

**NATURAL GAS COMPANIES**  
(Class A and B)

**ANNUAL REPORT**  
**OF**  
**NORTHWEST NATURAL GAS COMPANY**

---

**(Exact Legal Name of Respondent)**

If name was changed during year, show also the previous name and date of change

**PORTLAND, OREGON**

---

**(Address of Principal Business Office at End of Year)**

**TO THE**

**PUBLIC UTILITY COMMISSION OF OREGON**

**AND**

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**FOR THE**

**YEAR ENDED DECEMBER 31, 2020**

Name, Title, and address of officer or other person to whom should be addressed any communication concerning this report:

Brody J. Wilson, Vice President, Chief Accounting Officer, Controller and Treasurer  
250 S.W. Taylor Street  
Portland, Oregon 97204

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THIS FILING IS

Item 1: ☒ An Initial (Original    OR ☐ Resubmission No. \_\_\_\_\_  
Submission)

Form 2 Approved

OMB No. 1902-0028  
(Expires 4/30/2021)

Form 3-Q Approved

OMB No. 1902-0205  
(Expires 11/30/2022)



# FERC FINANCIAL REPORT

## FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of a confidential nature.

Exact Legal Name of Respondent (Company)

**NORTHWEST NATURAL GAS COMPANY**

Year/Period of Report

End of                      12/31/2020

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# INSTRUCTIONS FOR FILING FERC FORMS 2, 2-A and 3-Q

## GENERAL INFORMATION

### I Purpose

FERC Forms 2, 2-A, and 3-Q are designed to collect financial and operational information from natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be a non-confidential public use forms.

### II. Who Must Submit

Each natural gas company whose combined gas transported or stored for a fee exceed 50 million dekatherms in each of the previous three years must submit FERC Form 2 and 3-Q.

Each natural gas company not meeting the filing threshold for FERC Form 2, but having total gas sales or volume transactions exceeding 200,000 dekatherms in each of the previous three calendar years must submit FERC Form 2-A and 3-Q.

Newly established entities must use projected data to determine whether they must file the FERC Form 3-Q and FERC Form 2 or 2-A.

### III. What and Where to Submit

(a) Submit Forms 2, 2-A and 3-Q electronically through the submission software at <http://www.ferc.gov/docs-filing/eforms/form-2/elec-subm-soft.asp>.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Form 2 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mailing two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Form 2, Page 3, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared. Unless eFiling the Annual Report to Stockholders, mail these reports to the Secretary of the Commission at:

Secretary of the Commission  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

(d) For the Annual CPA certification, submit with the original submission of this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984) prepared in conformity with the current standards of reporting which will:

(i) Contain a paragraph attesting to the conformity, in all material respects, of the schedules listed below with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

(ii) be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§158.10-158.12 for specific qualifications.)

Reference

Reference  
Schedules Pages

Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

Filers should state in the letter or report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

(e) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders" and "CPA Certification Statement," have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission website at <http://www.ferc.gov/help/how-to.asp>

(f) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 2 and 2-A free of charge from: <http://www.ferc.gov/docs-filing/eforms/form-2/form-2.pdf> and <http://www.ferc.gov/docs-filing/eforms/form-2a/form-2a.pdf>, respectively. Copies may also be obtained from the Public Reference and Files Maintenance Branch, Federal Energy Regulatory Commission, 888 First Street, NE. Room 2A, Washington, DC 20426 or by calling (202).502-8371

**IV. When to Submit:**

FERC Forms 2, 2-A, and 3-Q must be filed by the dates:

- (a) FERC Form 2 and 2-A --- by April 18th of the following year (18 C.F.R. §§ 260.1 and 260.2)
- (b) FERC Form 3-Q --- Natural gas companies that file a FERC Form 2 must file the FERC Form 3-Q within 60 days after the reporting quarter (18 C.F.R. § 260.300), and
- (c) FERC Form 3-Q --- Natural gas companies that file a FERC Form 2-A must file the FERC Form 3-Q within 70 days after the reporting quarter (18 C.F.R. § 260.300).

**V. Where to Send Comments on Public Reporting Burden.**

The public reporting burden for the Form 2 collection of information is estimated to average 1,623 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the Form 2A collection of information is estimated to average 250 hours per response. The public reporting burden for the Form 3-Q collection of information is estimated to average 165 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

## GENERAL INSTRUCTIONS

- I. Prepare all reports in conformity with the Uniform System of Accounts (USofA) (18 C.F.R. Part 201). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions.**
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Footnote and further explain accounts or pages as necessary.
- IX. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- X. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.
- XI. Report all gas volumes in Dth unless the schedule specifically requires the reporting in another unit of measurement.

## DEFINITIONS

- I. Btu per cubic foot -- The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60°F if saturated with water vapor and under a pressure equivalent to that of 30°F, and under standard gravitational force (980.665 cm. per sec) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state (called gross heating value or total heating value).
- II. Commission Authorization -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.
- III. Dekatherm -- A unit of heating value equivalent to 10 therms or 1,000,000 Btu.
- IV. Respondent -- The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made.



EXCERPTS FROM THE LAW (Natural  
Gas Act, 15 U.S.C. 717-717w)


"Sec. 10(a). Every natural-gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest dues and paid, depreciation, amortization, and other reserves, cost of facilities, costs of maintenance and operation of facilities for the production, transportation, delivery, use, or sale of natural gas, costs of renewal and replacement of such facilities, transportation, delivery, use and sale of natural gas..."

"Section 16. The Commission shall have power to perform all and any acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and time within they shall be filed..."

General Penalties

The Commission may assess up to \$1 million per day per violation of its rules and regulations. See NGA § 22(a), 15 U.S.C. § 717t-1(a).

**FERC FORM NO. 2:**  
**ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES**

IDENTIFICATION		
<b>01 Exact Legal Name of Respondent</b>  Northwest Natural Gas Company	<b>02 Year of Report</b>  December 31, 2020	
<b>03 Previous Name and Date of Change (If name changed during year)</b>		
<b>04 Address of Principal Office at End of Year (Street, City, State, Zip Code)</b>  250 S.W.Taylor Street, Portland OR 97204		
<b>05 Name of Contact Person</b>  Brody J. Wilson	<b>Title of Contact Person</b>  Vice President, Chief Accounting Officer, Controller and Treasurer	
<b>07 Address of Contact Person (Street, City, State, Zip Code)</b>  250 S.W.Taylor Street, Portland OR 97204		
<b>08 Telephone of Contact Person, Including Area Code</b>  (503) 226-4211	<b>This Report Is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>10 Date of Report (Mo, Day, Yr)</b>  4/30/2021
ANNUAL CORPORATE OFFICER CERTIFICATION		
<p>The undersigned officer certifies that:</p> <p>I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.</p>		
<b>11 Name</b>  Brody J. Wilson	<b>12 Title</b>  Vice President, Chief Accounting Officer, Controller and Treasurer	
<b>13 Signature</b>  	<b>14 Date Signed (Mo, Day, Yr)</b>  April 29, 2021	
<p>Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.</p>		

<b>Name of Respondent</b>	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			December 31, 2020

### List of Schedules (Natural Gas Company)

Enter in Column (d) the terms "none", "not applicable", or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none", "not applicable", or "NA".

Line No.	Title of Schedule (a)	Reference Page Number (b)	Date Revised (c)	Remarks (d)
<b>GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS</b>				
1	General Information	101		
2	Control Over Respondent	102		
3	Corporations Controlled by Respondent	103		
4	Security Holders and Voting Powers	107		
5	Important Changes During the Year	108		
6	Comparative Balance Sheet	110-113		
7	Statement of Income for the Year	114-116		
8	Statement of Accumulated Comprehensive Income and Hedging Activities	117		
9	Statement of Retained Earnings for the Year	118-119		
10	Statements of Cash Flows	120-121		
11	Notes to Financial Statements	122		
<b>BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)</b>				
12	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
13	Gas Plant in Service	204-209		
14	Gas Property and Capacity Leased from Others	212		
15	Gas Property and Capacity Leased to Others	213		NA
16	Gas Plant Held for Future Use	214		
17	Construction Work in Progress-Gas	216		
18	Non-Traditional Rate Treatment Afforded New Projects	217		NA
19	General Description of Construction Overhead Procedure	218		
20	Accumulated Provision for Depreciation of Gas Utility Plant	219		
21	Gas Stored	220		
22	Investments	222-223		
23	Investments in Subsidiary Companies	224-225		
24	Prepayments	230		
25	Extraordinary Property Losses	230		
26	Unrecovered Plant and Regulatory Study Costs	230		
27	Other Regulatory Assets	232		
28	Miscellaneous Deferred Debits	233		
29	Accumulated Deferred Income Taxes	234-235		
<b>BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)</b>				
30	Capital Stock	250-251		
31	Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252		
32	Other Paid-in Capital	253		
33	Discount on Capital Stock	254		NA
34	Capital Stock Expense	254		
35	Securities issued or Assumed and Securities Refunded or Retired During the Year	255		
36	Long-Term Debt	256-257		
37	Unamortized Debt Expense, Premium, and Discount on Long-Term Debt	258-259		

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### List of Schedules (Natural Gas Company)

Enter in Column (d) the terms "none", "not applicable", or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none", "not applicable", or "NA".

Line No.	Title of Schedule (a)	Reference Page Number (b)	Date Revised (c)	Remarks (d)
38	Unamortized Loss and Gain on Reacquired Debt	260		
39	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261		
40	Taxes Accrued, Prepaid, and Charged During Year	262-263		
41	Miscellaneous Current and Accrued Liabilities	268		
42	Other Deferred Credits	269		
43	Accumulated Deferred Income Taxes-Other Property	274-275		NA
44	Accumulated Deferred Income Taxes-Other	276-277		
45	Other Regulatory Liabilities	278		
INCOME ACCOUNT SUPPORTING SCHEDULES				
46	Monthly Quantity & Revenue Data by Rate Schedule	299		NA
47	Gas Operating Revenues	300-301		
48	Revenues from Transportation of Gas of Others Through Gathering Facilities	302-303		NA
49	Revenues from Transportation of Gas of Others Through Transmission Facilities	304-305		NA
50	Revenues from Storage Gas of Others	306		
51	Other Gas Revenues	308		
52	Discounted Rate Services and Negotiated Rate Services	313		NA
53	Gas Operation and Maintenance Expenses	317-325		
54	Exchange and Imbalance Transactions	328		NA
55	Gas Used in Utility Operations	331		
56	Transmission and Compression of Gas by Others	332		NA
57	Other Gas Supply Expenses	334		NA
58	Miscellaneous General Expenses-Gas	335		
59	Depreciation, Depletion, and Amortization of Gas Plant	336-338		
60	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340		
COMMON SECTION				
61	Regulatory Commission Expenses	350-351		
62	Employee Pensions and Benefits (Account 926)	352		
63	Distribution of Salaries and Wages	354-355		
64	Charges for Outside Professional and Other Consultative Services	357		
65	Transactions with Associated (Affiliated) Companies	358		
GAS PLANT STATISTICAL DATA				
66	Compressor Stations	508-509		
67	Gas Storage Projects	512-513		
68	Transmission Lines	514		
69	Transmission System Peak Deliveries	518		NA
70	Auxiliary Peaking Facilities	519		
71	Gas Account-Natural Gas	520		
72	Shipper Supplied Gas for the Current Quarter	521		NA
73	System Map	522		NA
74	Footnote Reference	551		NA
75	Footnote Text	552		NA
76	Stockholder's Reports (check appropriate box)			
<input type="checkbox"/> Four copies will be submitted    Note: This is NA as FERC Form 2 is filed only with state commissions and not FERC <input type="checkbox"/> No annual report to stockholders is prepared				

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

**Brody J. Wilson** **Vice President, Chief Accounting Officer, Controller and Treasurer**  
**250 S.W. Taylor Street, Portland, Oregon 97204**

2. Prove the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

**State of Oregon** **January 10, 1910**

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership of trusteeship was created, and (d) date when possession by receiver or trustee ceased.

**NOT APPLICABLE**

4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.

### GAS SERVICE IN OREGON AND WASHINGTON

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

Note: This is NA as FERC Form 2 is filed only with state commissions and not FERC

- (1) ☐ Yes...Enter the date when such independent account was initially engaged \_\_\_\_\_
- (2) ☐ No

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### Control Over Respondent

1. Report in column (a) the names of all corporations, partnerships, business trusts, and similar organizations that directly, indirectly, or jointly held control (see page 103 for definition of control) over the respondent at the end of the year. If control is in a holding company organization, report in a footnote the chain of organization.

2. If control is held by trustees, state in a footnote the names of trustees, the names of beneficiaries for whom the trust is maintained, and the purpose of the trust.

3. In column (b) designate type of control over the respondent. Report an "M" if the company is the main parent or controlling company having ultimate control over the respondent. Otherwise, report a "D" for direct, an "I" for indirect, or a "J" for joint control.

Line No.	Company Name (a)	Type of Control (b)	State of Incorporation (c)	Percent Voting Stock Owned (d)
1	Northwest Natural Holding Company	M	Oregon	100%
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<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
4. In column (b) designate type of control of the respondent as "D" for direct, an "I" for indirect, or a "J" for joint control.

#### DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the inter-position of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned	Footnote Ref. (d)
1	Northwest Energy Corporation	D	Intermediate Holding Company	100%	1
2	NWN Gas Reserves LLC	I	Gas Reserves	100%	2
3	NW Natural RNG Holding Company, LLC	D	Holding company	100%	3
4	Lexington Renewable Energy LLC	I/J	Renewable natural gas	See Footnote 4	4
1	Northwest Energy Corporation, is a wholly-owned subsidiary, primarily used as a holding company of NWN Gas Reserves, LLC.				
2	NWN Gas Reserves LLC, a wholly-owned subsidiary of Northwest Energy Corporation, was formed in 2012 as part of a joint venture with Encana Oil & Gas (USA) Inc. to develop, own and operate gas reserves. In 2014, Encana Oil & Gas (USA) Inc. sold its interest in the gas reserves to Jonah Energy LLC.				
3	NW Natural RNG Holding Company, LLC, a wholly-owned subsidiary formed on November 4, 2020, is a holding company that was established to invest in the development and procurement of renewable natural gas.				
4	Lexington Renewable Energy LLC, a partnership with BioCarbN, was formed in November 2020 to facilitate a renewable natural gas development project in Nebraska. NW Natural RNG Holding Company, LLC owns 100% of the Class A Membership Units in Lexington Renewable Energy LLC as of December 28, 2020 and BioCarbN Cross River Biogas Lexington LLC owns 100% of the Class B Membership Units.				

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

## SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stock-holders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement the circumstances whereby such security became vested with voting rights and give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owed by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.

1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing:

See note (1)

2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy.

Total: See Note (2)  
By Proxy: See Note (2)

3. Give the date and place of such meeting:

Date: 5/28/2020  
Place: See Note (3)  
Location: See Note (3)

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		4. Number of votes as of (date):			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	100	100		
6	TOTAL number of security holders	1 <sup>(1)</sup>	1 <sup>(1)</sup>		
7	Special Privileges	See Note (4)	See Note (4)	Limited Voting Junior Preferred	
8					
9	See page 107 B				
10					
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Note 1: Effective October 1, 2018, NW Natural completed a reorganization into a holding company structure, as approved by the OPUC in 2017 pursuant to Order 17-526 (Reorganization). To effect the Reorganization, NWN Merger Sub, Inc., a wholly owned subsidiary of Northwest Natural Holding Company (NW Holdings), was merged with and into NW Natural and each outstanding share of NW Natural common stock was converted into one share of NW Holdings common stock and NW Natural became a wholly owned subsidiary of NW Holdings.

Note 2: Effective October 1, 2018, NW Natural completed a reorganization into a holding company structure, as approved by the OPUC pursuant to Order 17-526 (Reorganization). As a result of the Reorganization, there are only 100 shares of Common Stock entitled to cast votes at a general meeting for the election of directors, all of which are held by a single shareholder, Northwest Natural Holding Company.

Note 3: In 2020, the directors of NW Natural were elected by written consent of the sole shareholder of its Common Stock.

Note 4: In addition to the common stock, effective as of the Reorganization, NW Natural also has authorized, issued and outstanding, one share of Limited Voting Preferred Stock (Golden Share), \$1 par value, held by GSS Holdings (NWN), Inc. As specified in OPUC Order 17-526, NW Natural is not entitled to file a voluntary petition for bankruptcy unless approved by the holder of the Golden Share, which must be an independent party. Except as provided in NW Natural's Amended and Restated Articles of Incorporation or as otherwise provided by law, the holder of the Golden Share has no voting rights for any other purpose.



<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

SECURITY HOLDERS AND VOTING POWERS (Continued)			
Line No.	Name and Address (1a) (a)	Shares of Common Stock (b)	Percentage of Stock Outstanding (Voting Control) (c)
1	NW Natural Holding Company	100	100.00% <sup>(1)</sup>
2	250 S.W. Taylor Street		
3	Portland, OR 97204		
4	<div> <div>Officers</div> <div>Stock Options for Officers as of 12/31/20</div> <div>Stock Rights for Officers as of 12/31/20</div> </div>		
5			
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18			
19			
20	<div> <div>Directors</div> <div>Stock Rights for Directors as of 12/31/20</div> </div>		
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(1) Effective October 1, 2018, NW Natural completed a reorganization into a holding company structure, as approved by the OPUC in 2017 pursuant to Order 17-526 (Reorganization). To effect the Reorganization, NWN Merger Sub, Inc., a wholly owned subsidiary of Northwest Natural Holding Company (NW Holdings), was merged with and into NW Natural and each outstanding share of NW Natural common stock was converted into one share of NW Holdings common stock and NW Natural became a wholly owned subsidiary of NW Holdings.

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Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### IMPORTANT CHANGES DURING THE YEAR

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
  2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
  3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform Systems of Accounts were submitted to the Commission.
  4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
  5. Important extension or reduction or transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.
- Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of obligation. Cite commission authorization if any was required.
  7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
  8. State the estimated annual effect and nature of any important wage scale changes during the year.
  9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings
  10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or know associate of any of these persons was a party or in which any such person had a material interest.
  11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
  12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
  13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

See Page 108 B

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
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### IMPORTANT CHANGES DURING THE YEAR (Continued)

1. None
2. None
3. None
4. None
5. Reference to the updated 2018 Integrated Resource Plan that covers fiscal years 2018 through 2020 and the Gas Utility New Construction Budget for 2020 submitted to the OPUC and Washington Utility and Transportation Commission ("WUTC").
6. None
7. On April 3, 2020, the Board of Directors (the "Board") of Northwest Natural Gas Company ("NW Natural") approved the amendment and restatement of NW Natural's Amended and Restated Bylaws (the "Bylaws"). The amendments to the Bylaws were made primarily to permit the annual meeting of shareholders to be held partially or solely by means of remote communication, to clarify the leadership of the Board in the event of the Chair's absence or disability, and to clarify the ability of directors to participate in regular or special board or committee meetings by means of remote communication. These amendments were adopted to provide flexibility in the format of board and shareholder meetings in light of the developments related to the novel coronavirus (COVID-19) pandemic in an effort to protect the health and well-being of shareholders, employees, directors and communities.  
On December 9, 2020, the Board of NW Natural and the sole shareholder of NW Natural, Northwest Natural Holding Company, approved an amendment to NW Natural's Amended and Restated Articles of Incorporation (the "Articles of Incorporation"). The amendment to the Articles of Incorporation was made to increase the maximum number of directors that may comprise the Board from thirteen to fourteen in order to accommodate the appointment of both Ms. Karen Lee and Mr. Nathan I. Partain to the Board effective January 1, 2021.
8. Bargaining unit employee pay increase of 2.00% effective June 1, 2020  
Non-bargaining unit employee annual salary increase of approximately 3.40% effective March 1, 2020.
9. Reference 10k disclosure is made to NOTE 17 - Commitment and Contingencies and NOTE 18 - Environmental Matters of the Notes to the Financial Statements, beginning on Page 128.
10. The below describes certain transactions of the respondent since January 1, 2020 in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which such person had a material interest. However, the below transactions are not materially important transactions of the respondent and the below response is not to be construed as an indication that the respondent deems such transactions as materially important.  
  
