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
PO Box 1088
Salem, Oregon 97308-1088

Re: UM 1798 – NW Natural's Application for Reauthorization to Defer Certain Expenses or Revenues

Northwest Natural Gas Company, dba NW Natural ("NW Natural" or the "Company"), files herewith the above-referenced Application for Reauthorization to Defer Certain Expenses or Revenues ("Application"). The Application is filed to defer amounts relative to the Company's Schedule 195 Weather Adjusted Rate Mechanism, pursuant to Commission Order No. 16-223 issued in Docket UM 1750, for later recovery in rates coincident with the annual Purchased Gas Adjustment process.

A notice concerning this Application will be sent to all parties that participated in the Company's last general rate case, UG 520. A copy of the notice and the certificate date 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 1798

In the Matter of NORTHWEST NATURAL GAS COMPANY, dba, NW NATURAL For Reauthorization to 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 amounts associated with NW Natural's Schedule 195 Weather Adjusted Rate Mechanism ("WARM"), ("Schedule 195").

Pursuant to Commission Order No. 16-223 ("the Order") issued in Docket UM 1750[1], the Company made changes to the WARM program that impacted residential and commercial customer bills as follows:

Residential Bills. The maximum WARM adjustment surcharge that will be applied to a monthly bill during the WARM Period will be twelve dollars ($12.00), or twenty-five percent (25%) of the usage portion of that bill, whichever is less. The

[1] *In the Matter of the Public Utility Commission of Oregon Investigation into Northwest Natural Gas Co.'s WARM Program*, Docket No. UM 1750, Order No. 16-223 (June 20, 2016).

maximum WARM adjustment credit applied to a monthly bill during the WARM Period will be twelve dollars ($12.00), or twenty-five percent (25%) of the usage portion of that bill, whichever is less.

Commercial Bills. The maximum WARM adjustment surcharge that will be applied to a monthly bill during the WARM Period will be thirty-five dollars ($35.00), or twenty-five percent (25%) of the usage portion of that bill, whichever is less. The maximum WARM adjustment credit applied to a monthly bill during the WARM Period will be thirty-five dollars ($35.00), or twenty-five percent (25%) of the usage portion of that bill, whichever is less.

The Order established that any amounts not applied to a customer's bill during the WARM Period due to the cap and floor described above will be deferred in a residential or commercial deferral account and then amortized on an equal cent per therm basis coincident with the annual Purchased Gas Adjustment ("PGA") to rate schedules 2 and commercial 3 customers, respectively, over the next year.

In accordance with the Order, the Company will accrue interest on the deferred amounts at the Modified Blended Treasury Rate, plus 100 basis points; the Company will accrue interest during the amortization period at the Modified Blended Treasury Rate. The Order also acknowledged that the deferred amounts will not be subjected to an earnings test, given the fact that the WARM mechanism is an automatic adjustment clause.

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

Ryan Sigurdson (OSB# 201722)
Regulatory Attorney
250 SW Taylor Street
Portland, Oregon 97204
Phone: (503) 610-7570
Email: ryan.sigurdson@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 will defer any amounts not applied to customer bills during the WARM Period due to the monthly cap and floor in accordance with the Order 16-223. The deferred amounts may result in a charge or credit to customers depending on the variability in the weather during the WARM Period.

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

ORS 757.259 is a "statutorily authorized exception to the general prohibition against retroactive ratemaking" that allows a "means to address utility expenses or revenues outside of the utility's general rate case proceeding.[2] Under ORS 757.259(2)(e), the Commission has discretion to authorize a deferral of "[i]dentifiable 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 rate payers." To determine whether an expense or revenue should be deferred, the Commission "utilizes a flexible, fact-specific approach that acknowledges the wide range of reasons why deferred accounting might be beneficial to customers."[3] Of those reasons, the Commission has found that "encourag[ing] utility or customer behavior consistent with regulatory policy" is appropriate for deferred accounting.[4]

[2] *In re Matter Public Utility Commission of Oregon Staff Request to Open Investigation Related to Deferred Accounting*, Docket No. UM 1147, Order No. 05-1070 at 2 (Oct. 5, 2005).
[3] *Id.* at 5.
[4] *Id.* at 2.

This application is made pursuant to Commission Order No. 16-223 entered June 20, 2016, in Docket UM 1750.

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 the WARM deferral amounts by recording the deferral in Account 186 in two separate accounts (residential and commercial). In the absence of approval of deferred accounting, NW Natural would be precluded from recognizing the amounts as deferred, which would affect the Company's income statement either positively or negatively, and would be directly in contravention of Order 16-223. NW Natural would record the amounts in several accounts affecting the Company's income statement.

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

NW Natural cannot estimate what amounts will be recorded in the WARM deferral account for the upcoming 12-month period because the amount is dependent on the effect that weather may have on customer use.

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

Exhibit A, which is attached, displays the residential and commercial accounts, which deferred with interest from November 1, 2025 through June 30, 2026 are $9,518,402.46 and $5,828,088.77, respectively. The activity in these accounts represent the WARM adjustment outside the caps and floors and include interest.

