year	Note	Amortization	Transfers	Interest	Interest Rate	Activity	Balance
(a)	(b)	(c)	(d)	(e1)	(e2)	(f)	(g)
Beginning Balance							
Nov-25	OLD	(177,908.17)		1,800.28	5.40%	(176,107.89)	312,909.35
Nov-25	New Rates (**1**)	(148,494.82)	3,899,018.96	16,446.52	5.16%	3,766,970.66	4,079,880.01
Dec-25		(488,652.68)		16,492.88	5.16%	(472,159.80)	3,607,720.21
Jan-26		(618,833.02)		14,182.71	5.16%	(604,650.31)	3,003,069.90
Feb-26		(594,480.45)		11,635.07	5.16%	(582,845.38)	2,420,224.52
Mar-26		(480,372.32)		9,374.16	5.16%	(470,998.16)	1,949,226.36
Apr-26		(341,463.88)		7,647.53	5.16%	(333,816.35)	1,615,410.01
May-26		(222,963.60)		6,466.89	5.16%	(216,496.71)	1,398,913.30
Jun-26		(160,769.33)		5,669.67	5.16%	(155,099.66)	1,243,813.65
Jul-26	*forecasted*	*(140,982.41)*		5,045.29	5.16%	(135,937.12)	1,107,876.53
Aug-26	*forecasted*	*(137,668.88)*		4,467.88	5.16%	(133,201.00)	974,675.53
Sep-26	*forecasted*	*(151,101.92)*		3,866.24	5.16%	(147,235.68)	827,439.85
Oct-26	*forecasted*	*(76,433.48)*		3,393.66	5.16%	(73,039.82)	754,400.03

Amount amortized during Nov 25- Jun 26 with interest: (3,144,222.56)

History truncated for ease of viewing

NOTES:

1 - Transferred in authorized balances from accounts 151520, 151560 and 151535

Company: Northwest Natural Gas Company
State: Oregon
Description: Core Market Commodity gas cost deferral
Account Number: 151505
Docket UM 1496
Last deferral reauthorization was approved in Order 25-523

Narrative: Deferral of customer's share of the difference between actual core commodity cost incurred and the Annual Sales WACOG in customer rates. For the PGA year, the deferral election was 90%.

Debit (Credit)

Month/Year	Note	Commodity Deferral	Storage Adiustment	Hedge Adjustment	RNG Adjustment	RTC Retirement	Interest	Interest Rate	Transfer	Activity	Balance
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h1)	(h2)	(i)	(j)	(k)
Beginning Bal											
Nov-25	**1**	3,333,900.06	(6,277.95)	17,053.90		(1,974,163.39)	4,154.43	7.120%	25,540,450.55	26,915,118	1,389,596.25
Dec-25		3,819,078.22	(7,918.64)	(102,057.50)		(108,344.29)	18,927.19	7.120%		3,619,685	5,009,281.23
Jan-26		882,153.73	(9,942.14)	(143,144.00)		(2,663,257.35)	23,983.64	7.120%		(1,910,206)	3,099,075.11
Feb-26		1,723,981.92	(7,877.72)	(100,268.30)		2,697,114.68	31,182.93	7.120%		4,344,134	7,443,208.62
Mar-26		4,663,575.76	(6,522.91)	52,274.30		(455,793.35)	56,781.85	7.120%		4,310,316	11,753,524.26
Apr-26		(4,335,468.02)	(4,454.90)	(8,167.40)		200,573.86	57,433.28	7.120%		(4,090,083)	7,663,441.08
May-26		(1,094,901.05)	(2,663.35)	7,244.60		327,711.91	43,207.35	7.120%		(719,401)	6,944,040.55
Jun-26		(678,961.73)	(2,259.08)	(2.20)		722,738.31	41,324.47	7.120%		82,840	7,026,880.32
Jul-26							41,692.82	7.120%		41,693	7,068,573.14
Aug-26							41,940.20	7.120%		41,940	7,110,513.34
Sep-26							42,189.05	7.120%		42,189	7,152,702.39
Oct-26							42,439.37	7.120%		42,439	7,195,141.76

History truncated for ease of viewing

Amount deferred during Nov 25- Jun 26 with interest: 7,011,951.12

NOTES:

1 -Transferred June balance plus July-October interest on June balance to account 151510 for amortization.

Company: Northwest Natural Gas Company
State: Oregon
Description: Core Market Demand cost deferral
Account Number: 151520
Docket UM 1496
Last deferral reauthorization was approved in Order 25-523

Narrative: Deferral of 100% of the difference between actual demand cost incurred and the demand cost in customer rates.