Certain Legal Fees  
Ms. Shawn M. Filippi, Vice President, Chief Compliance Officer and Corporate Secretary, is married to a Co-Managing Partner of the Portland office of Stoel Rives LLP. For many years prior to Ms. Filippi's employment at NW Natural, NW Natural engaged the law firm Stoel Rives LLP as outside legal counsel. NW Natural continues to engage Stoel Rives LLP from time to time, and intends to do so in the future. Total fees paid to Stoel Rives LLP in 2020 were approximately \$960,836. Ms. Filippi's husband is not compensated by Stoel Rives LLP based on work performed for NW Natural and does not routinely work on NW Natural matters. Furthermore, his interest is less than 1% of Stoel Rives' partnership allocation and the annual fees paid by NW Natural to Stoel Rives LLP in 2020 represented less than 1% of Stoel Rives LLP's annual gross revenues.

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### IMPORTANT CHANGES DURING THE YEAR (Continued)

**11. Increase or decrease in annual revenues caused by important rate changes:**

**OREGON**

The new rates for Oregon customers reflect the combined effects of the annual Purchased Gas Adjustment (PGA), which was approved by the Public Utility Commission of Oregon on October 15, 2020 in Orders 20-360, and the Oregon general rate case approved by the Public Utility Commission of Oregon on October 16, 2020 in Order 20-364 in docket UG 388. An errata Order 20-369 was issued on October 26, 2020 to correct parts of Order 20-364 approved on October 16, 2020. Rates impacted by both approvals went into effect November 1, 2020. The approval of the general rate case increased revenues of \$49 million to recover operating costs, investments in greater system reliability and resiliency, and historical energy efficiency program costs. With the PGA and other associated regulatory filing approvals, the increase in revenues from the rate case is offset by a decrease in revenue of \$25 million, or 4.06 percent for passing through certain purchased gas cost adjustments, and technical adjustments amortizing the Company's deferred revenue and gas costs. As of June 30, 2020, 679,540 customers were affected.

**OREGON RATE CASES**

*2020 General Rate Case*

As previously disclosed, on December 30, 2019, NW Natural, a wholly owned subsidiary of Northwest Natural Holding Company (NWHoldings), filed a request for a general rate case with the Public Utility Commission of Oregon (OPUC). On March 12, 2020, NW Natural, the OPUC staff, the Oregon Citizens' Utility Board (CUB), and the Alliance of Western Energy Consumers (AWEC), which comprise all of the parties to the rate case (Rate Case Parties), filed a settlement with the OPUC addressing cost of capital issues in the case (First Settlement). Also as previously disclosed, on July 31, 2020, NW Natural and the Rate Case Parties filed a joint stipulation with the OPUC addressing all remaining issues in the general rate case and incorporating the cost of capital components that were memorialized in the First Settlement (Comprehensive Settlement). On October 16, 2020, the OPUC issued an order approving the Comprehensive Settlement and concluding NW Natural's general rate case (Order). The Order provides for a total revenue requirement increase of approximately \$45 million over revenues from existing rates. The revenue requirement is based on the following assumptions:

- Capital structure of 50% common equity and 50% long-term debt;
- Return on equity of 9.4%;
- Cost of capital of 6.965%; and
- Average rate base of \$1.44 billion or an increase of \$242.1 million since the last rate case.

Under the terms of the Order, NW Natural is authorized to begin to recover NW Natural's forecasted tax expense associated with the Oregon Corporate Activity Tax (CAT) as a component of base rates. Beginning on the November 1, 2020 rate effective date, NW Natural expects to recover an additional \$3.15 million in revenue requirement for the CAT. Under the terms of the Order, NW Natural is directed to adjust the amount recovered for the CAT in each annual purchased gas adjustment (PGA) to reflect changes in gross revenue and cost of goods sold that occur as a result of the PGA. In March 2019, the OPUC issued an order concluding NW Natural's last Oregon general rate case and addressing the terms by which excess deferred income taxes (EDIT) associated with the Tax Cuts and Jobs Act (TCJA) would be provided to customers directly or applied for the benefit of customers. The Order directs NW Natural to include a true-up credit to customers of approximately \$1.0 million as a temporary rate adjustment to be amortized over the 2020-21 PGA year.

**WASHINGTON**

The new rates for Washington customers reflect the annual Purchased Gas Adjustment (PGA) approved by Washington Utilities and Transportation Commission via no action in docket UG-200801 at its Public Meeting on October 29, 2020 that allows rates to go into effect on November 1, 2020. With the PGA and other related regulatory filings, the Company's annual revenues increased by \$6.5 million, or 10.05 percent for changes in purchased gas costs and temporary rate adjustments to amortize balances in deferred accounts. As of June 30, 2020, 88,669 customers were affected.

**WASHINGTON RATE CASE**

*2020 General Rate Case*

On December 18, 2020, Northwest Natural Gas Company (NW Natural), a wholly owned subsidiary of Northwest Natural Holding Company (NWHoldings), filed a request for a general rate increase with the Washington Utilities and Transportation Commission (WUTC). Approximately 90,000 or 12% of NW Natural's customers are in, and approximately 10% of NW Natural's revenues are derived from, Washington. The remainder of customers and revenues are in Oregon.

This filing includes a requested increase in annual revenue requirement over two years, consisting of an 8.0% or \$6.3 million increase in the first year beginning November 1, 2021 (Year One), and a 3.7% or \$3.2 million increase in the second year beginning November 1, 2022 (Year Two). NW Natural is also requesting a \$2.2 million, or 3%, offset to rates in the first year via suspension of amortization of a regulatory asset associated with NW Natural's energy efficiency programs and via application of proceeds from the sale of real property in Portland, Oregon, which would reduce the Year One rate increase to approximately 5%. This proposed two-year rate plan and several mitigating proposals, including maintaining the current return on equity, strive to balance the need to recover long-planned investments that support continued safe and reliable service to customers with the need to maintain affordable rates, especially during these challenging times brought on by the coronavirus (COVID-19) pandemic. The requested increase is intended to recover operating costs and investments made in the distribution system, underground storage facility, operations facilities, including improvements to the resource facility in Vancouver, Washington, and upgrades of critical information technology, including NW Natural's enterprise resource planning system, and is based upon the following assumptions or requests:

- Capital structure of 50.0% long-term debt, 1.0% short-term debt, and 49.0% common equity;
- Return on equity of 9.4%;
- Cost of capital of 6.913%; and
- Average rate base of \$194.7 million, an increase of \$20.9 million since the last rate case for capital expenditures already expended at the time of filing, with an additional expected \$31.2 million increase in Year One, and an additional expected \$21.4 million increase in Year Two, with the increases in Year One and Year Two relating to expected capital expenditures in those years. NW Natural's filing will be reviewed by the WUTC and other stakeholders. The process is anticipated to take up to 11 months. NW Natural has requested that the new rates take effect November 1, 2021

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<b>IMPORTANT CHANGES DURING THE YEAR (Continued)</b>	
<b>12.</b>	<ul style="list-style-type: none"> <li>•Kathryn M. Williams was appointed Vice President, Public Affairs and Sustainability effective March 1, 2020. Ms. Williams had been previously serving as Vice President, Public Affairs.</li> <li>•Mark S. Dodson retired from the Board of Directors of NW Natural effective May 28, 2020.</li> <li>•C. Scott Gibson was appointed Chair of the Board of Directors of NW Natural effective May 28, 2020.</li> <li>•Honorable Dave McCurdy was appointed to the Board of Directors of NW Natural effective July 1, 2020.</li> <li>•Martha L. "Stormy" Byorum retired from the Board of Directors of NW Natural effective December 31, 2020.</li> </ul>
<b>13.</b>	Not Applicable because there is no cash management program.

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<b>COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)</b>				
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Balance Year (c)	Prior Year End Balance 12/31/2019 (d)
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	3,763,096,200	3,432,416,123
3	Construction Work in Progress (107)	200-201	61,577,633	84,964,806
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	3,824,673,833	3,517,380,929
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	200-201	(1,497,763,148)	(1,425,460,561)
6	Net Utility Plant (Total of line 4 less 5)	—	2,326,910,685	2,091,920,368
7	Nuclear Fuel (120.1-120.4, 120.6)	—	—	—
8	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	—	—	—
9	Net Nuclear Fuel (Total of line 7 less 8)	—	—	—
10	Net Utility Plant (Total of lines 6 and 9)	—	2,326,910,685	2,091,920,368
11	Utility Plant Adjustments (116)	—	—	—
12	Gas Stored-Base Gas (117.1)	220	25,390,150	25,409,543
13	System Balancing Gas (117.2)	220	—	—
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220	—	—
15	Gas Owned to System Gas (117.4)	220	—	—
16	<b>OTHER PROPERTY AND INVESTMENTS</b>			
17	Nonutility Property (121)	204-209	71,332,440	69,061,380
18	(Less) Accum. Prov. for Depreciation and Amortization (122)	219	(21,171,862)	(20,136,243)
19	Investments in Associated Companies (123)	222-223	—	—
20	Investment in Subsidiary Companies (123.1)	224-225	76,634,144	88,130,262
21	(For Cost of Account 123.1, See Footnote Page 224, line 40)	—	—	—
22	Noncurrent Portion of Allowances	—	—	—
23	Other Investments (124)	222-223	49,241,333	49,836,949
24	Sinking Funds (125)	—	—	—
25	Depreciation Fund (126)	—	—	—
26	Amortization Fund - Federal (127)	—	—	—
27	Other Special Funds (128)	—	—	—
28	Long-Term Portion of Derivative Assets (175)	—	6,134,724	3,336,883
29	Long-Term Portion of Derivative Assets - Hedges (176)	—	—	—
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)	—	182,170,779	190,229,231
31	<b>CURRENT AND ACCRUED ASSETS</b>			
32	Cash (131)	—	1,203,509	679,105
33	Special Deposits (132-134)	—	8,490,060	4,999,226
34	Working Funds (135)	—	207,476	209,569
35	Temporary Cash Investments (136)	222-223	5,286,419	2,988,035
36	Notes Receivable (141)	—	—	—
37	Customer Accounts Receivable (142)	—	75,096,470	60,461,257
38	Other Accounts Receivable (143)	—	3,450,314	5,087,344
39	(Less) Accum. Prov. for Uncollectible Accounts-Credit (144)	—	(3,106,853)	(671,594)
40	Notes Receivable from Associated Companies (145)	—	—	—
41	Accounts Receivable from Associated Companies (146)	—	660,307	786,535
42	Fuel Stock (151)	—	—	—
43	Fuel Stock Expense Undistributed (152)	—	—	—

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<b>COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)</b>				
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Balance Year (c)	Prior Year End Balance 12/31/2019 (d)
44	Residuals (Elec) and Extracted Products (Gas) (153)	—	—	—
45	Plant Material and Operating Supplies (154)	—	16,639,963	15,484,130
46	Merchandise (155)	—	968,529	944,230
47	Other Material and Supplies (156)	—	—	—
48	Nuclear Materials Held for Sale (157)	—	—	—
49	Allowances (158.1 and 158.2)	—	—	—
50	(Less) Noncurrent Portion of Allowances	—	—	—
51	Stores Expenses Undistributed (163)	—	—	—
52	Gas Stored Underground - Current (164.1)	220	21,716,106	24,753,544
53	Liq. Natural Gas Stored and Held for Processing (164.2-164.3)	220	2,999,958	2,713,986
54	Prepayments (165)	230	26,945,333	24,651,092
55	Advances for Gas (166-167)	—	—	—
56	Interest and Dividends Receivable (171)	—	—	—
57	Rents Receivable (172)	—	—	—
58	Accrued Utility Revenues (173)	—	57,890,055	56,139,400
59	Miscellaneous Current and Accrued Assets (174)	—	3,505,877	3,796,240
60	Derivative Instrument Assets (175)	—	19,812,993	10,138,486
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)	—	(6,134,724)	(3,336,883)
62	Derivative Instrument Assets - Hedges (176)	—	—	—
63	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)	—	—	—
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)	—	235,631,792	209,823,702
65	<b>DEFERRED DEBITS</b>			
66	Unamortized Debt Expense (181)	259	8,227,645	6,731,211
67	Extraordinary Property Losses (182.1)	230	—	—
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	—	—
69	Other Regulatory Assets (182.3)	232	17,103,787	19,381,684
70	Prelim. Survey and Investigation Charges (Electric) (183)	—	—	—
71	Prelim. Survey and Invest. Charges (Gas) (183.1, 183.2)	—	4,407,522	1,223,507
72	Clearing Accounts (184)	—	(83,556)	25,793
73	Temporary Facilities (185)	—	—	—
74	Miscellaneous Deferred Debits (186)	233	378,464,551	359,690,847
75	Def. Losses from Disposition of Utility Plant (187)	—	—	—
76	Research, Devel. and Demonstration Expend. (188)	—	—	—
77	Unamortized Loss on Reacquired Debt (189)	260	1,261,516	1,519,144
78	Accumulated Deferred Income Taxes (190)	234-235	—	—
79	Unrecovered Purchased Gas Costs (191)	—	4,485,643	19,773,514
80	Total Deferred Debits (Total of lines 66 thru 79)		413,867,108	408,345,700
81	Total Assets and Other Debits (Total of lines 10-15, 30, 64, and 80)		3,183,970,514	2,925,728,544

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<b>COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)</b>				
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Balance Year (c)	Prior Year End Balance 12/31/2019 (d)
1	<b>PROPRIETARY CAPITAL</b>			
2	Common Stock Issued (201)	250-251	228,868,408	228,868,408
3	Preferred Stock Issued (204)	250-251	1	1
4	Capital Stock Subscribed (202, 205)	252	—	—
5	Stock Liability for Conversion (203, 206)	252	—	—
6	Premium on Capital Stock (207)	252	—	—
7	Other Paid-In Capital (208-211)	253	94,755,256	94,806,835
8	Installments Received on Capital Stock (212)	252	—	—
9	(Less) Discount on Capital Stock (213)	254	—	—
10	(Less) Capital Stock Expense (214)	254	(4,118,163)	(4,118,163)
11	Retained Earnings (215, 215.1, 216)	118-119	527,993,220	513,824,815
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	—	—
13	(Less) Reacquired Capital Stock (217)	250-251	—	—
14	Accumulated Other Comprehensive Income (219)	117	(12,902,263)	(10,733,393)
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)	—	834,596,459	822,648,503
16	<b>LONG-TERM DEBT</b>			
17	Bonds (221)	256-257	924,700,000	849,700,000
18	(Less) Reacquired Bonds (222)	256-257	—	—
19	Advances from Associated Companies (223)	256-257	—	—
20	Other Long-Term Debt (224)	256-257	—	—
21	Unamortized Premium on Long-Term Debt (225)	258-259	—	—
22	(Less) Unamortized Discount on Long-Term Debt-Dr. (226)	258-259	—	—
23	(Less) Current Portion of Long-Term Debt	256	(60,000,000)	(75,000,000)
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)	256	864,700,000	774,700,000
25	<b>OTHER NONCURRENT LIABILITIES</b>			
26	Obligations Under Capital Leases - Noncurrent (227)	—	80,559,010	772,078
27	Accumulated Provision for Property Insurance (228.1)	—	24,000	49,000
28	Accumulated Provision for Injuries and Damages (228.2)	—	93,836,623	98,810,516
29	Accumulated Provision for Pensions and Benefits (228.3)	—	239,484,640	250,467,983
30	Accumulated Miscellaneous Operating Provisions (228.4)	—	—	—
31	Accumulated Provision for Rate Refunds (229)	—	—	—



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<b>COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)</b>				
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Balance Year (c)	Prior Year End Balance 12/31/2019 (d)
32	Long-Term Portion of Derivative Instrument Liabilities	—	2,851,643	608,623
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges	—	—	—
34	Asset Retirement Obligations (230)	—	—	—
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)	—	416,755,916	350,708,200
36	<b>CURRENT AND ACCRUED LIABILITIES</b>			
37	Current Portion of Long-term Debt	256	60,000,000	75,000,000
38	Notes Payable (231)	—	231,525,000	125,100,000
39	Accounts Payable (232)	—	93,287,775	110,209,202
40	Notes Payable to Associated Companies (233)	—	—	—
41	Accounts Payable to Associated Companies (234)	—	16,290,171	17,251,481
42	Customer Deposits (235)	—	3,213,864	4,855,552
43	Taxes Accrued (236)	262-263	29,264,171	12,968,972
44	Interest Accrued (237)	—	7,338,131	7,441,256
45	Dividends Declared (238)	—	—	—
46	Matured Long-Term Debt (239)	—	—	—
47	Matured Interest (240)	—	—	—
48	Tax Collections Payable (241)	—	6,123,645	6,001,360
49	Miscellaneous Current and Accrued Liabilities (242)	268	39,371,984	47,698,664
50	Obligations Under Capital Leases-Current (243)	—	1,795,978	2,170,810
51	Derivative Instrument Liabilities (244)	—	7,049,272	2,608,418
52	(Less) Long-Term Portion of Derivative Instrument Liabilities	—	(2,851,643)	(608,623)
53	Derivative Instrument Liabilities - Hedges (245)	—	—	—
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges	—	—	—
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)	—	492,408,348	410,697,092
56	<b>DEFERRED CREDITS</b>			
57	Customer Advances for Construction (252)	—	6,253,436	7,367,884
58	Accumulated Deferred Investment Tax Credits (255)	—	—	—
59	Deferred Gains from Disposition of Utility Plant (256)	—	—	—
60	Other Deferred Credits (253)	269	5,749,705	6,116,933
61	Other Regulatory Liabilities (254)	278	233,622,399	236,912,097
62	Unamortized Gain on Reacquired Debt (257)	260	—	—
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)	—	—	—
64	Accumulated Deferred Income Taxes - Other Property (282)	—	—	—
65	Accumulated Deferred Income Taxes - Other (283)	276-277	329,884,251	316,577,835
66	TOTAL Deferred Credits (Total of lines 57 thru 65)	—	575,509,791	566,974,749
67	TOTAL Liabilities and Other Credits (Total of lines 15, 24, 35, 55 and 66)	—	3,183,970,514	2,925,728,544

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
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### STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,j) in a similar manner to a utility department. Spread the amounts(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.

2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

3. Report data for lines 8, 10, and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.

Line No.	Account (a)	(Ref.) Page No. (b)	Total Current Year (in dollars) (c)	Total Previous Year (in dollars) (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	<b>UTILITY OPERATING INCOME</b>					
2	Gas Operating Revenues (400)	300-301	729,867,611	707,972,788		
3	Operating Expenses	—				
4	Operation Expenses (401)	320-325	427,226,242	434,864,232		
5	Maintenance Expenses (402)	320-325	20,508,942	16,751,989		
6	Depreciation Expense (403)	336-338	100,591,033	89,414,896		
7	Depreciation Expense for Asset Retirement Costs (403.1)	—	—	—		
8	Amort. & Depl. of Utility Plant (404-405)	336-338	—	—		
9	Amort. of Utility Plant Acu. Adjustment (406)	336-338	—	—		
10	Amort of Prop. Losses, Unrecovered Plant and Regulatory Study Costs (407.1)	—	—	—		
11	Amort. of Conversion Expenses (407.2)	—	—	—		
12	Regulatory Debits (407.3)	—	9,690,897	12,336,840		
13	(Less) Regulatory Credits (407.4)	—	—	—		
14	Taxes Other Than Income Taxes (408.1)	262-263	51,606,562	49,362,241		
15	Income Taxes - Federal (409.1)	262-263	9,710,802	5,322,258		
16	Income Taxes - Other (409.1)	262-263	4,713,075	1,596,168		
17	Provision for Deferred Income Taxes (410.1)	276-277	32,968,241	60,848,892		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	276-277	28,592,422	56,029,969		
19	Investment Tax Credit Adj. - Net (411.4)	—	—	(2)		
20	(Less) Gains from Disp. of Utility Plant (411.6)	—	—	—		
21	Losses from Disp. of Utility Plant (411.7)	—	—	—		
22	(Less) Gains from Disposition of Allowances (411.8)	—	—	—		
23	Losses from Disposition of Allowances (411.9)	—	—	—		
24	Accretion Expense (411.10)	—	—	—		
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)	—	628,423,372	614,467,545		
26	Net Utility Operating income (Enter Total of line 2 less 25) (Carry forward to page 116, line 27)	—	101,444,239	93,505,243		

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### STATEMENT OF INCOME FOR THE YEAR

4. Explain in a footnote if the previous year's figures are different from that reported in prior reports.  
5. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, line 2 to 23 and report the information in the blank space on page 122 or in a supplemental statement.