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

NW Natural seeks continuation of this deferral to capture WARM adjustments that exceed the caps and floors of the WARM program, and to be consistent with Commission Order No. 16-223.

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. **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….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 use deferred accounting for revenues and expenses relative to Schedule 195, WARM, was last granted on January 22, 2026 in Commission Order No. 26-012.

4. The amount deferred last year.

See Exhibit A.

5. The amount amortized last year.

The amount of amortization including interest from November 1, 2025 through June 30, 2026 was ($4,210,721.83) and ($2,545,081.76) for residential and commercial accounts, respectively. The amortization embedded in rates November 1, 2026 was allowed to become effective at the special public meeting on October 28, 2025 when the Commission adopted Staff's recommendation of approval.

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

The interest rate for deferral accounts is the Modified Blended Treasury Rate, plus 100 basis points. Monies that have been transferred to amortization accrue interest at the Modified Blended Treasury Rate.

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 upcoming PGA cycle due to the deferrals being driven by weather. The Company's intent is to amortize for collection all that is deferred.

K. Notice – OAR 860-027-0300(6).

A notice of this Application has been served to all parties that 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 WARM adjustments that exceed the monthly cap and floor for all customers enrolled in WARM to ensure that the Company will be authorized to recover from, or credit back to customers those adjustments associated with its WARM Program, beginning on the date of this Application.

Dated this 29th day of September 2026.

Respectfully Submitted,

NW NATURAL

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

/s/ Ryan Sigurdson
Ryan Sigurdson (OSB# 201722)
Regulatory Attorney
250 SW Taylor Street
Portland, Oregon 97204
Phone: (503) 610-7570
Email: ryan.sigurdson@nwnatural.com

Company: Northwest Natural Gas Company
State: Oregon
Description: OR Deferred WARM-Residential
Account Number: 151830
Docket UM 1798
Last authorization to defer granted in Order 25-126

Debit (Credit)

Month/Year	Note	Deferral	Transfers	Interest Rate	Interest	Activity	Balance
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Beginning Balance							
Nov-25	**1**	(56.99)	(5,965,236.50)	6.16%	(9.37)	(5,965,302.86)	(1,863.07)
Dec-25		4,886,760.66		6.16%	12,533.12	4,899,293.78	4,897,430.71
Jan-26		3,216,082.90		5.61%	30,413.08	3,246,495.98	8,143,926.69
Feb-26		50,170.70		5.61%	38,190.13	88,360.83	8,232,287.52
Mar-26		229,608.55		5.61%	39,022.65	268,631.20	8,500,918.72
Apr-26		490,454.18		5.61%	40,888.23	531,342.41	9,032,261.13
May-26		396,908.35		5.61%	43,153.59	440,061.94	9,472,323.07
Jun-26		(0.43)		5.61%	44,283.11	44,282.68	9,516,605.75
Jul-26				5.61%	44,490.13	44,490.13	9,561,095.88
Aug-26				5.61%	44,698.12	44,698.12	9,605,794.00
Sep-26				5.61%	44,907.09	44,907.09	9,650,701.09
Oct-26				5.61%	45,117.03	45,117.03	9,695,818.12

History truncated for ease of viewing

Amount deferred during Nov 25 - Jun 26 with interest: 9,518,402.46

NOTES

1 -Transferred June balance plus July-October interest on June balance to account 151832 for amortization.

Company: Northwest Natural Gas Company
State: Oregon
Description: Amort WARM Residential
Account Number: 151832
Dockets UM 1798 and UG 524
Amortization of WARM adjustment approved in Order 25-10

	Month/Year	Note	Amortization	Transfers	Interest Rate	Interest	Activity	Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Beginning Balance							
105	Nov-25	Old rates	(57,161.91)		5.40%	807.19	(56,354.72)	151,601.62
106	Nov-25	New rates **(1)**	(206,433.10)	5,965,236.50	5.16%	25,206.69	5,784,010.09	5,935,611.71
107	Dec-25		(702,880.98)		5.16%	24,011.94	(678,869.04)	5,256,742.67
108	Jan-26		(907,362.14)		5.16%	20,653.16	(886,708.98)	4,370,033.69
109	Feb-26		(857,373.16)		5.16%	16,947.79	(840,425.37)	3,529,608.32
110	Mar-26		(677,742.74)		5.16%	13,720.17	(664,022.57)	2,865,585.75
111	Apr-26		(463,570.04)		5.16%	11,325.34	(452,244.70)	2,413,341.05
112	May-26		(282,203.68)		5.16%	9,770.63	(272,433.05)	2,140,908.00
113	Jun-26		(187,240.33)		5.16%	8,803.34	(178,436.99)	1,962,471.01
114	Jul-26	*forecasted*	*(155,890.97)*		5.16%	8,103.46	(147,787.51)	1,814,683.50
115	Aug-26	*forecasted*	*(151,645.73)*		5.16%	7,477.10	(144,168.63)	1,670,514.87
116	Sep-26	*forecasted*	*(172,411.00)*		5.16%	6,812.53	(165,598.47)	1,504,916.40
117	Oct-26	*forecasted*	*(103,378.57)*		5.16%	6,248.88	(97,129.69)	1,407,786.71
118								
119	**History truncated for ease of viewing**					**Amount amortized during Nov 25 - Jun 26 with interest:**		**(4,210,721.83)**
120								

121 **NOTES**

122 **1** - Transferred in authorized balance from account 151830 WARM-Res Deferral for amortization.