Debit (Credit)

Month/Year	Note	Demand Deferral	Transfer	Interest	Interest Rate	Activity	Balance
(a)	(b)	(c)	(d)	(e1)	(e2)	(f)	(g)
Beginning Bal							
Nov-25	**1**	(19,934.90)	1,708,149.68	1,470.52	7.120%	1,689,685.30	239,343.66
Dec-25		63,413.21		1,608.23	7.120%	65,021.44	304,365.11
Jan-26		76,898.98		2,034.03	7.120%	78,933.01	383,298.11
Feb-26		56,687.66		2,442.41	7.120%	59,130.07	442,428.19
Mar-26		82,031.80		2,868.43	7.120%	84,900.23	527,328.41
Apr-26		167,030.41		3,624.34	7.120%	170,654.75	697,983.16
May-26		675,651.54		6,145.80	7.120%	681,797.34	1,379,780.50
Jun-26		365,624.77		9,271.38	7.120%	374,896.15	1,754,676.64
Jul-26				10,411.08	7.120%	10,411.08	1,765,087.72
Aug-26				10,472.85	7.120%	10,472.85	1,775,560.57
Sep-26				10,534.99	7.120%	10,534.99	1,786,095.56
Oct-26				10,597.50	7.120%	10,597.50	1,796,693.06

Amount deferred during Nov 25 - Jun 26 with interest: 1,496,868.61

History truncated for ease of viewing

NOTES

1 -Transferred June balance plus July-October interest on June balance to account 151525 for amortization.

Company: Northwest Natural Gas Company
State: Oregon
Description: Seasonalized Demand Collection Deferral
Account Number: 151560
Docket UM 1496
Last deferral reauthorization was approved in Order 25-523

Narrative: Deferral of 100% of the difference between actual demand costs collected and the seasonalized demand costs in customer rates.

Debit (Credit)

Month/Year	Note	Demand Deferral	Interest	Interest Rate	Transfer	Activity	Balance
(a)	(b)	(d)	(e)	(f)	(g)	(i)	(j)
Beginning Bal							
Nov-25	**1**	1,546,302.33	6,670.85	7.120%	(5,552,930.59)	(3,999,957.41)	1,904,123.41
Dec-25		2,861,315.65	19,786.37	7.120%		2,881,102.02	4,785,225.43
Jan-26		697,538.20	30,461.70	7.120%		727,999.90	5,513,225.33
Feb-26		1,419,260.20	36,922.28	7.120%		1,456,182.48	6,969,407.81
Mar-26		1,960,493.91	47,167.95	7.120%		2,007,661.86	8,977,069.68
Apr-26		1,716,809.18	58,357.15	7.120%		1,775,166.33	10,752,236.01
May-26		1,470,766.17	68,159.87	7.120%		1,538,926.04	12,291,162.05
Jun-26		548,557.48	74,554.95	7.120%		623,112.43	12,914,274.48
Jul-26			76,624.70	7.120%		76,624.70	12,990,899.18
Aug-26			77,079.34	7.120%		77,079.34	13,067,978.52
Sep-26			77,536.67	7.120%		77,536.67	13,145,515.19
Oct-26			77,996.72	7.120%		77,996.72	13,223,511.91

Amount deferred during Nov 25 - Jun 26 with interest: 12,563,124.26

History truncated for ease of viewing

NOTES

1 -Transferred June balance plus July-October interest on June balance to account 151525 for amortization.

NW Natural

UM 1496

NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER CERTAIN EXPENSES OR REVENUES

September 29, 2026

To all parties who participated in UG 520:

Please be advised that on September 29, 2026, Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), applied for reauthorization to continue deferrals of expenses associated with gas commodity costs and demand costs for later recovery through the Company's annual Purchased Gas Adjustment and pursuant to the provisions of ORS 757.259(2)(e).

This is not a rate case. The purpose of this Notice is to inform parties who participated in the Company's last general rate case, UG 520, that a deferral reauthorization has been filed.

Parties who desire more information or who wish to obtain a copy of the filing, or notice of the time and place of any hearing, if scheduled, should contact the Company or the Public Utility Commission of Oregon as follows:

NW Natural
Attn: Kyle Walker, CPA
250 Taylor Street
Portland, Oregon 97204
Telephone: (503) 610-7051

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
PO Box 1088
Salem, Oregon 97308-1088
Telephone: (503) 378-6678

Any person may submit to the Commission written comments on this matter within 25 days of this filing. The granting of this deferral reauthorization will not authorize a change in rates but will permit the Company to defer amounts in rates to a subsequent proceeding.

* * * * *

CERTIFICATE OF SERVICE
UM 1496

I hereby certify that on September 29, 2026, I have served by electronic mail the foregoing NOTICE OF APPLICATION FOR REAUTHORIZATION TO CONTINUE DEFERRALS OF EXPENSES ASSOCIATED WITH GAS COMMODITY COSTS AND DEMAND COSTS upon all parties of record for NW Natural's last general rate case, UG 520.

UG 520

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DATED September 29, 2026, Troutdale, Oregon.

/s/ Erica Lee-Pella
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