Elec. Utility Total Current Year (in dollars) (g)	Elec. Utility Total Previous Year (in dollars) (h)	Gas Utility Total Current Year (in dollars) (i)	Gas Utility Total Previous Year (in dollars) (j)	Other Utility Total Current Year (in dollars) (k)	Other Utility Total Previous Year (in dollars) (l)	Line No.
						1
		729,867,611	707,972,788			2
						3
		427,226,242	434,864,232			4
		20,508,942	16,751,989			5
		100,591,033	89,414,896			6
		—	—			7
		—	—			8
		—	—			9
		—	—			10
		—	—			11
		9,690,897	12,336,840			12
		—	—			13
		51,606,562	49,362,241			14
		9,710,802	5,322,258			15
		4,713,075	1,596,168			16
		32,968,241	60,848,892			17
		28,592,422	56,029,969			18
		—	(2)			19
		—	—			20
		—	—			21
		—	—			22
		—	—			23
		—	—			24
		628,423,372	614,467,545			25
		101,444,239	93,505,243			26

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Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

### STATEMENT OF INCOME (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Total Current Year To Date Balance for Quarter/Year (c)	Total Prior Year To Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)	—	101,444,239	93,505,243		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merch, Jobbing and Contract Work (415)	—	5,410,243	5,500,680		
32	(Less) Costs and Exp. of Merch, Job & Contract Work (416)	—	5,064,264	5,542,888		
33	Revenues From Nonutility Operations (417)	—	23,637,869	32,697,836		
34	(Less) Expenses of Nonutility Operations (417.1)	—	15,275,008	20,640,048		
35	Nonoperating Rental Income (418)	—	541,589	531,803		
36	Equity in Earnings of Subsidiary Companies (418.1)	119	—	—		
37	Interest and Dividend Income (419)	—	1,648,842	2,052,440		
38	Allow. for Other Funds Used During Constr (419.1)	—	(18)	656,996		
39	Miscellaneous Nonoperating Income (421)	—	429,572	33,037		
40	Gain on disposition of Property (421.1)	—	—	—		
41	TOTAL Other Income (Total of lines 31 thru 40)	—	11,328,825	15,289,856		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)	—	—	—		
44	Miscellaneous Amortization (425)	—	—	—		
45	Donations (426.1)	340	806,608	1,281,112		
46	Life Insurance (426.2)	340	(1,801,727)	(1,596,257)		
47	Penalties (426.3)	340	—	—		
48	Expenditures for Certain Civic, Political and Related Activities (426.4)	340	769,643	1,012,855		
49	Other Deductions (426.5)	340	4,770	13,156		
50	TOTAL Other Income Deductions (Total of Lines 43 thru 49)	—	(220,706)	710,866		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	683,382	744,587		
53	Income Taxes - Federal (409.2)	262-263	1,381,369	1,433,253		
54	Income Taxes - Other (409.2)	262-263	644,299	505,145		
55	Provision for Deferred Inc. Taxes (410.2)	272-277	(93,774)	(1,055,888)		
56	(Less) Provision for Deferred Inc. Taxes - Cr. (411.2)	272-277	10,502	(2,935)		
57	Investment Tax Credit Adj. - Net (411.5)	—	—	—		
58	(Less) Investment Tax Credits (420)	—	—	—		
59	TOTAL Taxes on Other Inc. and Ded. (Total of 52 thru 58)	—	2,604,774	1,630,032		
60	Net Other Income and Deductions (Total of Lines 41, 50, 59)	—	8,944,757	12,948,958		
61	Interest Charges					
62	Interest on Long-Term Debt (427)	256-257	40,101,775	39,441,347		
63	Amortization of Debt Disc. and Expense (428)	258-259	622,335	1,521,518		
64	Amortization of Loss on Reacquired Debt (428.1)	260	257,628	288,948		
65	(Less) Amort. of Premium on Debt - Credit (429)	256-257	—	—		
66	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	—	—	—		
67	Interest on Debt to Assoc. Companies (430)	340	—	—		
68	Other Interest Expense (431)	340	1,944,512	3,858,212		
69	(Less) Allow. for Borrowed Funds Used During Const.-Cr. (432)	—	2,060,218	3,626,359		

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### STATEMENT OF INCOME (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Total Current Year To Date Balance for Quarter/Year (c)	Total Prior Year To Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
70	Net Interest Charges (Total of lines 62 thru 69) (See note 1 below)	—	40,866,032	41,483,666		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)	—	69,522,964	64,970,535		
72	Extraordinary Items					
73	Extraordinary Income (434)	—	—	—		
74	(Less) Extraordinary Deductions (435)	—	—	—		
75	Net Extraordinary Items (Total of line 73 less 74)	—	—	—		
76	Income Taxes - Federal and Other (409.3)	262-263	—	—		
77	Extraordinary Items After Taxes (Total of line 75 less line 76)	—	—	—		
78	Net Income (Total of lines 71 and 77)	—	69,522,964	64,970,535		

#### Note 1

##### Line 70 detail

Utility interest expense	40,061,160	40,645,828
Non-Utility interest expense	804,872	837,838
	<u>40,866,032</u>	<u>41,483,666</u>

#### Note 2

Accounting standards allow for the capitalization of all or part of an incurred cost that would otherwise be charged to expense if a regulator provides orders that create probable recovery of past costs through future revenues. NW Natural Gas Company accrues interest as specified by regulatory order on certain regulatory balances at our authorized rate of return (ROR). This ROR includes both a debt and equity component, which we are allowed to recover from customers in the form of a carrying cost on regulatory deferred account balances. The equity component of our ROR is not an incurred cost that would otherwise be charged to expense, and therefore is not capitalized and recognized as income for financial reporting purposes. This leads to a difference in reported Net Income between the FERC Form 2 and the Form 10-K filed with the Securities & Exchange Commission (SEC).

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### STATEMENT OF ACCUMULATED COMPREHENSIVE INCOME AND HEDGING ACTIVITIES

1. Report the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.	Item (a)	Current Year Amount (b)
1	Beginning AOCI Balance	(10,733,393)
2	Unrealized Gains/losses on available-for-sale securities, net of tax	—
3	Pension liability adjustment, net of tax	(2,847,713)
4	Amortization of pension liabilities, net of tax	678,843
5	Foreign currency hedges, net of tax	—
6	Change in unrealized loss from hedging, net of tax	—
7	Cash flow hedges, net of tax	—
8	Other adjustments, net of tax	—
9	Ending Balance of AOCI	(12,902,263)

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### STATEMENT OF RETAINED EARNINGS FOR THE YEAR

- Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
- Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
- State the purpose and amount for each reservation or appropriation of retained earnings.
- List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
- Show dividends for each class and series of capital stock.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Year Amount (c)	Previous Year Amount (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance - Beginning of Year		513,824,815	500,860,482
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6	Balance Transferred from Income (Account 433 less Account 418.1)		69,522,964	64,970,535
7	Appropriations of Retained Earnings (Account 436)			
8				
9	Dividends Declared - Preferred Stock (Account 437))			
10				
11	Dividends Declared - Common Stock (Account 438)			
12	Common Stock - Cash Dividends		(55,354,559)	(53,372,813)
12.1	Common Stock - Stock Dividends		—	—
12.2	TOTAL Dividends Declared - Common Stock (Account 438) (Total of lines 12.1 thru 12.2)		(55,354,559)	(53,372,813)
13	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		—	—
13.1	Other Changes (Explain) (see Note 1 below)		—	1,366,611
14	Balance - End of Year (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		527,993,220	513,824,815
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215)		—	—
17	APPROPRIATED RETAINED EARNINGS - AMORTIZATION RESERVE, FEDERAL (Account 215.1)			
18	TOTAL Appropriated Retained Earnings - Amortization Reserve,		—	—
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1)		—	—
20	TOTAL Retained Earnings (Account 215, 215.1, 216)		527,993,220	513,824,815
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (ACCOUNT 216.1)			
	Report only on an Annual Basis No Quarterly			
22	Balance - Beginning of Year (Debit or Credit)		—	—
23	Equity in Earnings for Year (Credit) (Account 418.1)		—	—
24	(Less) Dividends Received (Debit)		—	—
25	Other Changes (Explain)		—	—
26	Balance - End of year (Total of lines 20 thru 23)		—	—

Note 1: Other Changes in 2019 represents a reclassification from Accumulated Other Comprehensive Income (219) to Retained Earnings for the effects of the corporate income tax rate change in 2017 on deferred tax balances that would have been "stranded" as a result of remeasurement triggered by the rate change. This reclassification was done in accordance with Accounting Standards Update (ASU) 2018-02.

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### STATEMENT OF CASH FLOWS

1. Codes to be used: (a) Net Proceeds or Payments;(b) Bonds, debentures and other long-term debt;(c) Include commercial paper; (d) Identify separately such items as investments, fixed assets, intangibles,etc.

2. Information about noncash investing and financing activities should be provided on page 122. Provide also on page 122 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.

3. Operating Activities-Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 122 the amounts of interest paid (net of amounts capitalized)and income taxes paid.

4. Investing Activities: Include at Other (line 25) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 122. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	DESCRIPTION (See Instructions for Explanation of Codes) (a)	Current Year Amount (b)	Previous Year Amount (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 116)	69,522,964	64,970,535
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	101,585,935	90,405,471
5	Amortization of Debt	879,963	1,810,466
5.01	FAS 109 Deferred Taxes	(2,277,897)	(2,020,488)
5.02	FAS 109 Regulatory Asset	2,277,897	2,020,488
6	Deferred Income Taxes (Net)	4,271,543	19,691,928
7	Investment Tax Credit Adjustments (Net)	—	(2)
8	Net (Increase) Decrease in Receivables	(10,436,696)	(1,739,573)
9	Net (Increase) Decrease in Inventory	2,751,466	(1,088,738)
10	Net (Increase) Decrease in Allowances Inventory	—	—
11	Net Increase (Decrease) in Payables and Accrued Expenses	6,185,128	(13,313,922)
12	Minimum Pension Liability Adjustment	(2,949,793)	(2,179,222)
13	Unrealized (gain)/loss from price risk management activities	(5,233,653)	(30,252,631)
14	(Less) Allowance for Other Funds Used During Construction	(2,060,200)	(4,283,355)
15	(Less) Undistributed Earnings from Subsidiary Companies (See Note 1)	16,184,735	10,601,886
16	Other: Net (Increase) Decrease in Unbilled Revenues	(1,750,655)	1,633,688
16.01	Deferred Debits - Net	(13,157,376)	20,097,319
16.02	Net (Increase) Decrease in Other Current Assets & Liab.	(10,898,234)	14,309,316
16.03	Other - Noncurrent Liab., Deferred Credits, & Other Invest.	(17,205,404)	(19,136,054)
16.04	Other - Stock Adjustment	(51,579)	—
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of lines 2 thru 16.04)	137,638,144	151,527,112
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(257,623,300)	(219,545,727)
23	Gross Additions to Nuclear Fuel	—	—
24	Gross Additions to Common Utility Plant	—	—
25	Gross Additions to Nonutility Plant	(2,271,059)	(1,671,431)
26	(Less) Allowance for Other Funds Used During Construction	2,060,200	4,283,355
27	Other	582,595	(153,126)
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(257,251,564)	(217,086,929)
29			
30	Acquisition of Other Noncurrent Assets (d)	—	—
31	Proceeds from Disposal of Noncurrent Assets (d)	111,419	—
32			
33	Investments in & Advances to Assoc. & Sub. Companies	(2,681,911)	—
34	Contributions & Advances from Assoc. & Sub. Companies (See Note 1)	2,425,000	6,850,000
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies	—	—
37			
38	Purchase of Investment Securities (a)	—	—
39	Proceeds from Sales of Investment Securities (a)	—	—



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### STATEMENT OF CASH FLOWS (Continued)

Line No.	DESCRIPTION (See Instructions for Explanation of Codes) (a)	Current Year Amount (b)	Previous Year Amount (c)
40	Loans Made or Purchased	—	—
41	Collections on Loans	—	—
42			
43	Net (Increase) Decrease in Receivables	—	—
44	Net (Increase) Decrease in Inventory	—	—
45	Net (Increase) Decrease in Allowances Held for Speculation	—	—
46	Net Increase (Decrease) in Payables and Accrued Expenses	—	—
47		—	—
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(257,397,056)	(199,635,043)
50			
51	Cash Flows from Financing Activities:		10,601,886
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)	150,000,000	140,000,000
54	Preferred Stock	—	—
55	Common Stock	—	—
56	Other: Capital Contribution from Parent	—	93,154,933
57	Net Increase in Short-Term Debt (c)	106,425,000	(92,400,000)
58			
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	256,425,000	140,754,933
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)	(75,000,000)	(30,000,000)
63	Preferred Stock	—	—
64	Common Stock	—	—
65	Other: Capital Leases	—	—
66	Net Increase (Decrease) in Short-Term Debt (c)	—	—
67	Capital Stock Expense	—	—
68	Dividends on Preferred Stock	—	—
69	Dividends on Common Stock	(55,354,559)	(53,372,813)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	126,070,441	57,382,120
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of lines 18, 49, and 71)	6,311,529	(1,327,697)
75			
76	Cash and Cash Equivalents at Beginning of Period	8,875,935	10,203,632
77			
78	Cash and Cash Equivalents at End of Period	15,187,464	8,875,935

Note 1: Earnings for Year for NWN Gas Reserves, a wholly-owned subsidiary of Northwest Energy Corporation, is included in Cost of Gas within Operation Expenses and is therefore excluded from Equity in Subsidiary Earnings for Year. We reclassified Equity in Subsidiary Earnings from line 34 to line 15 in the 2019 column to match the current year presentation.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

## NOTES TO FINANCIAL STATEMENTS

1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets. Entities that participate in multiemployer postretirement benefit plans (e.g. parent company sponsored pension plans) disclose in addition to the required disclosures for the consolidated plan, (1) the amount of cost recognized in the respondent's financial statements for each plan for the period presented, and (2) the basis for determining the respondent's share of the total plan costs.
4. Furnish details on the respondent's asset retirement obligations (ARO) as required by instruction no. 1 and, in addition, disclose the amounts recovered through rates to settle such obligations. Identify any mechanism or account in which recovered funds are being placed (i.e. trust funds, insurance policies, surety bonds). Furnish details on the accounting for the asset retirement obligations and any changes in the measurement or method of accounting for the obligations. Include details on the accounting for settlement of the obligations and any gains or losses expected or incurred on the settlement.
5. Provide a list of all environmental credits received during the reporting period.
6. Provide a summary of revenues and expenses for each tracked cost and special surcharge.
7. Where Account 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these item. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However where material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

**Note:** The Notes to Consolidated Financial Statements included herein appear in the annual report to shareholders as filed with the Securities and Exchange Commission (SEC) on Form 10-K dated February 26, 2021. The annual report to shareholders is prepared on a combined-basis with NW Natural's parent company, Northwest Natural Holding Company (NW Holdings). As such, the Notes herein may contain information relating to NW Holdings or its other subsidiaries that are not relevant to this filing and may differ in presentation and classification, as appropriate, from FERC requirements.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 1. ORGANIZATION AND PRINCIPLES OF CONSOLIDATION

On October 1, 2018, we completed a reorganization into a holding company structure. In this reorganization, shareholders of NW Natural (the predecessor publicly held parent company) became shareholders of NW Holdings on a one-for-one basis; maintaining the same number of shares and ownership percentage as held in NW Natural immediately prior to the reorganization. NW Natural became a wholly-owned subsidiary of NW Holdings. Additionally, certain subsidiaries of NW Natural were transferred to NW Holdings. This reorganization was accounted for as a transaction among entities under common control. As required under accounting guidance, these subsidiaries are presented in this report as discontinued operations in the consolidated results of NW Natural. See Note 19 for additional information.

The accompanying consolidated financial statements represent the respective, consolidated financial results of NW Holdings and NW Natural and all respective companies that each registrant directly or indirectly controls, either through majority ownership or otherwise. This is a combined report of NW Holdings and NW Natural, which includes separate consolidated financial statements for each registrant.

NW Natural's regulated natural gas distribution activities are reported in the natural gas distribution (NGD) segment. The NGD segment is NW Natural's core operating business and serves residential, commercial, and industrial customers in Oregon and southwest Washington. The NGD segment is the only reportable segment for NW Holdings and NW Natural. All other activities, water businesses, and other investments are aggregated and reported as other at their respective registrant.

NW Holdings and NW Natural consolidate all entities in which they have a controlling financial interest. Investments in corporate joint ventures and partnerships that NW Holdings does not directly or indirectly control, and for which it is not the primary beneficiary, include NNG Financial's investment in Kelso-Beaver Pipeline, which is accounted for under the equity method, and NWN Energy's investment in Trail West Holdings, LLC (TWH), which was accounted for under the equity method through August 6, 2020 when it was sold to a third party. See Note 14 for activity related to TWH. NW Holdings and its direct and indirect subsidiaries are collectively referred to herein as NW Holdings, and NW Natural and its direct and indirect subsidiaries are collectively referred to herein as NW Natural. The consolidated financial statements of NW Holdings and NW Natural are presented after elimination of all intercompany balances and transactions.

In June 2018, NWN Gas Storage, a wholly-owned subsidiary of NW Natural at the time and now a wholly-owned subsidiary of NW Holdings, entered into a Purchase and Sale Agreement that provided for the sale of all of the membership interests in its wholly-owned subsidiary, Gill Ranch Storage, LLC (Gill Ranch). We concluded that the sale of Gill Ranch qualified as assets and liabilities held for sale and discontinued operations. As such, the results of Gill Ranch were presented as a discontinued operation for NW Holdings for all periods presented and for NW Natural up until the holding company reorganization was effective on October 1, 2018 on the consolidated statements of comprehensive income and cash flows, and the assets and liabilities associated with Gill Ranch were classified as discontinued operations assets and liabilities on the NW Holdings consolidated balance sheet. See Note 19 for additional information. Additionally, we reevaluated reportable segments and concluded that the remaining gas storage activities no longer met the requirements to be separately reported as a segment. Interstate Storage Services is reported in Other under NW Natural and NW Holdings as applicable, and all prior periods reflect this change. See Note 4, which provides segment information.

Notes to the consolidated financial statements reflect the activity of continuing operations for both NW Holdings and NW Natural for all periods presented, unless otherwise noted. Certain reclassifications have been made to conform prior period information to the current presentation. The reclassifications did not have a material effect on our consolidated financial statements.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect reported amounts in the consolidated financial statements and accompanying notes. Actual amounts could differ from those estimates, and changes would most likely be reported in future periods. Management believes the estimates and assumptions used are reasonable.

## Industry Regulation

NW Holdings' principal business is to operate as a holding company for NW Natural and its other subsidiaries.

NW Natural's principal business is the distribution of natural gas, which is regulated by the OPUC and WUTC. NW Natural also has natural gas storage services, which are regulated by the FERC, and to a certain extent by the OPUC and WUTC. Additionally, certain of NW Holdings' subsidiaries own water businesses, which are regulated by the public utility commission in the state in which the water utility is located, which is currently Oregon, Washington, Idaho and Texas. Accounting records and practices of the regulated businesses conform to the requirements and uniform system of accounts prescribed by these regulatory authorities in accordance with U.S. GAAP. The businesses in which customer rates are regulated by the OPUC, WUTC, IPUC, PUTC, and FERC have approved cost-based rates which are intended to allow such businesses to earn a reasonable return on invested capital.

In applying regulatory accounting principles, NW Holdings and NW Natural capitalize or defer certain costs and revenues as regulatory assets and liabilities pursuant to orders of the applicable state public utility commission, which provide for the recovery of revenues or expenses from, or refunds to, utility customers in future periods, including a return or a carrying charge in certain cases.