Company: Northwest Natural Gas Company
State: Oregon
Description: OR Deferred WARM-Commercial
Account Number: 151834
Other Info: Docket UM 1798
Last authorization to defer granted in Order 25-126

Debit (Credit)

Month/Year	Note	Deferral	Transfers	Interest Rate	Interest	Activity	Balance
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Beginning Balance							
Nov-25	**1**	1,329.52	(3,647,291.26)	6.16%	(13.77)	(3,645,975.51)	(2,031.54)
Dec-25		2,616,126.98		6.16%	6,704.30	2,622,831.28	2,620,799.74
Jan-26		1,668,804.05		5.61%	16,153.07	1,684,957.12	4,305,756.86
Feb-26		50,723.05		5.61%	20,247.98	70,971.03	4,376,727.89
Mar-26		368,909.47		5.61%	21,323.53	390,233.00	4,766,960.89
Apr-26		606,994.67		5.61%	23,704.39	630,699.06	5,397,659.95
May-26		375,080.15		5.61%	26,110.81	401,190.96	5,798,850.91
Jun-26		(1,216.22)		5.61%	27,106.79	25,890.57	5,824,741.48
Jul-26				5.61%	27,230.67	27,230.67	5,851,972.15
Aug-26				5.61%	27,357.97	27,357.97	5,879,330.12
Sep-26				5.61%	27,485.87	27,485.87	5,906,815.99
Oct-26				5.61%	27,614.36	27,614.36	5,934,430.35

History truncated for ease of viewing

Amount deferred during Nov 25 - Jun 26 with interest: 5,828,088.77

1 -Transferred June balance plus July-October interest on June balance to account 151836 for amortization.

Company: Northwest Natural Gas Company
State: Oregon
Description: Amort WARM Commercial
Account Number: 151836
Dockets UM 1798 and UG 508
Amortization of WARM adjustment approved in Order 24-384

	Month/Year	Note	Amortization	Transfers	Interest Rate	Interest	Activity	Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
105	Nov-25	Old rates	(59,229.39)		5.40%	390.48	(58,838.91)	57,549.78
106	Nov-25	New rates **(1)**	(112,619.64)	3,647,291.26	5.16%	15,441.22	3,550,112.84	3,607,662.62
107	Dec-25		(403,074.24)		5.16%	14,646.34	(388,427.90)	3,219,234.72
108	Jan-26		(516,666.58)		5.16%	12,731.88	(503,934.70)	2,715,300.02
109	Feb-26		(508,094.12)		5.16%	10,583.39	(497,510.73)	2,217,789.29
110	Mar-26		(408,887.35)		5.16%	8,657.39	(400,229.96)	1,817,559.33
111	Apr-26		(286,844.57)		5.16%	7,198.79	(279,645.78)	1,537,913.55
112	May-26		(188,600.48)		5.16%	6,207.54	(182,392.94)	1,355,520.61
113	Jun-26		(142,444.90)		5.16%	5,522.48	(136,922.42)	1,218,598.19
114	Jul-26	*forecasted*	*(131,554.50)*		5.16%	4,957.13	(126,597.37)	1,092,000.82
115	Aug-26	*forecasted*	*(128,289.91)*		5.16%	4,419.78	(123,870.13)	968,130.69
116	Sep-26	*forecasted*	*(131,477.74)*		5.16%	3,880.28	(127,597.46)	840,533.23
117	Oct-26	*forecasted*	*(62,067.84)*		5.16%	3,480.85	(58,586.99)	781,946.24

105

106 **History truncated for ease of viewing**

Amount amortized during Nov 25- Jun 26 with interest: (2,545,081.76)

107

108 **Notes:**

109 **1** - Transferred in authorized balance from account 151834 WARM-Comm Deferral for amortization.

NW Natural

UM 1798

NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER CERTAIN EXPENSES OR REVENUES

September 29, 2026

To All Parties that 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 RELATIVE TO THE COMPANY'S SCHEDULE 195 WEATHER ADJUSTED RATE MECHANISM pursuant to the provisions of ORS 757.259(2).

This is not a rate case. The purpose of this Notice is to inform parties that 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
Phone: (503) 610-7051

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

Any person may submit to the Commission written comments on this matter within 25 days of this notice. 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.

* * * * *

NW Natural

CERTIFICATE OF SERVICE
UM 1798

I hereby certify that on September 29, 2026, I have served by electronic mail the foregoing NOTICE OF APPLICATION FOR REAUTHORIZATION TO CONTINUE DEFERRALS RELATIVE TO NW NATURAL'S SCHEDULE 195 WEATHER ADJUSTED RATE MECHANISM 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.

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