Amounts NW Natural deferred as regulatory assets and liabilities were as follows:

<i>In thousands</i>	Regulatory Assets	
	2020	2019
Current:		
Unrealized loss on derivatives <sup>(1)</sup>	\$ 4,198	\$ 2,000
Gas costs	1,979	20,140
Environmental costs <sup>(2)</sup>	4,992	4,762
Decoupling <sup>(3)</sup>	361	1,969
Pension balancing <sup>(4)</sup>	7,131	5,939
Income taxes	3,484	2,209
Other <sup>(5)</sup>	9,600	4,910
Total current	<u>\$ 31,745</u>	<u>\$ 41,929</u>
Non-current:		
Unrealized loss on derivatives <sup>(1)</sup>	\$ 2,852	\$ 609
Pension balancing <sup>(4)</sup>	43,383	48,251
Income taxes	15,368	17,173
Pension and other postretirement benefit liabilities	170,812	173,262
Environmental costs <sup>(2)</sup>	90,623	87,624
Gas costs	3,925	2,866
Decoupling <sup>(3)</sup>	1,031	—
Other <sup>(5)</sup>	20,893	13,361
Total non-current	<u>\$ 348,887</u>	<u>\$ 343,146</u>
Other (NW Holdings)	40	—
Total non-current -NW Holdings	<u>\$ 348,927</u>	<u>\$ 343,146</u>

<i>In thousands</i>	Regulatory Liabilities	
	2020	2019
Current:		
Gas costs	\$ 1,118	\$ 1,223
Unrealized gain on derivatives <sup>(1)</sup>	13,674	6,622
Decoupling <sup>(3)</sup>	11,793	4,831
Income taxes <sup>(6)</sup>	8,217	8,435
Other <sup>(5)</sup>	15,560	23,546
Total current	<u>50,362</u>	<u>44,657</u>
Non-current:		
Gas costs	\$ 314	\$ 2,013
Unrealized gain on derivatives <sup>(1)</sup>	6,135	3,337
Decoupling <sup>(3)</sup>	1,723	6,378
Income taxes <sup>(6)</sup>	189,587	198,219
Accrued asset removal costs <sup>(7)</sup>	427,960	401,893
Other <sup>(5)</sup>	13,074	13,877
Total non-current	<u>\$ 638,793</u>	<u>\$ 625,717</u>
Other (NW Holdings)	870	—
Total non-current -NW Holdings	<u>\$ 639,663</u>	<u>\$ 625,717</u>

(1) Unrealized gains or losses on derivatives are non-cash items and, therefore, do not earn a rate of return or a carrying charge. These amounts are recoverable through natural gas distribution rates as part of the annual Purchased Gas Adjustment (PGA) mechanism when realized at settlement.

(2) Refer to the Environmental Cost Deferral and Recovery table in Note 18 for a description of environmental costs.

(3) This deferral represents the margin adjustment resulting from differences between actual and expected volumes.

(4) Refer to Note 10 for information regarding the deferral of pension expenses.

(5) Balances consist of deferrals and amortizations under approved regulatory mechanisms and typically earn a rate of return or carrying charge.

(6) This balance represents estimated amounts associated with the Tax Cuts and Jobs Act. See Note 11.

(7) Estimated costs of removal on certain regulated properties are collected through rates. See "Accounting Policies—Plant, Property, and Accrued Asset Removal Costs" below.

The amortization period for NW Natural's regulatory assets and liabilities ranges from less than one year to an indeterminable period. Regulatory deferrals for gas costs payable are generally amortized over 12 months beginning each November 1 following the gas contract year during which the deferred gas costs are recorded. Similarly, most other regulatory deferred accounts are amortized over 12 months. However, certain regulatory account balances, such as income taxes, environmental costs, pension liabilities, and accrued asset removal costs, are large and tend to be amortized over longer periods once NW Natural has agreed upon an amortization period with the respective regulatory agency.

We believe all costs incurred and deferred at December 31, 2020 are prudent. All regulatory assets and liabilities are reviewed annually for recoverability, or more often if circumstances warrant. If we should determine that all or a portion of these regulatory assets or liabilities no longer meet the criteria for continued application of regulatory accounting, then NW Natural would be required to write-off the net unrecoverable balances in the period such determination is made.

Regulatory interest income of \$4.8 million and \$19.6 million and regulatory interest expense of \$1.8 million and \$12.3 million was recognized within other income (expense), net for the years ended December 31, 2020 and 2019, respectively.

### Environmental Regulatory Accounting

See Note 18 for information about the SRRM and OPUC orders regarding implementation.

### **COVID-19 Impact**

During 2020, our regulated utilities received approval in their respective jurisdictions to defer certain financial impacts associated with COVID-19 such as bad debt expense, financing costs to secure liquidity, lost revenues related to late fees and reconnection fees, and other COVID-19 related costs, net of offsetting direct expense reductions associated with COVID-19. As a result, we recorded a regulatory asset of approximately \$4.8 million for incurred costs associated with COVID-19 that are recoverable.

### **New Accounting Standards**

NW Natural and NW Holdings consider the applicability and impact of all accounting standards updates (ASUs) issued by the Financial Accounting Standards Board (FASB). ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on consolidated financial position or results of operations.

#### Recently Adopted Accounting Pronouncements

**ACCUMULATED OTHER COMPREHENSIVE INCOME.** On February 14, 2018, the FASB issued ASU 2018-02, "Income Statement—Reporting Comprehensive Income: Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income." This update was issued in response to concerns from certain stakeholders regarding the current requirements under U.S. GAAP that deferred tax assets and liabilities are adjusted for a change in tax laws or rates, and the effect is to be included in income from continuing operations in the period of the enactment date. This requirement is also applicable to items in accumulated other comprehensive income where the related tax effects were originally recognized in other comprehensive income. The adjustment of deferred taxes due to the new corporate income tax rate enacted through the Tax Cuts and Jobs Act (TCJA) on December 22, 2017 recognized in income from continuing operations causes the tax effects of items within accumulated other comprehensive income (referred to as stranded tax effects) to not reflect the appropriate tax rate. The amendments in this update allow but do not require a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the TCJA and require certain disclosures about stranded tax effects. NW Natural adopted and applied the standard in the first quarter of 2019. NW Natural elected to reclassify the stranded tax effects of the TCJA of \$1.4 million from accumulated other comprehensive loss to retained earnings in the period of adoption. Going forward, our policy is that, in the event that regulation changes result in stranded tax effects, such amounts will be reclassified from accumulated other comprehensive income (loss) to retained earnings in the final period that the related deferred tax balance remeasurement is expected to impact income from continuing operations.

**CLOUD COMPUTING.** On August 29, 2018, the FASB issued ASU 2018-15, "Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract." The purpose of the amendment is to align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The amendments in this update were effective beginning January 1, 2020. Early adoption was permitted, and NW Holdings and NW Natural early adopted ASU 2018-15 in the quarter ended March 31, 2019 utilizing the prospective application methodology. The adoption of this ASU did not materially affect the financial statements and disclosures of NW Holdings or NW Natural.

**CREDIT LOSSES.** On June 16, 2016, the FASB issued ASU 2016-13, "Measurement of Credit Losses on Financial Instruments," which applies to financial assets subject to credit losses and measured at amortized cost. The new standard requires financial assets measured at amortized cost to be presented at the net amount expected to be collected and the allowance for credit losses is to be recorded as a valuation account that is deducted from the amortized cost basis. The amendments in this update were effective beginning January 1, 2020 and were applied with the modified retrospective methodology. The adoption of this ASU did not materially affect the financial statements and disclosures of NW Holdings or NW Natural.

The majority of NW Holdings' and NW Natural's financial assets are either short-term in nature, such as trade receivables, or relate to leased gas facilities under approved rate schedules.

**DERIVATIVES AND HEDGING.** On August 28, 2017, the FASB issued ASU 2017-12, "Derivatives and Hedging: Targeted Improvements to Accounting for Hedging Activities." The purpose of the amendment is to more closely align hedge accounting with companies' risk management strategies. The ASU amends the accounting for risk component hedging, the hedged item in fair value hedges of interest rate risk, and amounts excluded from the assessment of hedge effectiveness. The guidance also amends the recognition and presentation of the effect of hedging instruments and includes other simplifications of hedge accounting. The amendments in this ASU were effective beginning January 1, 2019 and were applied prospectively to hedging instruments. The adoption did not have an impact on the financial statements or disclosures of NW Holdings or NW Natural.

**FAIR VALUE MEASUREMENT.** On August 28, 2018, the FASB issued ASU 2018-13, "Changes to the Disclosure Requirements for Fair Value Measurement." The purpose of the amendment is to modify the disclosure requirements for fair value measurements. The amendments in this ASU were effective beginning January 1, 2020. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements and the narrative description of measurement uncertainty should be applied prospectively. All other amendments should be applied retrospectively. NW Holdings and NW Natural do not have either Level 3 fair value measurements or transfers between Level 1 or Level 2 in their current portfolios. The adoption did not have an impact on the financial statements or disclosures of NW Holdings or NW Natural.

**LEASES.** On February 25, 2016, the FASB issued ASU 2016-02, "Leases," which revises the existing lease accounting guidance. Pursuant to the new standard ("ASC 842"), lessees are required to recognize all leases, including operating leases that are greater than 12 months at lease commencement, on the balance sheet and record corresponding right of use assets and lease liabilities. Lessor accounting will remain substantially the same under the new standard. Quantitative and qualitative disclosures are also required for users of the financial statements to have a clear understanding of the nature of our leasing activities.

We elected the alternative prospective transition approach for adoption beginning January 1, 2019. All comparative periods prior to January 1, 2019 will retain the financial reporting and disclosure requirements of ASC 840 "Leases" ("ASC 840"). There was no cumulative effect adjustment to the opening balance of retained earnings recorded as of January 1, 2019 for adoption as there were no initial direct costs or other capitalized costs related to the legacy leases that needed to be derecognized upon adoption of ASC 842.

We elected the land easement optional practical expedient to not evaluate existing or expired land easements that were not previously accounted for as leases under the ASC 840 lease guidance. For the existing lease portfolio, we did not elect the optional practical expedient package to retain the legacy lease accounting conclusions upon adoption; we re-assessed our existing contracts under the new leasing standard including whether the contract meets the definition of a lease and lease classification. As a result, we determined that most of our underground gas storage contracts no longer meet the definition of a lease under the new lease standard.

Upon adoption on January 1, 2019, NW Holdings recorded an operating lease right of use asset and an associated operating lease liability of approximately \$7.3 million, of which \$7.0 million was recorded at NW Natural. Lease liabilities are measured using NW Natural's incremental borrowing rate based on information available at the lease commencement date in determining the present value of lease payments. See Note 7 for more information.

**RETIREMENT BENEFITS.** On August 28, 2018, the FASB issued ASU 2018-14, "Changes to the Disclosure Requirements for Defined Benefit Plans." The purpose of the amendment is to modify the disclosure requirements for defined benefit pension and other postretirement plans. The amendments in this ASU were effective beginning January 1, 2020 and were applied retrospectively. The adoption of this ASU did not materially affect the financial statements and disclosures of NW Holdings or NW Natural.

#### Recently Issued Accounting Pronouncements

**INCOME TAXES.** On December 18, 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes." The purpose of the amendment is to reduce cost and complexity related to accounting for income taxes by removing certain exceptions to the general principles and improving consistent application for other areas in Topic 740. The amendments in this ASU are effective beginning January 1, 2021. Early adoption is permitted. The amended presentation and disclosure guidance should be applied retrospectively. We do not expect this ASU to materially affect the financial statements and disclosures of NW Holdings or NW Natural.

**REFERENCE RATE REFORM.** On March 12, 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." The purpose of the amendment is to provide optional expedients and exceptions for applying generally accepted accounting principles (GAAP) to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments in this ASU apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. The amendments in this ASU are effective for all entities as of March 12, 2020 through December 31, 2022. We do not expect this ASU to materially affect the financial statements and disclosures of NW Holdings or NW Natural.

#### Accounting Policies

The accounting policies discussed below apply to both NW Holdings and NW Natural.

##### Plant, Property, and Accrued Asset Removal Costs

Plant and property are stated at cost, including capitalized labor, materials, and overhead. In accordance with regulatory accounting standards, the cost of acquiring and constructing long-lived plant and property generally includes an allowance for funds used during construction (AFUDC) or capitalized interest. AFUDC represents the regulatory financing cost incurred when debt and equity funds are used for construction (see "AFUDC" below). When constructed assets are subject to market-based rates rather than cost-based rates, the financing costs incurred during construction are included in capitalized interest in accordance with U.S. GAAP, not as regulatory financing costs under AFUDC.

In accordance with long-standing regulatory treatment, our depreciation rates consist of three components: one based on the average service life of the asset, a second based on the estimated salvage value of the asset, and a third based on the asset's estimated cost of removal. We collect, through rates, the estimated cost of removal on certain regulated properties through depreciation expense, with a corresponding offset to accumulated depreciation. These removal costs are non-legal obligations as defined by regulatory accounting guidance. Therefore, we have included these costs as non-current regulatory liabilities rather than as accumulated depreciation on our consolidated balance sheets. In the rate setting process, the liability for removal costs is treated as a reduction to the net rate base on which the NGD business has the opportunity to earn its allowed rate of return.

The costs of NGD plant retired or otherwise disposed of are removed from NGD plant and charged to accumulated depreciation for recovery or refund through future rates. Gains from the sale of regulated assets are generally deferred and refunded to customers. For assets not related to NGD, we record a gain or loss upon the disposal of the property, and the gain or loss is recorded in operating income or loss in the consolidated statements of comprehensive income.

The provision for depreciation of NGD property, plant, and equipment is recorded under the group method on a straight-line basis with rates computed in accordance with depreciation studies approved by regulatory authorities. The weighted-average depreciation rate for NGD assets in service was approximately 3.0% for 2020, 2.9% for 2019, and 2.8% for 2018, reflecting the approximate weighted-average economic life of the property. This includes 2020 weighted-average depreciation rates for the



following asset categories: 2.6% for transmission and distribution plant, 2.0% for gas storage facilities, 6.7% for general plant, and 5.1% for intangible and other fixed assets.

**AFUDC.** Certain additions to NGD plant include AFUDC, which represents the net cost of debt and equity funds used during construction. AFUDC is calculated using actual interest rates for debt and authorized rates for ROE, if applicable. If short-term debt balances are less than the total balance of construction work in progress, then a composite AFUDC rate is used to represent interest on all debt funds, shown as a reduction to interest charges, and on ROE funds, shown as other income. While cash is not immediately recognized from recording AFUDC, it is realized in future years through rate recovery resulting from the higher NGD cost of service. Our composite AFUDC rate was 1.9% in 2020, 3.9% in 2019, and 5.2% in 2018.

**IMPAIRMENT OF LONG-LIVED ASSETS.** We review the carrying value of long-lived assets whenever events or changes in circumstances indicate the carrying amount of the assets may not be recoverable. Factors that would necessitate an impairment assessment of long-lived assets include a significant adverse change in the extent or manner in which the asset is used, a significant adverse change in legal factors or business climate that could affect the value of the asset, or a significant decline in the observable market value or expected future cash flows of the asset, among others.

When such factors are present, we assess the recoverability by determining whether the carrying value of the asset will be recovered through expected future cash flows. An asset is determined to be impaired when the carrying value of the asset exceeds the expected undiscounted future cash flows from the use and eventual disposition of the asset. If an impairment is indicated, we record an impairment loss for the difference between the carrying value and the fair value of the long-lived assets. Fair value is estimated using appropriate valuation methodologies, which may include an estimate of discounted cash flows.

#### Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand plus highly liquid investment accounts with original maturity dates of three months or less. At December 31, 2020 and 2019, NW Holdings had outstanding checks of \$4.4 million and \$3.2 million, respectively, substantially all of which is recorded at NW Natural. These balances are included in accounts payable in the NW Holdings and NW Natural balance sheets.

Restricted cash is primarily comprised of funds from public purpose charges for programs that assist low-income customers with bill payments or energy efficiency. As of December 31, 2020 and 2019, NW Natural had restricted cash of \$5.3 million and \$3.0 million, respectively. These balances are included in other current assets in the NW Holdings and NW Natural balance sheets. Changes in these balances are presented in changes in assets and liabilities - other, net in the NW Holdings and NW Natural statements of cash flows. There were no transfers between restricted cash and cash and cash equivalents during the years ended December 31, 2020 and 2019.

#### Revenue Recognition and Accrued Unbilled Revenue

Revenues, derived primarily from the sale and transportation of natural gas, are recognized upon delivery of gas or water, or service to customers. Revenues include accruals for gas or water delivered but not yet billed to customers based on estimates of deliveries from meter reading dates to month end (accrued unbilled revenue). Accrued unbilled revenue is dependent upon a number of factors that require management's judgment, including total natural gas receipts and deliveries, customer use of natural gas or water by billing cycle, and weather factors. Accrued unbilled revenue is reversed the following month when actual billings occur. NW Holdings' accrued unbilled revenue at December 31, 2020 and 2019 was \$57.9 million and \$56.2 million, respectively, substantially all of which is accrued unbilled revenue at NW Natural.

Revenues not related to NGD are derived primarily from Interstate Storage Services, asset management activities at the Mist gas storage facility, and other investments and business activities. At the Mist underground storage facility, revenues are primarily firm service revenues in the form of fixed monthly reservation charges. In addition, we also have asset management service revenue from an independent energy marketing company that optimizes commodity, storage, and pipeline capacity release transactions. Under this agreement, guaranteed asset management revenue is recognized using a straight-line, pro-rata methodology over the term of each contract. Revenues earned above the guaranteed amount are recognized as they are earned.

#### Revenue Taxes

Revenue-based taxes are primarily franchise taxes, which are collected from customers and remitted to taxing authorities. Revenue taxes are included in operating expenses in the statements of comprehensive income for NW Holdings and NW Natural. All revenue taxes are recorded at NW Natural and were \$30.3 million, \$30.3 million, and \$30.1 million for 2020, 2019, and 2018, respectively.

#### Accounts Receivable and Allowance for Uncollectible Accounts

Accounts receivable consist primarily of amounts due for natural gas sales and transportation services to NGD customers, plus amounts due for gas storage services. NW Holdings and NW Natural establish allowances for uncollectible accounts (allowance) for trade receivables, including accrued unbilled revenue, based on the aging of receivables, collection experience of past due account balances including payment plans, and historical trends of write-offs as a percent of revenues. A specific allowance is established and recorded for large individual customer receivables when amounts are identified as unlikely to be partially or fully



recovered. Inactive accounts are written-off against the allowance after they are 120 days past due or when deemed uncollectible. Differences between the estimated allowance and actual write-offs will occur based on a number of factors, including changes in economic conditions, customer creditworthiness, and natural gas prices. The allowance for uncollectible accounts is adjusted quarterly, as necessary, based on information currently available.

**ALLOWANCE FOR TRADE RECEIVABLES.** Accounts receivable consist primarily of amounts due for natural gas sales and transportation services to NGD customers and amounts due for gas storage services. The payment term of these receivables is generally 15 days. For these short-term receivables, it is not expected that forecasted economic conditions would significantly affect the loss estimates under stable economic conditions. For extreme situations like a financial crisis, natural disaster, and the economic slowdown caused by pandemics like COVID-19, we enhance our review and analysis.

After considering the significant exposure to quarantine-related job losses in Oregon and Washington state, NW Holdings and NW Natural expanded our standard review procedures for our allowance for uncollectible accounts calculation, including analyzing the significant indications of unemployment rate and comparing to historic economic data during the 2007-2009 time period when the country experienced an economic recession. We then considered other qualitative information including recent customer interactions related to payment plans and credit issues, statistics from our website related to credit inquiries, and economic stimulus provided by the federal government which could have a beneficial impact on residential and commercial customers' abilities to ultimately make payment on their accounts. Our provision calculation for residential and commercial accounts was estimated as a percentage of accounts that no customer payment was received for 90 or more days. For industrial accounts, we continue to analyze those accounts on an account-by-account basis with specific reserves taken as necessary.

The following table presents the activity related to the NW Holdings provision for uncollectible accounts by pool, substantially all of which is related to NW Natural's accounts receivable:

	As of December 31, 2019	Year ended December 31, 2020		As of December 31, 2020
<i>In thousands</i>	Beginning Balance	Provision recorded <sup>(1)</sup>	Write-offs recognized, net of recoveries	Ending Balance
Allowance for uncollectible accounts related to accounts receivable:				
Residential	\$ 432	\$ 2,159	\$ (438)	\$ 2,153
Commercial	57	821	(174)	704
Industrial	72	77	(7)	142
Accrued unbilled and other	112	166	(58)	220
Total	<u>\$ 673</u>	<u>\$ 3,223</u>	<u>\$ (677)</u>	<u>\$ 3,219</u>

<sup>(1)</sup> Includes \$2.3 million that was deferred to a regulatory asset for costs associated with COVID-19 that are recoverable in future rates.

**ALLOWANCE FOR NET INVESTMENTS IN SALES-TYPE LEASES.** NW Natural currently holds two net investments in sales-type leases, with substantially all of the net investment balance related to the North Mist natural gas storage agreement with Portland General Electric (PGE) which is billed under an OPUC-approved rate schedule. See Note 7 for more information on the North Mist lease. Due to the nature of this service, PGE may recover the costs of the lease through general rate cases. Therefore, we expect the risk of loss due to the credit of this lessee to be remote. As such, no allowance for uncollectibility was recorded for our sales-type lease receivables. NW Natural will continue monitoring the credit health of the lessees and the overall economic environment, including the economic factors closely tied to the financial health of our current and future lessees.

### Inventories

NGD gas inventories, which consist of natural gas in storage for NGD customers, are stated at the lower of weighted-average cost or net realizable value. The regulatory treatment of these inventories provides for cost recovery in customer rates. NGD gas inventories injected into storage are priced in inventory based on actual purchase costs, and those withdrawn from storage are charged to cost of gas during the period they are withdrawn at the weighted-average inventory cost.

Gas storage inventories, which primarily represented inventories at the Gill Ranch Facility and are included in Discontinued operations - current assets on the consolidated balance sheets, mainly consist of natural gas received as fuel-in-kind from storage customers. Gas storage inventories are valued at the lower of average cost or net realizable value. Cushion gas is not included in inventory balances, is recorded at original cost, and is classified as a long-term plant asset.

Materials and supplies inventories consist of inventories both related to and unrelated to NGD and are stated at the lower of average cost or net realizable value.

NW Natural's NGD and gas storage inventories totaled \$24.7 million and \$27.5 million at 2020 and 2019, respectively. At December 31, 2020 and 2019, NW Holdings' materials and supplies inventories, which are comprised primarily of NW Natural's materials and supplies, totaled \$18.0 million and \$16.5 million, respectively.

### Gas Reserves

Gas reserves are payments to acquire and produce natural gas reserves. Gas reserves are stated at cost, adjusted for regulatory amortization, with the associated deferred tax benefits recorded as liabilities on the balance sheet. The current portion is calculated based on expected gas deliveries within the next fiscal year. NW Natural recognizes regulatory amortization of this asset on a volumetric basis calculated using the estimated gas reserves and the estimated terms extracted and sold each month. The amortization of gas reserves is recorded to cost of gas along with gas production revenues and production costs. See Note 13.

### Derivatives

NW Natural's derivatives are measured at fair value and recognized as either assets or liabilities on the balance sheet. Changes in the fair value of the derivatives are recognized in earnings unless specific regulatory or hedge accounting criteria are met. Accounting for derivatives and hedges provides an exception for contracts intended for normal purchases and normal sales for which physical delivery is probable. In addition, certain derivative contracts are approved by regulatory authorities for recovery or refund through customer rates. Accordingly, the changes in fair value of these approved contracts are deferred as regulatory assets or liabilities pursuant to regulatory accounting principles. NW Natural's financial derivatives generally qualify for deferral under regulatory accounting. NW Natural's index-priced physical derivative contracts also qualify for regulatory deferral accounting treatment.

Derivative contracts entered into for NGD requirements after the annual PGA rate has been set and maturing during the PGA year are subject to the PGA incentive sharing mechanism. In Oregon, NW Natural participates in a PGA sharing mechanism under which it is required to select either an 80% or 90% deferral of higher or lower gas costs such that the impact on current earnings from the gas cost sharing is either 20% or 10% of gas cost differences compared to PGA prices, respectively. For each of the PGA years in Oregon beginning November 1, 2020, 2019, and 2018, NW Natural selected the 90% deferral of gas cost differences. In Washington, 100% of the differences between the PGA prices and actual gas costs are deferred. See Note 16.

NW Natural's financial derivatives policy sets forth the guidelines for using selected derivative products to support prudent risk management strategies within designated parameters. NW Natural's objective for using derivatives is to decrease the volatility of gas prices and cash flows without speculative risk. The use of derivatives is permitted only after the risk exposures have been identified, are determined not to exceed acceptable tolerance levels, and are determined necessary to support normal business activities. NW Natural does not enter into derivative instruments for trading purposes. All derivatives for NW Holdings are currently held at NW Natural.

### Fair Value

In accordance with fair value accounting, we use the following fair value hierarchy for determining inputs for our debt, pension plan assets, and derivative fair value measurements:

- Level 1: Valuation is based on quoted prices for identical instruments traded in active markets;
- Level 2: Valuation is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market; and
- Level 3: Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our own estimates of assumptions market participants would use in valuing the asset or liability.

In addition, the fair value for certain pension trust investments is determined using Net Asset Value per share (NAV) as a practical expedient, and therefore they are not classified within the fair value hierarchy. These investments primarily consist of institutional investment products.

When developing fair value measurements, it is our policy to use quoted market prices whenever available or to maximize the use of observable inputs and minimize the use of unobservable inputs when quoted market prices are not available. Fair values are primarily developed using industry-standard models that consider various inputs including: (a) quoted future prices for commodities; (b) forward currency prices; (c) time value; (d) volatility factors; (e) current market and contractual prices for underlying instruments; (f) market interest rates and yield curves; (g) credit spreads; and (h) other relevant economic measures. NW Natural considers liquid points for natural gas hedging to be those points for which there are regularly published prices in a nationally recognized publication or where the instruments are traded on an exchange.

### Goodwill and Business Combinations

NW Holdings, through its wholly-owned subsidiary NWN Water and NW Water's wholly-owned subsidiaries, has completed various acquisitions that resulted in the recognition of goodwill. Goodwill is measured as the excess of the acquisition-date fair value of the consideration transferred over the acquisition-date fair value of the net identifiable assets assumed. Adjustments are recorded during the measurement period to finalize the allocation of the purchase price. The carrying value of goodwill is

reviewed annually during the fourth quarter using balances as of October 1, or whenever events or changes in circumstance indicate that such carrying values may not be recoverable. The goodwill assessment policy begins with a qualitative analysis in which events and circumstances are evaluated, including macroeconomic conditions, industry and market conditions, regulatory environments, and overall financial performance of the reporting unit. If the qualitative assessment indicates that the carrying value may be at risk of recoverability, a quantitative evaluation is performed to measure the carrying value of the goodwill against the fair value of the reporting unit. The reporting unit is determined primarily based on current operating segments and the level of review provided by the Chief Operating Decision Maker (CODM) and/or segment management on the operating segment's financial results. Reporting units are evaluated periodically for changes in the corporate environment.

As of December 31, 2020 and 2019, NW Holdings had goodwill of \$69.2 million and \$49.9 million, respectively. All of NW Holdings' goodwill was acquired through the business combinations completed by NWN Water and its wholly-owned subsidiaries. No impairment charges were recorded as a result of the fourth quarter goodwill impairment assessment.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at fair value at the acquisition date, and the fair value of any non-controlling interest in the acquiree. Acquisition-related costs are expensed as incurred. When NW Natural acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. When there is substantial judgment or uncertainty around the fair value of acquired assets, we may engage a third party expert to assist in determining the fair values of certain assets or liabilities.

#### Income Taxes

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the enactment date period unless, for NW Natural, a regulatory order specifies deferral of the effect of the change in tax rates over a longer period of time.

For NW Natural, deferred income tax assets and liabilities are also recognized for temporary differences where the deferred income tax benefits or expenses have previously been flowed through in the ratemaking process of the NGD business. Regulatory tax assets and liabilities are recorded on these deferred tax assets and liabilities to the extent it is believed they will be recoverable from or refunded to customers in future rates.

Deferred investment tax credits on NGD plant additions, which reduce income taxes payable, are deferred for financial statement purposes and amortized over the life of the related plant.

NW Holdings files consolidated or combined income tax returns that include NW Natural. Income tax expense is allocated on a separate company basis incorporating certain consolidated return considerations. Subsidiary income taxes payable or receivable are generally settled with NW Holdings, the common agent for income tax matters.

Interest and penalties related to unrecognized tax benefits, if any, are recognized within income tax expense and accrued interest and penalties are recognized within the related tax liability line in the consolidated balance sheets. No accrued interest or penalties for uncertain tax benefits have been recorded. See Note 11.

#### Environmental Contingencies

Loss contingencies are recorded as liabilities when it is probable a liability has been incurred and the amount of the loss is reasonably estimable in accordance with accounting standards for contingencies. Estimating probable losses requires an analysis of uncertainties that often depend upon judgments about potential actions by third parties. Accruals for loss contingencies are recorded based on an analysis of potential results.

With respect to environmental liabilities and related costs, estimates are developed based on a review of information available from numerous sources, including completed studies and site specific negotiations. NW Natural's policy is to accrue the full amount of such liability when information is sufficient to reasonably estimate the amount of probable liability. When information is not available to reasonably estimate the probable liability, or when only the range of probable liabilities can be estimated and no amount within the range is more likely than another, it is our policy to accrue at the low end of the range. Accordingly, due to numerous uncertainties surrounding the course of environmental remediation and the preliminary nature of several site investigations, in some cases, it may not be possible to reasonably estimate the high end of the range of possible loss. In those cases, the nature of the potential loss and the fact that the high end of the range cannot be reasonably estimated is disclosed. See Note 18.

#### Subsequent Events

We monitor significant events occurring after the balance sheet date and prior to the issuance of the financial statements to determine the impacts, if any, of events on the financial statements to be issued.

### 3. EARNINGS PER SHARE

Basic earnings or loss per share are computed using NW Holdings' net income or loss and the weighted average number of common shares outstanding for each period presented. Diluted earnings per share are computed in the same manner, except using the weighted average number of common shares outstanding plus the effects of the assumed exercise of stock options and the payment of estimated stock awards from other stock-based compensation plans that are outstanding at the end of each period presented. Anti-dilutive stock awards are excluded from the calculation of diluted earnings or loss per common share.

NW Holdings' diluted earnings or loss per share are calculated as follows:

<i>In thousands, except per share data</i>	2020	2019	2018
Net income from continuing operations	\$ 70,273	\$ 65,311	\$ 67,311
Income (loss) from discontinued operations, net of tax	6,508	(3,576)	(2,742)
Net income	<u>\$ 76,781</u>	<u>\$ 61,735</u>	<u>\$ 64,569</u>
Average common shares outstanding - basic	30,541	29,786	28,803
Additional shares for stock-based compensation plans (See Note 8)	58	73	70
Average common shares outstanding - diluted	<u>30,599</u>	<u>29,859</u>	<u>28,873</u>
Earnings from continuing operations per share of common stock:			
Basic	\$ 2.30	\$ 2.19	\$ 2.34
Diluted	2.30	2.19	2.33
Earnings (loss) from discontinued operations per share of common stock:			
Basic	\$ 0.21	\$ (0.12)	\$ (0.10)
Diluted	0.21	(0.12)	(0.09)
Earnings per share of common stock:			
Basic	\$ 2.51	\$ 2.07	\$ 2.24
Diluted	2.51	2.07	2.24
Additional information:			
Anti-dilutive shares	1	—	2

### 4. SEGMENT INFORMATION

We primarily operate in one reportable business segment, which is NW Natural's local gas distribution business and is referred to as the NGD segment. During the second quarter of 2018, we moved forward with long-term strategic plans, which included a shift away from the California gas storage business, by entering into a Purchase and Sale Agreement that provided for the sale of all of the membership interests in Gill Ranch. See Note 19 for additional information. As such, we reevaluated reportable segments and concluded that the remaining gas storage activities no longer meet the requirements of a reportable segment. Interstate Storage Services and asset management activities at the Mist gas storage facility are now reported as other under NW Natural. NW Natural and NW Holdings also have investments and business activities not specifically related to the NGD segment, which are aggregated and reported as other and described below for each entity.

No individual customer accounts for over 10% of NW Holdings' or NW Natural's operating revenues.

#### Natural Gas Distribution

NW Natural's local gas distribution segment (NGD) is a regulated utility principally engaged in the purchase, sale, and delivery of natural gas and related services to customers in Oregon and southwest Washington. The NGD business is responsible for building and maintaining a safe and reliable pipeline distribution system, purchasing sufficient gas supplies from producers and marketers, contracting for firm and interruptible transportation of gas over interstate pipelines to bring gas from the supply basins into its service territory, and re-selling the gas to customers subject to rates, terms, and conditions approved by the OPUC or WUTC. NGD also includes taking customer-owned gas and transporting it from interstate pipeline connections, or city gates, to the customers' end-use facilities for a fee, which is approved by the OPUC or WUTC. Approximately 88% of NGD customers are located in Oregon and 12% in Washington. On an annual basis, residential and commercial customers typically account for around 60% of total NGD volumes delivered and around 90% of NGD margin. Industrial customers largely account for the remaining volumes and NGD margin. A small amount of the margin is also derived from miscellaneous services, gains or losses from an incentive gas cost sharing mechanism, and other service fees.

Industrial sectors served by the NGD business include: pulp, paper, and other forest products; the manufacture of electronic, electrochemical and electrometallurgical products; the processing of farm and food products; the production of various mineral products; metal fabrication and casting; the production of machine tools, machinery, and textiles; the manufacture of asphalt, concrete, and rubber; printing and publishing; nurseries; and government and educational institutions.

In addition to NW Natural's local gas distribution business, the NGD segment also includes the portion of the Mist underground storage facility used to serve NGD customers, the North Mist gas storage expansion in Oregon, NWN Gas Reserves, which is a wholly-owned subsidiary of Energy Corp, and NW Natural RNG Holding Company, LLC, a holding company established to invest in the development and procurement of renewable natural gas.

### **NW Natural**

NW Natural's activities in Other include Interstate Storage Services and third-party asset management services for the Mist facility in Oregon, appliance retail center operations, and corporate operating and non-operating revenues and expenses that cannot be allocated to NGD operations.

Earnings from Interstate Storage Services assets are primarily related to firm storage capacity revenues. Earnings from the Mist facility also include revenue, net of amounts shared with NGD customers, from management of NGD assets at Mist and upstream pipeline capacity when not needed to serve NGD customers. Under the Oregon sharing mechanism, NW Natural retains 80% of the pre-tax income from these services when the costs of the capacity were not included in NGD rates, or 10% of the pre-tax income when the costs have been included in these rates. The remaining 20% and 90%, respectively, are recorded to a deferred regulatory account for crediting back to NGD customers.

### **NW Holdings**

NW Holdings' activities in Other include all remaining activities not associated with NW Natural, specifically NWN Water, which consolidates the water and wastewater utility operations and is pursuing other investments in the water sector through itself and wholly-owned subsidiaries; NWN Gas Storage, a wholly-owned subsidiary of NWN Energy; NWN Energy's equity investment in TWH through August 6, 2020; and other pipeline assets in NNG Financial. For more information on the sale of TWH, see Note 14. Other also includes corporate revenues and expenses that cannot be allocated to other operations, including certain business development activities.

All prior period amounts have been retrospectively adjusted to reflect the change in reportable segments and the designation of Gill Ranch as a discontinued operation for NW Holdings, and the designation of subsidiaries previously owned by NW Natural that are now owned by NW Holdings as discontinued operations for NW Natural.

### **Segment Information Summary**

Inter-segment transactions were immaterial for the periods presented. The following table presents summary financial information concerning the reportable segment and other for continuing operations. See Note 19 for information regarding discontinued operations for NW Holdings and NW Natural.

<i>In thousands</i>	NGD	Other (NW Natural)	NW Natural	Other (NW Holdings)	NW Holdings
<b>2020</b>					
Operating revenues	\$ 741,072	\$ 17,676	\$ 758,748	\$ 14,931	\$ 773,679
Depreciation and amortization	100,591	995	101,586	2,097	103,683
Income (loss) from operations	137,724	9,916	147,640	711	148,351
Net income (loss) from continuing operations	63,555	7,008	70,563	(290)	70,273
Capital expenditures	263,777	2,271	266,048	6,968	273,016
Total assets at December 31, 2020	3,549,868	49,468	3,599,336	157,043	3,756,379
<b>2019</b>					
Operating revenues	\$ 720,528	\$ 19,416	\$ 739,944	\$ 6,428	\$ 746,372
Depreciation and amortization	89,415	990	90,405	1,091	91,496
Income (loss) from operations	135,918	11,428	147,346	(3,872)	143,474
Net income (loss) from continuing operations	60,828	8,146	68,974	(3,663)	65,311
Capital expenditures	219,880	1,500	221,380	2,091	223,471
Total assets at December 31, 2019 <sup>(1)</sup>	3,273,835	47,652	3,321,487	91,833	3,413,320
<b>2018</b>					
Operating revenues	\$ 680,648	\$ 24,923	\$ 705,571	\$ 572	\$ 706,143
Depreciation and amortization	83,732	1,254	84,986	170	85,156
Income (loss) from operations	118,095	15,004	133,099	(937)	132,162
Net income (loss) from continuing operations	57,491	10,558	68,049	(738)	67,311
Capital expenditures	212,323	2,005	214,328	308	214,636
Total assets at December 31, 2018 <sup>(1)</sup>	3,141,969	50,767	3,192,736	36,657	3,229,393

<sup>(1)</sup> Total assets for NW Holdings exclude assets related to discontinued operations of \$15.1 million and \$13.3 million as of December 31, 2019, and 2018, respectively.



### Natural Gas Distribution Margin

NGD margin is a financial measure used by the CODM, consisting of NGD operating revenues, reduced by the associated cost of gas, environmental remediation expense, and revenue taxes. The cost of gas purchased for NGD customers is generally a pass-through cost in the amount of revenues billed to regulated NGD customers. Environmental remediation expense represents collections received from customers through environmental recovery mechanisms in Oregon and Washington as well as adjustments for the Oregon environmental earnings test when applicable. This is offset by environmental remediation expense presented in operating expenses. Revenue taxes are collected from NGD customers and remitted to taxing authorities. The collections from customers are offset by the expense recognition of the obligation to the taxing authority. By subtracting cost of gas, environmental remediation expense, and revenue taxes from NGD operating revenues, NGD margin provides a key metric used by the CODM in assessing the performance of the NGD segment.

The following table presents additional segment information concerning NGD margin:

<i>In thousands</i>	2020	2019	2018
NGD margin calculation:			
NGD operating revenues	\$ 721,950	\$ 708,472	\$ 680,386
Other regulated services	19,122	12,056	262
Total NGD operating revenues	741,072	720,528	680,648
Less: NGD cost of gas	262,980	255,135	255,743
Environmental remediation expense	9,691	12,337	11,127
Revenue taxes	30,291	30,325	30,082
NGD margin	<u>\$ 438,110</u>	<u>\$ 422,731</u>	<u>\$ 383,696</u>

## 5. COMMON STOCK

As of December 31, 2020 and 2019, NW Holdings had 100 million shares of common stock authorized. As of December 31, 2020, NW Holdings had 203,923 shares reserved for issuance of common stock under the Employee Stock Purchase Plan (ESPP) and 271,949 shares reserved for issuance under the Dividend Reinvestment and Direct Stock Purchase Plan (DRPP). At NW Holdings' election, shares sold through the DRPP may be purchased in the open market or through original issuance of shares reserved for issuance under the DRPP.

The Restated Stock Option Plan (SOP) was terminated with respect to new grants in 2012; however, options granted before the Restated SOP was terminated remain outstanding until the earlier of their expiration, forfeiture, or exercise. Options are now exercisable for shares of NW Holdings common stock. There were 9,438 options outstanding at December 31, 2020, which were granted prior to termination of the plan.

On June 7, 2019, NW Holdings completed the issuance of 1,437,500 shares of common stock, inclusive of the overallotment option granted to the underwriters, which was exercised in full. All shares were issued on June 7, 2019 at an offering price of \$67.00 per share. The issuance resulted in proceeds to NW Holdings of \$93.0 million, net of discounts and expenses. The issuance was executed to raise funds for general corporate purposes, including for equity contributions to NW Holdings' subsidiaries, that are reflected as equity transfers on occurrence. Contributions received by NW Natural were also used, in part, to repay short-term indebtedness.

### Stock Repurchase Program

NW Holdings has a share repurchase program under which it may purchase its common shares on the open market or through privately negotiated transactions. NW Holdings currently has Board authorization through May 2022 to repurchase up to an aggregate of the greater of 2.8 million shares or \$100 million. No shares of common stock were repurchased pursuant to this program during the year ended December 31, 2020. Since the plan's inception in 2000 under NW Natural, a total of 2.1 million shares have been repurchased at a total cost of \$83.3 million.

The following table summarizes the changes in the number of shares of NW Holdings' common stock issued and outstanding:

<i>In thousands</i>	Shares
Balance, December 31, 2017	28,736
Sales to employees under ESPP	19
Stock-based compensation	64
Sales to shareholders under DRPP	61
Balance, December 31, 2018	28,880
Sales to employees under ESPP	18
Stock-based compensation	83
Equity issuance	1,438
Sales to shareholders under DRPP	53
Balance, December 31, 2019	30,472
Sales to employees under ESPP	3
Stock-based compensation	46
Sales to shareholders under DRPP	68
Balance, December 31, 2020	30,589

## 6. REVENUE

The following table presents disaggregated revenue from continuing operations:

<i>In thousands</i>	Year ended December 31, 2020				
	NGD	Other (NW Natural)	NW Natural	Other (NW Holdings)	NW Holdings
Natural gas sales	\$ 710,422	\$ —	\$ 710,422	\$ —	\$ 710,422
Gas storage revenue, net	—	9,759	9,759	—	9,759
Asset management revenue, net	—	2,532	2,532	—	2,532
Appliance retail center revenue	—	5,385	5,385	—	5,385
Other revenue	1,337	—	1,337	14,931	16,268
Revenue from contracts with customers	711,759	17,676	729,435	14,931	744,366
Alternative revenue	10,870	—	10,870	—	10,870
Leasing revenue	18,443	—	18,443	—	18,443
Total operating revenues	\$ 741,072	\$ 17,676	\$ 758,748	\$ 14,931	\$ 773,679

<i>In thousands</i>	Year ended December 31, 2019				
	NGD	Other (NW Natural)	NW Natural	Other (NW Holdings)	NW Holdings
Natural gas sales	\$ 729,296	\$ —	\$ 729,296	\$ —	\$ 729,296
Gas storage revenue, net	—	10,240	10,240	—	10,240
Asset management revenue, net	—	3,705	3,705	—	3,705
Appliance retail center revenue	—	5,471	5,471	—	5,471
Other revenue	847	—	847	6,428	7,275
Revenue from contracts with customers	730,143	19,416	749,559	6,428	755,987
Alternative revenue	(20,984)	—	(20,984)	—	(20,984)
Leasing revenue	11,369	—	11,369	—	11,369
Total operating revenues	\$ 720,528	\$ 19,416	\$ 739,944	\$ 6,428	\$ 746,372

NW Natural's revenue represents substantially all of NW Holdings' revenue and is recognized for both registrants when the obligation to customers is satisfied and in the amount expected to be received in exchange for transferring goods or providing services. Revenue from contracts with customers contains one performance obligation that is generally satisfied over time, using the output method based on time elapsed, due to the continuous nature of the service provided. The transaction price is determined by a set price agreed upon in the contract or dependent on regulatory tariffs. Customer accounts are settled on a monthly basis or paid at time of sale and based on historical experience. It is probable that we will collect substantially all of the

consideration to which we are entitled. We evaluated the probability of collection in accordance with the current expected credit losses standard.

NW Holdings and NW Natural do not have any material contract assets, as net accounts receivable and accrued unbilled revenue balances are unconditional and only involve the passage of time until such balances are billed and collected. NW Holdings and NW Natural do not have any material contract liabilities.

Revenue taxes are included in operating revenues with an equal and offsetting expense recognized in operating expenses in the consolidated statements of comprehensive income. Revenue-based taxes are primarily franchise taxes, which are collected from NGD customers and remitted to taxing authorities.

### **Natural Gas Distribution**

#### **Natural Gas Sales**

NW Natural's primary source of revenue is providing natural gas to customers in the NGD service territory, which includes residential, commercial, industrial and transportation customers. NGD revenue is generally recognized over time upon delivery of the gas commodity or service to the customer, and the amount of consideration received and recognized as revenue is dependent on the Oregon and Washington tariffs. Customer accounts are to be paid in full each month, and there is no right of return or warranty for services provided. Revenues include firm and interruptible sales and transportation services, franchise taxes recovered from the customer, late payment fees, service fees, and accruals for gas delivered but not yet billed (accrued unbilled revenue). The accrued unbilled revenue balance is based on estimates of deliveries during the period from the last meter reading and management judgment is required for a number of factors used in this calculation, including customer use and weather factors.

We applied the significant financing practical expedient and have not adjusted the consideration NW Natural expects to receive from NGD customers for the effects of a significant financing component as all payment arrangements are settled annually. Due to the election of the right to invoice practical expedient, we do not disclose the value of unsatisfied performance obligations.

#### **Alternative Revenue**

Weather normalization (WARM) and decoupling mechanisms are considered to be alternative revenue programs. Alternative revenue programs are considered to be contracts between NW Natural and its regulator and are excluded from revenue from contracts with customers.

#### **Leasing Revenue**

Leasing revenue primarily consists of revenues from NW Natural's North Mist Storage contract with Portland General Electric (PGE) in support of PGE's gas-fired electric power generation facilities under an initial 30-year contract with options to extend, totaling up to an additional 50 years upon mutual agreement of the parties. The facility is accounted for as a sales-type lease with regulatory accounting deferral treatment. The investment is included in rate base under an established cost-of-service tariff schedule, with revenues recognized according to the tariff schedule and as such, profit upon commencement was deferred and will be amortized over the lease term. Leasing revenue also contains rental revenue from small leases of property owned by NW Natural to third parties. The majority of these transactions are accounted for as operating leases and the revenue is recognized over the term of the lease agreement. Lease revenue is excluded from revenue from contracts with customers. See Note 7 for additional information.

### **NW Natural Other**

#### **Gas Storage Revenue**

NW Natural's other revenue includes gas storage activity, which includes Interstate Storage Services used to store natural gas for customers. Gas storage revenue is generally recognized over time as the gas storage service is provided to the customer and the amount of consideration received and recognized as revenue is dependent on set rates defined per the storage agreements. Noncash consideration in the form of dekatherms of natural gas is received as consideration for providing gas injection services to gas storage customers. This noncash consideration is measured at fair value using the average spot rate. Customer accounts are generally paid in full each month, and there is no right of return or warranty for services provided. Revenues include firm and interruptible storage services, net of the profit sharing amount refunded to NGD customers.

#### **Asset Management Revenue**

Revenues include the optimization of third-party storage assets and pipeline capacity and are provided net of the profit sharing amount refunded to NGD customers. Certain asset management revenues received are recognized over time using a straight-line approach over the term of each contract, and the amount of consideration received and recognized as revenue is dependent on a variable pricing model. Variable revenues earned above guaranteed amounts are estimated and recognized at the end of each period using the most likely amount approach. Additionally, other asset management revenues may be based on a fixed rate. Generally, asset management accounts are settled on a monthly basis.

As of December 31, 2020, unrecognized revenue for the fixed component of the transaction price related to gas storage and asset management revenue was approximately \$88.4 million. Of this amount, approximately \$19.0 million will be recognized in 2021, \$19.4 million in 2022, \$17.8 million in 2023, \$14.0 million in 2024, and \$18.2 million thereafter. The amounts presented here are calculated using current contracted rates.



### Appliance Retail Center Revenue

NW Natural owns and operates an appliance store that is open to the public, where customers can purchase natural gas home appliances. Revenue from the sale of appliances is recognized at the point in time in which the appliance is transferred to the third party responsible for delivery and installation services and when the customer has legal title to the appliance. It is required that the sale be paid for in full prior to transfer of legal title. The amount of consideration received and recognized as revenue varies with changes in marketing incentives and discounts offered to customers.

### NW Holdings Other

NW Holdings' primary source of other revenue is providing water and wastewater services to customers. Water and wastewater service revenue is generally recognized over time upon delivery of the water commodity or service to the customer, and the amount of consideration received and recognized as revenue is dependent on the tariffs established in the state we operate. Customer accounts are to be paid in full each month, and there is no right of return or warranty for services provided.

We applied the significant financing practical expedient and have not adjusted the consideration we expect to receive from water distribution and wastewater collection customers for the effects of a significant financing component as all payment arrangements are settled annually. Due to the election of the right to invoice practical expedient, we do not disclose the value of unsatisfied performance obligations.

## **7. LEASES**

### Lease Revenue

Leasing revenue primarily consists of NW Natural's North Mist natural gas storage agreement with PGE which is billed under an OPUC-approved rate schedule and includes an initial 30-year term with options to extend, totaling up to an additional 50 years upon mutual agreement of the parties. Under U.S. GAAP, this agreement is classified as a sales-type lease and qualifies for regulatory accounting deferral treatment. The investment in the storage facility is included in rate base under a separately established cost-of-service tariff, with revenues recognized according to the tariff schedule. As such, the selling profit that was calculated upon commencement as part of the sale-type lease recognition was deferred and will be amortized over the lease term. Billing rates under the cost-of-service tariff will be updated annually to reflect current information including depreciable asset levels, forecasted operating expenses, and the results of regulatory proceedings, as applicable, and revenue received under this agreement is recognized as operating revenue on the consolidated statements of comprehensive income. There are no variable payments or residual value guarantees. The lease does not contain an option to purchase the underlying assets.

NW Natural also maintains a sales-type lease for specialized compressor facilities to provide high pressure compressed natural gas (CNG) services. Lease payments are outlined in an OPUC-approved rate schedule over a 10-year term. There are no variable payments or residual value guarantees. The selling profit computed upon lease commencement was not significant.

Our lessor portfolio also contains small leases of property owned by NW Natural to third parties. These transactions are accounted for as operating leases and the revenue is recognized over the term of the lease agreement.

The components of lease revenue at NW Natural were as follows:

<i>In thousands</i>	Year ended December 31,	
	2020	2019
Lease revenue		
Operating leases	\$ 88	\$ 171
Sales-type leases	18,355	11,198
Total lease revenue	<u>\$ 18,443</u>	<u>\$ 11,369</u>

Total future minimum lease payments to be received under non-cancelable leases at NW Natural at December 31, 2020 are as follows:

<i>In thousands</i>	Operating	Sales-Type	Total
2021	\$ 59	\$ 17,518	\$ 17,577
2022	55	17,026	17,081
2023	47	16,557	16,604
2024	47	15,867	15,914
2025	43	15,306	15,349
Thereafter	52	251,721	251,773
Total lease revenue	<u>\$ 303</u>	<u>\$ 333,995</u>	<u>\$ 334,298</u>
Less: imputed interest		189,501	
Total leases receivable		<u>\$ 144,494</u>	

The total leases receivable above is reported under the NGD segment and the short- and long-term portions are included within other current assets and assets under sales-type leases on the consolidated balance sheets, respectively. The total amount of unguaranteed residual assets was \$4.3 million and \$4.0 million at December 31, 2020 and 2019, respectively, and is included in assets under sales-type leases on the consolidated balance sheets. Additionally, under regulatory accounting, the revenues and expenses associated with these agreements are presented on the consolidated statements of comprehensive income such that their presentation aligns with similar regulated activities at NW Natural.

Additionally, future minimum lease payments of \$0.5 million for each of the years ending 2021 and 2022 are to be received under non-cancelable operating leases associated with non-utility property rentals. For each of the years ended December 31, 2020 and 2019, approximately \$0.5 million of lease revenue is presented in other income (expense), net on the consolidated statements of comprehensive income as it is non-operating income.

### **Lease Expense**

#### **Operating Leases**

We have operating leases for land, buildings and equipment. Our primary lease is for NW Natural's operations center. Our leases have remaining lease terms of one year to 19 years. Many of our lease agreements include options to extend the lease, which we do not include in our minimum lease terms unless they are reasonably certain to be exercised. Short-term leases with a term of 12 months or less are not recorded on the balance sheet.

As most of our leases do not provide an implicit rate and are entered into by NW Natural, we use an estimated discount rate representing the rate we would have incurred to finance the funds necessary to purchase the leased asset and is based on information available at the lease commencement date in determining the present value of lease payments.

The components of lease expense, a portion of which is capitalized, were as follows:

<i>In thousands</i>	Year ended December 31, 2020		
	NW Natural	Other (NW Holdings)	NW Holdings
Operating lease expense	\$ 4,381	\$ 125	\$ 4,506
Short-term lease expense	\$ 1,010	\$ —	\$ 1,010

<i>In thousands</i>	Year ended December 31, 2019		
	NW Natural	Other (NW Holdings)	NW Holdings
Operating lease expense	\$ 4,620	\$ 191	\$ 4,811
Short-term lease expense	\$ 1,146	\$ —	\$ 1,146

Supplemental balance sheet information related to operating leases as of December 31, 2020 is as follows:

<i>In thousands</i>	NW Natural	Other (NW Holdings)	NW Holdings
Operating lease right of use assets	\$ 77,328	\$ 118	\$ 77,446
Operating lease liabilities - current liabilities	\$ 1,054	\$ 51	\$ 1,105
Operating lease liabilities - non-current liabilities	80,559	62	80,621
Total operating lease liabilities	<u>\$ 81,613</u>	<u>\$ 113</u>	<u>\$ 81,726</u>

Supplemental balance sheet information related to operating leases as of December 31, 2019 is as follows:

<i>In thousands</i>	NW Natural	Other (NW Holdings)	NW Holdings
Operating lease right of use assets	\$ 2,760	\$ 190	\$ 2,950
Operating lease liabilities - current liabilities	\$ 1,979	\$ 122	\$ 2,101
Operating lease liabilities - non-current liabilities	772	69	841
Total operating lease liabilities	<u>\$ 2,751</u>	<u>\$ 191</u>	<u>\$ 2,942</u>

The weighted-average remaining lease terms and weighted-average discount rates for the operating leases at NW Natural were as follows:

	2020	2019
Weighted-average remaining lease term (years)	19.2	1.0
Weighted-average discount rate	7.23 %	3.98 %

#### Commencement of Significant Lease

NW Natural commenced a 20-year operating lease agreement in March 2020 for a new corporate operations center in Portland, Oregon. Total estimated base rent payments over the life of the lease are approximately \$159.4 million. There is an option to extend the term of the lease for two additional periods of seven years.

There is a material timing difference between the minimum lease payments and expense recognition as calculated under operating lease accounting rules. OPUC issued an order allowing us to align our expense recognition with cash payments for ratemaking purposes. We recorded the difference between the minimum lease payments and the aggregate of the imputed interest on the finance lease obligation and amortization of the right-of-use asset as a regulatory asset on our balance sheet. The balance of the regulatory asset as of December 31, 2020 was \$4.2 million.

Maturities of operating lease liabilities at December 31, 2020 were as follows:

<i>In thousands</i>	NW Natural	Other (NW Holdings)	NW Holdings
2021	\$ 6,760	\$ 52	\$ 6,812
2022	6,849	67	6,916
2023	6,986	—	6,986
2024	7,150	—	7,150
2025	7,185	—	7,185
Thereafter	123,784	—	123,784
Total lease payments	158,714	119	158,833
Less: imputed interest	77,101	6	77,107
Total lease obligations	81,613	113	81,726
Less: current obligations	1,054	51	1,105
Long-term lease obligations	<u>\$ 80,559</u>	<u>\$ 62</u>	<u>\$ 80,621</u>

As of December 31, 2020, finance lease liabilities with maturities of less than one year were \$0.7 million at NW Natural.

## Cash Flow Information

Supplemental cash flow information related to leases was as follows:

<i>In thousands</i>	Year ended December 31, 2020		
	NW Natural	Other (NW Holdings)	NW Holdings
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows from operating leases	\$ 4,466	\$ 131	\$ 4,597
Finance cash flows from finance leases	\$ 835	\$ —	\$ 835
Right of use assets obtained in exchange for lease obligations			
Operating leases	\$ 78,539	\$ 51	\$ 78,590
Finance leases	\$ 1,386	\$ —	\$ 1,386
<i>In thousands</i>	Year ended December 31, 2019		
	NW Natural	Other (NW Holdings)	NW Holdings
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows from operating leases	\$ 4,447	\$ 182	\$ 4,629
Finance cash flows from finance leases	\$ 120	\$ —	\$ 120
Right of use assets obtained in exchange for lease obligations			
Operating leases	\$ 7,205	\$ 372	\$ 7,577
Finance leases	\$ 312	\$ —	\$ 312

## Finance Leases

NW Natural also leases building storage spaces for use as a gas meter room in order to provide natural gas to multifamily or mixed use developments. These contracts are accounted for as finance leases and typically involve a one-time upfront payment with no remaining liability. The right of use asset for finance leases was \$1.8 million and \$0.5 million at December 31, 2020 and 2019, respectively.

## 8. STOCK-BASED COMPENSATION

Stock-based compensation plans are designed to promote stock ownership in NW Holdings by employees and officers of NW Holdings and its affiliates. These compensation plans include a Long Term Incentive Plan (LTIP), an ESPP, and a Restated SOP.

### Long Term Incentive Plan

The LTIP is intended to provide a flexible, competitive compensation program for eligible officers and key employees. Under the LTIP, shares of NW Holdings common stock are authorized for equity incentive grants in the form of stock, restricted stock, restricted stock units, stock options, or performance shares. An aggregate of 1,100,000 shares were authorized for issuance as of December 31, 2020. Shares awarded under the LTIP may be purchased on the open market or issued as original shares.

Of the 1,100,000 shares of common stock authorized for LTIP awards at December 31, 2020, there were 435,758 shares available for issuance under any type of award. This assumes market, performance, and service-based grants currently outstanding are awarded at the target level. There were no outstanding grants of restricted stock or stock options under the LTIP at December 31, 2020 or 2019. The LTIP stock awards are compensatory awards for which compensation expense is based on the fair value of stock awards, with expense being recognized over the performance and vesting period of the outstanding awards. Forfeitures are recognized as they occur.

### Performance Shares

LTIP performance shares incorporate a combination of market, performance, and service-based factors. The following table summarizes performance share expense information:

<i>Dollars in thousands</i>	Shares <sup>(1)</sup>	Expense During Award Year <sup>(2)</sup>	Total Expense for Award
Estimated award:			
2018-2020 grant <sup>(3)</sup>	31,600	\$ 2,137	\$ 2,137
Actual award:			
2017-2019 grant	41,537	\$ 572	\$ 1,971
2016-2018 grant	28,218	\$ 598	\$ 1,413

<sup>(1)</sup> In addition to common stock shares, a participant also receives a dividend equivalent cash payment equal to the number of shares of common stock received on the award payout multiplied by the aggregate cash dividends paid per share during the performance period.

- (2) Amount represents the expense recognized in the third year of the vesting period noted above. For the 2018-2020 grant, mutual understanding of the award's key terms was established in the third year of the vesting period, triggering full expense recognition in 2020.
- (3) This represents the estimated number of shares to be awarded as of December 31, 2020 as certain performance share measures have been achieved. Amounts are subject to change with final payout amounts authorized by the Board of Directors in February 2021.

The aggregate number of performance shares granted and outstanding at the target and maximum levels were as follows:

<i>Dollars in thousands</i> Performance Period	Performance Share Awards Outstanding		2020 Expense
	Target	Maximum	
2018-20	31,825	63,650	\$ 2,137
2019-21	—	—	—
2020-22	—	—	—
Total	31,825	63,650	\$ 2,137

Performance share awards are based on the achievement of a three-year ROIC threshold that must be met and a cumulative EPS factor, which can be modified by a TSR factor relative to the performance of the Russell 2500 Utilities Index over the three-year performance period. The performance period allows for one of the performance factors to remain variable until the first quarter of the third year of the award period. As the performance factor will not be approved until the first quarter of 2021 and 2022, there is not a mutual understanding of the awards' key terms and conditions between NW Natural and the participants as of December 31, 2020, and therefore, no expense was recognized for the 2019-2021 and 2020-2022 performance period. NW Natural will calculate the grant date fair value and recognize expense once the final performance factor has been approved. If the target is achieved for the 2019-2021 and 2020-2022 awards, NW Holdings would grant for accounting purposes 35,170 and 31,830 shares in the first quarter of 2021 and 2022, respectively.

Compensation expense is recognized in accordance with accounting standards for stock-based compensation and calculated based on performance levels achieved and an estimated fair value using the Monte-Carlo method. Due to there not being a mutual understanding of the 2019-2021 and 2020-2022 awards' key terms and conditions as noted above, the grant date fair value has not yet been determined and no non-vested shares existed at December 31, 2020. The weighted-average grant date fair value of non-vested shares associated with the 2018-2020 awards was \$78.96 per share at December 31, 2020. The weighted-average grant date fair value of shares vested during the year was \$78.96 per share and there were no performance shares granted during the year and no unrecognized compensation expense for accounting purposes as of December 31, 2020.

#### Restricted Stock Units

In 2012, RSUs began being granted under the LTIP instead of stock options under the Restated SOP. Generally, the RSUs awarded are forfeitable and include a performance-based threshold as well as a vesting period of four years from the grant date. Upon vesting, the RSU holder is issued one share of common stock plus a cash payment equal to the total amount of dividends paid per share between the grant date and vesting date of that portion of the RSU. The fair value of an RSU is equal to the closing market price of NW Holdings' common stock on the grant date. During 2020, total RSU expense was \$2.0 million compared to \$1.8 million in 2019 and \$1.8 million in 2018. As of December 31, 2020, there was \$3.7 million of unrecognized compensation cost from grants of RSUs, which is expected to be recognized over a period extending through 2025.

Information regarding the RSU activity is summarized as follows:

	Number of RSUs	Weighted - Average Price Per RSU
Nonvested, December 31, 2017	84,522	\$ 53.90
Granted	32,450	57.59
Vested	(32,689)	50.75
Forfeited	(1,603)	59.95
Nonvested, December 31, 2018	82,680	56.47
Granted	36,018	65.29
Vested	(35,778)	54.22
Forfeited	(3,187)	63.89
Nonvested, December 31, 2019	79,733	61.17
Granted	33,594	55.58
Vested	(29,273)	59.29
Forfeited	(1,590)	69.71
Nonvested, December 31, 2020	82,464	\$ 59.40

### **Restated Stock Option Plan**

The NW Natural Restated SOP was terminated for new option grants in 2012; however, options granted before the plan terminated remain outstanding until the earlier of their expiration, forfeiture, or exercise and are now exercisable for shares of NW Holdings common stock. Any new grants of stock options will be made under NW Holdings' LTIP, however, no option grants have been awarded since 2012 and all stock options were vested as of December 31, 2015.

Options under the Restated SOP were granted to officers and key employees designated by a committee of the Board of Directors. All options were granted at an option price equal to the closing market price on the date of grant and may be exercised for a period of up to 10 years and seven days from the date of grant. Option holders may exchange shares they have owned for at least six months, valued at the current market price, to purchase shares at the option price.

Information regarding the Restated SOP activity is summarized as follows:

	Option Shares	Weighted - Average Price Per Share	Intrinsic Value (In millions)
Balance outstanding and exercisable, December 31, 2017	91,688	\$ 44.43	\$ 1.4
Exercised	(35,450)	43.61	0.8
Forfeited	(300)	43.29	n/a
Balance outstanding and exercisable, December 31, 2018	55,938	44.96	0.9
Exercised	(45,000)	44.79	1.0
Forfeited	—	—	n/a
Balance outstanding and exercisable, December 31, 2019	10,938	45.67	0.3
Exercised	(1,500)	45.24	—
Expired	—	—	n/a
Balance outstanding and exercisable, December 31, 2020	9,438	\$ 45.74	\$ —

The weighted-average remaining life of options exercisable and outstanding at December 31, 2020 was 0.17 years.

### **Employee Stock Purchase Plan**

NW Holdings' ESPP allows employees of NW Holdings, NW Natural and certain designated subsidiaries to purchase common stock at 85% of the closing price on the trading day immediately preceding the initial offering date, which is set annually. For the 2020-2021 ESPP period, each eligible employee may purchase up to \$21,232 worth of stock through payroll deductions over a period defined by the Board of Directors, with shares issued at the end of the subscription period.

### **Stock-Based Compensation Expense**

Stock-based compensation expense is recognized as operations and maintenance expense or is capitalized as part of construction overhead at the entity at which the award recipient is employed. The following table summarizes the NW Holdings' financial statement impact, substantially all of which was recorded at NW Natural, of stock-based compensation under the LTIP, Restated SOP and ESPP:

In thousands	2020	2019	2018
Operations and maintenance expense, for stock-based compensation	\$ 3,525	\$ 2,172	\$ 2,489
Income tax benefit	(933)	(575)	(659)
Net stock-based compensation effect on net income (loss)	2,592	1,597	1,830
Amounts capitalized for stock-based compensation	\$ 841	\$ 430	\$ 531

## **9. DEBT**

### **Short-Term Debt**

The primary source of short-term liquidity for NW Holdings is cash balances, dividends from its operating subsidiaries, in particular NW Natural, available cash from a multi-year credit facility, and short-term credit facilities it may enter into from time to time.

The primary source of short-term liquidity for NW Natural is from the sale of commercial paper, its multi-year credit facilities, and short-term credit facilities it may enter into from time to time. In addition to issuing commercial paper or bank loans to meet working capital requirements, including seasonal requirements to finance gas purchases and accounts receivable, short-term debt may also be used to temporarily fund capital requirements. For NW Natural, commercial paper and bank loans are periodically refinanced through the sale of long-term debt or equity contributions from NW Holdings. NW Natural's commercial paper is sold through two commercial banks under an issuing and paying agency agreement and is supported by one or more unsecured revolving credit facilities. See "Credit Agreements" below.

At December 31, 2020 and 2019, NW Holdings had short-term debt outstanding of \$304.5 million and \$149.1 million, respectively. The weighted average interest rate of NW Holdings' short-term debt outstanding at December 31, 2020 and 2019 was 0.5% and 2.0%, respectively. At December 31, 2020 and 2019, NW Natural had \$231.5 million and \$125.1 million of commercial paper outstanding, respectively. The weighted average interest rate of commercial paper outstanding at December 31, 2020 and 2019 was 0.4% and 2.0%, respectively.

The carrying cost of commercial paper approximates fair value using Level 2 inputs. See Note 2 for a description of the fair value hierarchy. At December 31, 2020, NW Natural's commercial paper had a maximum remaining maturity of 166 days and an average remaining maturity of 47 days.

## **Credit Agreements**

### **NW Holdings**

In October 2018, NW Holdings entered into a \$100.0 million credit agreement, with a feature that allows it to request increases in the total commitment amount, up to a maximum of \$150.0 million. The maturity date of the agreement is October 2, 2023, with available extensions of commitments for two additional one-year periods, subject to lender approval.

The NW Holdings credit agreement permits the issuance of letters of credit in an aggregate amount of up to \$40.0 million. The principal amount of borrowings under the credit agreement is due and payable on the maturity date. The credit agreement requires NW Holdings to maintain a consolidated indebtedness to total capitalization ratio of 70% or less. Failure to comply with this covenant would entitle the lenders to terminate their lending commitments and accelerate the maturity of all amounts outstanding. NW Holdings was in compliance with this covenant at December 31, 2020 and 2019.

The agreement also requires NW Holdings to maintain debt ratings (which are defined by a formula using NW Natural's credit ratings in the event NW Holdings does not have a credit rating) with Standard & Poor's (S&P) and Moody's Investors Service, Inc. (Moody's) and notify the lenders of any change in its senior unsecured debt ratings or senior secured debt ratings, as applicable, by such rating agencies. A change in NW Holdings' debt ratings by S&P or Moody's is not an event of default, nor is the maintenance of a specific minimum level of debt rating a condition of drawing upon the credit agreement. Rather, interest rates on any loans outstanding under the credit agreements are tied to debt ratings and therefore, a change in the debt rating would increase or decrease the cost of any loans under the credit agreements when ratings are changed. NW Holdings does not currently maintain ratings with S&P or Moody's.

There was \$73.0 million and \$24.0 million of outstanding balances under the NW Holdings agreement at December 31, 2020 and 2019, respectively. No letters of credit were issued or outstanding under the NW Holdings agreement at December 31, 2020 and 2019. NW Holdings had a \$1.0 million letter of credit issued and outstanding, separate from the aforementioned credit agreement, at December 31, 2019 for the purposes of facilitating the Suncadia acquisition. This letter of credit was extinguished upon the close of the transaction in February 2020.

### **NW Natural**

In October 2018, NW Natural entered into a multi-year credit agreement for unsecured revolving loans totaling \$300.0 million, with a feature that allows NW Natural to request increases in the total commitment amount, up to a maximum of \$450.0 million. The maturity date of the agreement is October 2, 2023 with available extensions of commitments for two additional one-year periods, subject to lender approval. The credit agreement permits the issuance of letters of credit in an aggregate amount of up to \$60.0 million. The principal amount of borrowings under the credit agreement is due and payable on the maturity date. There were no outstanding balances under NW Natural's credit agreement and no letters of credit issued or outstanding at December 31, 2020 and 2019.

NW Natural's credit agreement require NW Natural to maintain a consolidated indebtedness to total capitalization ratio of 70% or less. Failure to comply with this covenant would entitle the lenders to terminate their lending commitments and accelerate the maturity of all amounts outstanding. NW Natural was in compliance with this covenant at December 31, 2020 and 2019.

The credit agreement also requires NW Natural to maintain credit ratings with S&P and Moody's and notify the lenders of any change in NW Natural's senior unsecured debt ratings or senior secured debt ratings, as applicable, by such rating agencies. A change in NW Natural's debt ratings by S&P or Moody's is not an event of default, nor is the maintenance of a specific minimum level of debt rating a condition of drawing upon the credit agreement. Rather, interest rates on any loans outstanding under the credit agreement are tied to debt ratings and therefore, a change in the debt rating would increase or decrease the cost of any loans under the credit agreement when ratings are changed.



## Long-Term Debt

### NW Holdings

At December 31, 2020 and 2019, NW Holdings had long-term debt outstanding of \$955.4 million and \$881.1 million, respectively; which included \$7.5 million and \$5.7 million of unamortized debt issuance costs at NW Natural, respectively. NW Holdings' long-term debt is primarily comprised of debt held at its wholly-owned subsidiaries NW Natural (shown below) and NWN Water. Long-term debt at NWN Water is primarily comprised of a two-year term loan agreement for \$35.0 million, due in 2021. NWN Water entered into this agreement in June 2019 and the loan carried an interest rate of 0.70% at December 31, 2020, which is based upon the one-month LIBOR rate. The loan is guaranteed by NW Holdings and requires NW Holdings to maintain a consolidated indebtedness to total capitalization ratio of 70% or less. Failure to comply with this covenant would entitle the lenders to terminate their lending commitments and accelerate the maturity of all amounts outstanding. NW Holdings was in compliance with this covenant at December 31, 2020, with a consolidated indebtedness to total capitalization ratio of 58.6%.

### NW Natural

NW Natural's issuance of FMBs, which includes NW Natural's medium-term notes, under the Mortgage and Deed of Trust (Mortgage) is limited by eligible property, adjusted net earnings, and other provisions of the Mortgage. The Mortgage constitutes a first mortgage lien on substantially all of NW Natural's NGD property.

### Maturities and Outstanding Long-Term Debt

Retirement of long-term debt for each of the annual periods through December 31, 2025 and thereafter are as follows:

<i>In thousands</i>	Long-term debt maturities
<b>NW Natural</b>	
2021	\$ 60,000
2022	—
2023	90,000
2024	—
2025	30,000
Thereafter	744,700
Total	<u>\$ 924,700</u>

The following table presents debt outstanding as of December 31:

<i>In thousands</i>	2020	2019
<b>NW Natural</b>		
<u>First Mortgage Bonds:</u>		
5.370% Series due 2020	\$ —	\$ 75,000
9.050% Series due 2021	10,000	10,000
3.176% Series due 2021	50,000	50,000
3.542% Series due 2023	50,000	50,000
5.620% Series due 2023	40,000	40,000
7.720% Series due 2025	20,000	20,000
6.520% Series due 2025	10,000	10,000
7.050% Series due 2026	20,000	20,000
3.211% Series due 2026	35,000	35,000
7.000% Series due 2027	20,000	20,000
2.822% Series due 2027	25,000	25,000
6.650% Series due 2027	19,700	19,700
6.650% Series due 2028	10,000	10,000
3.141% Series due 2029	50,000	50,000
7.740% Series due 2030	20,000	20,000
7.850% Series due 2030	10,000	10,000
5.820% Series due 2032	30,000	30,000
5.660% Series due 2033	40,000	40,000
5.250% Series due 2035	10,000	10,000
4.000% Series due 2042	50,000	50,000
4.136% Series due 2046	40,000	40,000
3.685% Series due 2047	75,000	75,000
4.110% Series due 2048	50,000	50,000
3.869% Series due 2049	90,000	90,000
3.600% Series due 2050	150,000	—
Long-term debt, gross	924,700	849,700
Less: current maturities	60,000	75,000
Total long-term debt	<u>\$ 864,700</u>	<u>\$ 774,700</u>



### First Mortgage Bonds

In March 2020, NW Natural issued \$150.0 million of FMBs with an interest rate of 3.600%, due in 2050.

### Retirements of Long-Term Debt

In February 2020, NW Natural retired \$75.0 million of FMBs with an interest rate of 5.370%.

### Fair Value of Long-Term Debt

NW Holdings' and NW Natural's outstanding debt does not trade in active markets. The fair value of debt is estimated using natural gas distribution companies with similar credit ratings, terms, and remaining maturities to NW Holdings' and NW Natural's debt that actively trade in public markets. Substantially all outstanding debt at NW Holdings is comprised of NW Natural debt. These valuations are based on Level 2 inputs as defined in the fair value hierarchy. See Note 2.

The following table provides an estimate of the fair value of NW Holdings' long-term debt, including current maturities of long-term debt, using market prices in effect on the valuation date:

<i>In thousands</i>	December 31,	
	2020	2019
Gross long-term debt	\$ 962,905	\$ 886,776
Unamortized debt issuance costs	(7,480)	(5,712)
Carrying amount	\$ 955,425	\$ 881,064
Estimated fair value <sup>(1)</sup>	\$ 1,136,311	\$ 957,268

<sup>(1)</sup> Estimated fair value does not include unamortized debt issuance costs.

The following table provides an estimate of the fair value of NW Natural's long-term debt, including current maturities of long-term debt, using market prices in effect on the valuation date:

<i>In thousands</i>	December 31,	
	2020	2019
Gross long-term debt	\$ 924,700	\$ 849,700
Unamortized debt issuance costs	(7,480)	(5,712)
Carrying amount	\$ 917,220	\$ 843,988
Estimated fair value <sup>(1)</sup>	\$ 1,097,348	\$ 919,835

<sup>(1)</sup> Estimated fair value does not include unamortized debt issuance costs.

## **10. PENSION AND OTHER POSTRETIREMENT BENEFIT COSTS**

NW Natural maintains a qualified non-contributory defined benefit pension plan (Pension Plan), non-qualified supplemental pension plans for eligible executive officers and other key employees, and other postretirement employee benefit plans. NW Natural also has a qualified defined contribution plan (Retirement K Savings Plan) for all eligible employees. The Pension Plan and Retirement K Savings Plan have plan assets, which are held in qualified trusts to fund retirement benefits.

Effective January 1, 2007 and 2010, the Pension Plan and postretirement benefits for non-union employees and union employees, respectively, were closed to new participants.

Non-union and union employees hired or re-hired after December 31, 2006 and 2009, respectively, and employees of NW Natural subsidiaries are provided an enhanced Retirement K Savings Plan benefit.

The following table provides a reconciliation of the changes in NW Natural's benefit obligations and fair value of plan assets, as applicable, for NW Natural's pension and other postretirement benefit plans, excluding the Retirement K Savings Plan, and a summary of the funded status and amounts recognized in NW Holdings' and NW Natural's consolidated balance sheets as of December 31:

<i>In thousands</i>	Postretirement Benefit Plans			
	Pension Benefits		Other Benefits	
	2020	2019	2020	2019
Reconciliation of change in benefit obligation:				
Obligation at January 1	\$ 515,668	\$ 455,568	\$ 29,568	\$ 28,172
Service cost	6,614	6,308	258	244
Interest cost	16,161	18,683	905	1,117
Net actuarial loss	52,777	58,269	145	1,809
Benefits paid	(25,073)	(23,160)	(1,837)	(1,774)
Obligation at December 31	<u>\$ 566,147</u>	<u>\$ 515,668</u>	<u>\$ 29,039</u>	<u>\$ 29,568</u>
Reconciliation of change in plan assets:				
Fair value of plan assets at January 1	\$ 313,051	\$ 257,797	\$ —	\$ —
Actual return on plan assets	54,600	65,104	—	—
Employer contributions	31,354	13,310	1,837	1,774
Benefits paid	(25,073)	(23,160)	(1,837)	(1,774)
Fair value of plan assets at December 31	<u>\$ 373,932</u>	<u>\$ 313,051</u>	<u>\$ —</u>	<u>\$ —</u>
Funded status at December 31	<u>\$ (192,215)</u>	<u>\$ (202,617)</u>	<u>\$ (29,039)</u>	<u>\$ (29,568)</u>

At December 31, 2020, the net liability (benefit obligations less market value of plan assets) for the Pension Plan decreased \$13.1 million compared to 2019. The decrease in the net pension liability is primarily due to the \$60.9 million increase in plan assets, partially offset by the \$47.8 million increase to the pension benefit obligation. The liability for non-qualified plans increased \$2.7 million, and the liability for other postretirement benefits decreased \$0.5 million in 2020.

NW Natural's Pension Plan had a projected benefit obligation of \$525.1 million and \$477.3 million at December 31, 2020 and 2019, respectively, and fair values of plan assets of \$373.9 million and \$313.1 million, respectively. The plan had an accumulated benefit obligation of \$480.0 million and \$434.9 million at December 31, 2020 and 2019, respectively.

The following table presents amounts realized through regulatory assets or in other comprehensive loss (income) for the years ended December 31:

<i>In thousands</i>	Regulatory Assets						Other Comprehensive Loss (Income)		
	Pension Benefits			Other Postretirement Benefits			Pension Benefits		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Net actuarial loss (gain)	\$ 16,170	\$ 10,424	\$ 14,261	\$ 145	\$ 1,809	\$ (327)	\$ 3,873	\$ 3,595	\$ (677)
Amortization of:									
Prior service (cost) credit	—	(7)	(42)	468	468	468	—	—	—
Actuarial loss	(18,627)	(14,057)	(18,761)	(607)	(369)	(448)	(923)	(648)	(1,052)
Total	<u>\$ (2,457)</u>	<u>\$ (3,640)</u>	<u>\$ (4,542)</u>	<u>\$ 6</u>	<u>\$ 1,908</u>	<u>\$ (307)</u>	<u>\$ 2,950</u>	<u>\$ 2,947</u>	<u>\$ (1,729)</u>

The following table presents amounts recognized in regulatory assets and accumulated other comprehensive loss (AOCL) at December 31:

<i>In thousands</i>	Regulatory Assets				AOCL	
	Pension Benefits		Other Postretirement Benefits		Pension Benefits	
	2020	2019	2020	2019	2020	2019
Prior service cost (credit)	\$ —	\$ —	\$ (801)	\$ (1,270)	\$ —	\$ —
Net actuarial loss	164,446	166,903	7,167	7,629	17,434	14,484
Total	<u>\$ 164,446</u>	<u>\$ 166,903</u>	<u>\$ 6,366</u>	<u>\$ 6,359</u>	<u>\$ 17,434</u>	<u>\$ 14,484</u>

The following table presents amounts recognized by NW Holdings and NW Natural in AOCL and the changes in AOCL related to NW Natural's non-qualified employee benefit plans:

<i>In thousands</i>	Year ended December 31,	
	2020	2019
Beginning balance	\$ (10,733)	\$ (7,188)
Amounts reclassified to AOCL	(3,873)	(3,611)
Amounts reclassified from AOCL:		
Amortization of actuarial losses	923	648
Reclassification of stranded tax effects <sup>(1)</sup>	—	(1,366)
Total reclassifications before tax	(2,950)	(4,329)
Tax expense	781	784
Total reclassifications for the period	(2,169)	(3,545)
Ending balance	<u>\$ (12,902)</u>	<u>\$ (10,733)</u>

<sup>(1)</sup> Reclassification of \$1.4 million of income tax effects resulting from the TCJA from accumulated other comprehensive loss to retained earnings was made pursuant to the adoption of ASU 2018-02. See Note 2.

In 2021, NW Natural will amortize an estimated \$20.8 million from regulatory assets to net periodic benefit costs, consisting of \$21.3 million of actuarial losses offset by \$0.5 million of prior service credits.

The assumed discount rates for NW Natural's Pension Plan and other postretirement benefit plans were determined independently based on the FTSE Above Median Curve (discount rate curve), which uses high quality corporate bonds rated AA- or higher by S&P or Aa3 or higher by Moody's. The discount rate curve was applied to match the estimated cash flows in each of the plans to reflect the timing and amount of expected future benefit payments for these plans.

The assumed expected long-term rate of return on plan assets for the Pension Plan was developed using a weighted-average of the expected returns for the target asset portfolio. In developing the expected long-term rate of return assumption, consideration was given to the historical performance of each asset class in which the plan's assets are invested and the target asset allocation for plan assets.

The investment strategy and policies for Pension Plan assets held in the retirement trust fund were approved by the NW Natural Retirement Committee, which is composed of senior management with the assistance of an outside investment consultant. The policies set forth the guidelines and objectives governing the investment of plan assets. Plan assets are invested for total return with appropriate consideration for liquidity, portfolio risk, and return expectations. All investments are expected to satisfy the prudent investments rule under the Employee Retirement Income Security Act of 1974. The approved asset classes may include cash and short-term investments, fixed income, common stock and convertible securities, absolute and real return strategies, and real estate. Plan assets may be invested in separately managed accounts or in commingled or mutual funds. Investment re-balancing takes place periodically as needed, or when significant cash flows occur, in order to maintain the allocation of assets within the stated target ranges. The retirement trust fund is not currently invested in NW Holdings or NW Natural securities.

The following table presents the Pension Plan asset target allocation at December 31, 2020:

Asset Category	Target Allocation
Long government/credit	20 %
U.S. large cap equity	18
Non-U.S. equity	18
Absolute return strategies	12
U.S. small/mid cap equity	10
Real estate funds	7
High yield bonds	5
Emerging markets equity	5
Emerging market debt	5

Non-qualified supplemental defined benefit plan obligations were \$41.0 million and \$38.3 million at December 31, 2020 and 2019, respectively. These plans are not subject to regulatory deferral, and the changes in actuarial gains and losses, prior service costs, and transition assets or obligations are recognized in AOCL, net of tax until they are amortized as a component of net periodic benefit cost. These are unfunded, non-qualified plans with no plan assets; however, a significant portion of the obligations is indirectly funded with company and trust-owned life insurance and other assets.

Other postretirement benefit plans are unfunded plans but are subject to regulatory deferral. The actuarial gains and losses, prior service costs, and transition assets or obligations for these plans are recognized as a regulatory asset.

Net periodic benefit costs consist of service costs, interest costs, the expected returns on plan assets, and the amortization of gains and losses and prior service costs. The gains and losses are the sum of the actuarial and asset gains and losses throughout the year and are amortized over the average remaining service period of active participants. The asset gains and losses are based in part on a market-related valuation of assets. The market-related valuation reflects differences between expected returns and actual investment returns with the differences recognized over a two-year period from the year in which they occur, thereby reducing year-to-year net periodic benefit cost volatility.

The service cost component of net periodic benefit cost for NW Natural pension and other postretirement benefit plans is recognized in operations and maintenance expense in the consolidated statements of comprehensive income. The other non-service cost components are recognized in other income (expense), net in the consolidated statements of comprehensive income. The following table provides the components of net periodic benefit cost for NW Natural's pension and other postretirement benefit plans for the years ended December 31:

<i>In thousands</i>	Pension Benefits			Other Postretirement Benefits		
	2020	2019	2018	2020	2019	2018
Service cost	\$ 6,614	\$ 6,308	\$ 7,185	\$ 258	\$ 244	\$ 282
Interest cost	16,161	18,684	16,991	905	1,116	964
Expected return on plan assets	(21,865)	(20,854)	(20,639)	—	—	—
Amortization of prior service cost (credit)	—	7	43	(468)	(468)	(468)
Amortization of net actuarial loss	19,550	14,704	19,813	607	368	448
Net periodic benefit cost	20,460	18,849	23,393	1,302	1,260	1,226
Amount allocated to construction	(2,798)	(2,493)	(2,764)	(98)	(86)	(98)
Amount deferred to regulatory balancing account	—	—	(10,314)	—	—	—
Net periodic benefit cost charged to expense	17,662	16,356	10,315	1,204	1,174	1,128
Regulatory pension disallowance	—	10,500	—	—	—	—
Amortization of regulatory balancing account	7,131	16,841	—	—	—	—
Net amount charged to expense	<u>\$ 24,793</u>	<u>\$ 43,697</u>	<u>\$ 10,315</u>	<u>\$ 1,204</u>	<u>\$ 1,174</u>	<u>\$ 1,128</u>

Net periodic benefit costs are reduced by amounts capitalized to NGD plant. In addition, a certain amount of net periodic benefit costs were recorded to the regulatory balancing account, representing net periodic pension expense for the Pension Plan above the amount set in rates, as approved by the OPUC, from 2011 through October 31, 2018.

In March 2019, the OPUC issued an order concluding the NW Natural 2018 Oregon rate case. The order allowed for the application of certain deferred revenues and tax benefits from the TCJA to reduce NW Natural's pension regulatory balancing account. A corresponding total of \$12.5 million in pension expenses were recognized in operating and maintenance expense and other income (expense), net in the consolidated statements of comprehensive income in the first quarter of 2019, with offsetting benefits recorded within operating revenues and income taxes. The order also directed NW Natural to reduce the balancing account by an additional \$10.5 million, of which \$3.9 million was charged to operations and maintenance expense and \$6.6 million was charged to other income (expense), net in the consolidated statements of comprehensive income. Amortization of the remaining amount of the balancing account began in the second quarter of 2019 in accordance with the order.

Total amortization of the regulatory balancing account of \$7.1 million and \$16.8 million was recognized in 2020 and 2019, respectively, of which \$2.6 million and \$6.2 million was charged to operations and maintenance expense, respectively, and \$4.5 million and \$10.6 million was charged to other income (expense), net, respectively. Total deferrals of the regulatory balancing account were \$10.3 million in 2018, of which \$2.4 million was deferred from operations and maintenance expense and \$7.9 million was deferred from other income (expense), net.

The following table provides the assumptions used in measuring periodic benefit costs and benefit obligations for the years ended December 31:

	Pension Benefits			Other Postretirement Benefits		
	2020	2019	2018	2020	2019	2018
Assumptions for net periodic benefit cost:						
Weighted-average discount rate	3.18 %	4.19 %	3.51 %	3.11 %	4.13 %	3.44 %
Rate of increase in compensation	3.50 %	3.25-3.50%	3.25-4.50%	n/a	n/a	n/a
Expected long-term rate of return	7.25 %	7.50 %	7.50 %	n/a	n/a	n/a
Assumptions for year-end funded status:						
Weighted-average discount rate	2.36 %	3.16 %	4.20 %	2.34 %	3.11 %	4.13 %
Rate of increase in compensation <sup>(1)</sup>	3.50-6.50%	3.50-6.50%	3.25-4.50%	n/a	n/a	n/a
Expected long-term rate of return	7.25 %	7.25 %	7.50 %	n/a	n/a	n/a

<sup>(1)</sup> Rate assumption is 6.50% in 2020 and 3.50% thereafter. The 2020 compensation increase assumption was a result of the 2019 execution of a new collective bargaining agreement with unionized members of NW Natural effective December 1, 2019.

The assumed annual increase in health care cost trend rates used in measuring other postretirement benefits as of December 31, 2020 was 6.25%. These trend rates apply to both medical and prescription drugs. Medical costs and prescription drugs are assumed to decrease gradually each year to a rate of 4.75% by 2026.

Assumed health care cost trend rates can have a significant effect on the amounts reported for the health care plans; however, other postretirement benefit plans have a cap on the amount of costs reimbursable by NW Natural.

Mortality assumptions are reviewed annually and are updated for material changes as necessary. In 2020, mortality rate assumptions were updated from Pri-2012 mortality tables using scale MP-2019 to Pri-2012 mortality tables using scale MP-2020, which partially offset increases of the projected benefit obligation.

The following table provides information regarding employer contributions and benefit payments for NW Natural's Pension Plan, non-qualified pension plans, and other postretirement benefit plans for the years ended December 31, and estimated future contributions and payments:

<i>In thousands</i>	Pension Benefits	Other Benefits
Employer Contributions:		
2019	\$ 13,310	\$ 1,774
2020	31,362	1,837
2021 (estimated)	22,465	1,654
Benefit Payments:		
2018	21,918	1,674
2019	23,160	1,774
2020	25,073	1,837
Estimated Future Benefit Payments:		
2021	24,609	1,654
2022	25,299	1,664
2023	26,083	1,694
2024	26,807	1,690
2025	27,399	1,678
2026-2030	149,287	7,815

### **Employer Contributions to Company-Sponsored Defined Benefit Pension Plan**

NW Natural makes contributions to its Pension Plan based on actuarial assumptions and estimates, tax regulations, and funding requirements under federal law. The Pension Protection Act of 2006 (the Act) established funding requirements for defined benefit plans. The Act establishes a 100% funding target over seven years for plan years beginning after December 31, 2008. In July 2012, President Obama signed the Moving Ahead for Progress in the 21st Century Act (MAP-21) into law, which changed several provisions affecting pension plans, including temporary funding relief and Pension Benefit Guaranty Corporation (PBGC) premium increases, which shifts the level of minimum required contributions from the short-term to the long-term as well as increasing the operational costs of running a pension plan. MAP-21 established a new minimum and maximum corridor for segment rates based on a 25-year average of bond yields, which resulted in lower minimum contributions requirements than those under previous regulations. MAP-21, as amended, provides for the current corridor to be in effect through 2020 and subsequently broaden on an annual basis from 2021 through 2024.

The Pension Plan was underfunded by \$151.2 million at December 31, 2020. NW Natural made cash contributions totaling \$29.0 million to its Pension Plan for 2020. During 2021, NW Natural expects to make contributions of approximately \$20.1 million to this plan.

### **Multiemployer Pension Plan**

In addition to the NW Natural-sponsored Pension Plan presented above, prior to 2014 NW Natural contributed to a multiemployer pension plan for its NGD union employees known as the Western States Office and Professional Employees International Union Pension Fund (Western States Plan). That plan's employer identification number is 94-6076144. Effective December 22, 2013, NW Natural withdrew from the plan, which was a noncash transaction. Vested participants will receive all benefits accrued through the date of withdrawal. As the plan was underfunded at the time of withdrawal, NW Natural was assessed a withdrawal liability of \$8.3 million, plus interest, which requires NW Natural to pay \$0.6 million each year to the plan for 20 years beginning in July 2014. The cost of the withdrawal liability was deferred to a regulatory account on the balance sheet.

Payments were \$0.7 million for 2020, and as of December 31, 2020 the liability balance was \$6.1 million. Contributions to the plan were \$0.6 million for each of 2019 and 2018, which was approximately 5% to 6% of the total contributions to the plan by all employer participants in those years.

### **Defined Contribution Plan**

NW Natural's Retirement K Savings Plan is a qualified defined contribution plan under Internal Revenue Code Sections 401(a) and 401(k). NW Natural contributions totaled \$8.3 million, \$7.0 million, and \$6.5 million for 2020, 2019, and 2018, respectively. The Retirement K Savings Plan includes an Employee Stock Ownership Plan.

### **Deferred Compensation Plans**

NW Natural's supplemental deferred compensation plans for eligible officers and senior managers are non-qualified plans. These plans are designed to enhance the retirement savings of employees and to assist them in strengthening their financial security by providing an incentive to save and invest regularly.

### **Fair Value**

Below is a description of the valuation methodologies used for assets measured at fair value. In cases where NW Natural's Pension Plan is invested through a collective trust fund or mutual fund, the fund's market value is utilized. Market values for investments directly owned are also utilized.

**U.S. EQUITY.** These are non-published net asset value (NAV) assets. The non-published NAV assets consist of commingled trusts where NAV is not published but the investment can be readily disposed of at NAV or market value. The underlying investments in this asset class includes investments primarily in U.S. common stocks.

**INTERNATIONAL/GLOBAL EQUITY.** These are Level 1 and non-published NAV assets. The Level 1 asset is a mutual fund, and the non-published NAV assets consist of commingled trusts where the NAV/unit price is not published, but the investment can be readily disposed of at the NAV/unit price. The mutual funds has a readily determinable fair value, including a published NAV, and the commingled trusts are valued at unit price. This asset class includes investments primarily in foreign equity common stocks.

**LIABILITY HEDGING.** These are non-published NAV assets. The non-published NAV assets consist of commingled trusts where NAV is not published but the investment can be readily disposed of at NAV or market value. The underlying investments in this asset class include long duration fixed income investments primarily in U.S. treasuries, U.S. government agencies, municipal securities, mortgage-backed securities, asset-backed securities, as well as U.S. and international investment-grade corporate bonds.

**OPPORTUNISTIC.** These are non-published NAV assets consisting of commingled trusts where the investments can be readily disposed of at unit price, and a hedge fund of funds where the valuation is not published. This hedge fund of funds is winding down. Based on recent dispositions, NW Natural believes the remaining investment is fairly valued. The hedge fund of funds is valued at the weighted average value of investments in various hedge funds, which in turn are valued at the closing price of the underlying securities. This asset class includes investments in emerging market debt, leveraged loans, REITs, high yield bonds, a commodities fund, and a hedge fund of funds.

**ABSOLUTE RETURN STRATEGY.** This is a non-published NAV asset consisting of a hedge fund of funds where the valuation is not published. This hedge fund of funds is winding down. Based on recent dispositions, NW Natural believes the remaining investment is fairly valued. The hedge fund of funds is valued at the weighted average value of investments in various hedge funds, which in turn are valued at the closing price of the underlying securities. This asset class primarily includes investments in common stocks and fixed income securities.

**CASH AND CASH EQUIVALENTS.** These are Level 1 and non-published NAV assets. The Level 1 assets consist of cash in U.S. dollars, which can be readily disposed of at face value. The non-published NAV assets represent mutual funds without published NAV's but the investment can be readily disposed of at the NAV. The mutual funds are valued at the NAV of the shares held by the plan at the valuation date.

The preceding valuation methods may produce a fair value calculation that is not indicative of net realizable value or reflective of future fair values. Although we believe these valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain investments could result in a different fair value measurement at the reporting date.

Investment securities are exposed to various financial risks including interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of NW Natural's investment securities will occur in the near term and such changes could materially affect NW Natural's investment account balances and the amounts reported as plan assets available for benefit payments.

The following tables present the fair value of NW Natural's Pension Plan assets, including outstanding receivables and liabilities, of NW Natural's retirement trust fund:

*In thousands*

December 31, 2020					
Investments	Level 1	Level 2	Level 3	Non-Published NAV <sup>(1)</sup>	Total
US equity	\$ —	\$ —	\$ —	\$ 117,764	\$ 117,764
International / Global equity	39,114	—	—	78,092	117,206
Liability hedging	—	—	—	111,041	111,041
Opportunistic	—	—	—	25,625	25,625
Cash and cash equivalents	—	—	—	2,295	2,295
Total investments	<u>\$ 39,114</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 334,817</u>	<u>\$ 373,931</u>

December 31, 2019					
Investments	Level 1	Level 2	Level 3	Non-Published NAV <sup>(1)</sup>	Total
US equity	\$ —	\$ —	\$ —	\$ 95,604	\$ 95,604
International / Global equity	33,168	—	—	74,337	107,505
Liability hedging	—	—	—	93,028	93,028
Opportunistic	—	—	—	9,864	9,864
Cash and cash equivalents	—	—	—	7,049	7,049
Total investments	<u>\$ 33,168</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 279,882</u>	<u>\$ 313,050</u>

		December 31,	
		2020	2019
Receivables:			
Accrued interest and dividend income		\$ 6,429	\$ 3,243
Total receivables		<u>6,429</u>	<u>3,243</u>
Liabilities:			
Due to broker for securities purchased		6,429	3,242
Total investment in retirement trust		<u>\$ 373,931</u>	<u>\$ 313,051</u>

<sup>(1)</sup> The fair value for these investments is determined using Net Asset Value per share (NAV) as of December 31, as a practical expedient, and therefore they are not classified within the fair value hierarchy. These investments primarily consist of institutional investment products, for which the NAV is generally not publicly available.



## 11. INCOME TAX

The following table provides a reconciliation between income taxes calculated at the statutory federal tax rate and the provision for income taxes reflected in the NW Holdings and NW Natural statements of comprehensive income or loss for December 31:

<i>Dollars in thousands</i>	NW Holdings			NW Natural		
	2020	2019	2018	2020	2019	2018
Income taxes at federal statutory rate	\$ 19,185	\$ 16,370	\$ 19,222	\$ 19,248	\$ 17,438	\$ 19,434
Increase (decrease):						
State income tax, net of federal	6,389	4,422	4,927	6,385	4,716	4,982
Differences required to be flowed-through by regulatory commissions	(3,960)	(5,772)	1,302	(3,960)	(5,772)	1,302
Deferred tax rate differential post-TCJA	—	—	(76)	—	—	(75)
Regulatory settlement	—	(1,129)	—	—	(1,129)	—
Other, net	(532)	(1,249)	(1,184)	(578)	(1,188)	(1,184)
Total provision for income taxes	<u>\$ 21,082</u>	<u>\$ 12,642</u>	<u>\$ 24,191</u>	<u>\$ 21,095</u>	<u>\$ 14,065</u>	<u>\$ 24,459</u>
Effective tax rate	<u>23.1 %</u>	<u>16.2 %</u>	<u>26.4 %</u>	<u>23.0 %</u>	<u>16.9 %</u>	<u>26.4 %</u>

The NW Holdings and NW Natural effective income tax rates for 2020 compared to 2019 changed primarily as a result of higher pre-tax income, the Oregon Corporate Activity Tax effective January 1, 2020, and amortization of excess deferred income tax benefits as ordered by regulatory commissions. The NW Holdings and NW Natural effective income tax rates for 2019 compared to 2018 changed primarily as a result of lower pre-tax income and amortization of excess deferred income tax benefits as ordered by regulatory commissions.

The provision for current and deferred income taxes consists of the following at December 31:

<i>In thousands</i>	NW Holdings			NW Natural		
	2020	2019	2018	2020	2019	2018
Current						
Federal	\$ 10,106	\$ 5,530	\$ 8,953	\$ 11,092	\$ 6,755	\$ 9,127
State	5,971	1,667	3,785	5,357	2,101	3,846
Total current income taxes	<u>16,077</u>	<u>7,197</u>	<u>12,738</u>	<u>16,449</u>	<u>8,856</u>	<u>12,973</u>
Deferred						
Federal	2,888	1,515	9,001	1,921	1,340	9,025
State	2,117	3,930	2,452	2,725	3,869	2,461
Total deferred income taxes	<u>5,005</u>	<u>5,445</u>	<u>11,453</u>	<u>4,646</u>	<u>5,209</u>	<u>11,486</u>
Income tax provision	<u>\$ 21,082</u>	<u>\$ 12,642</u>	<u>\$ 24,191</u>	<u>\$ 21,095</u>	<u>\$ 14,065</u>	<u>\$ 24,459</u>



The following table summarizes the tax effect of significant items comprising NW Holdings and NW Natural's deferred income tax balances recorded at December 31:

<i>In thousands</i>	<b>NW Holdings</b>		<b>NW Natural</b>	
	2020	2019	2020	2019
Deferred tax liabilities:				
Plant and property	\$ 297,078	\$ 269,886	\$ 290,105	\$ 281,044
Leases receivable	39,396	40,133	39,396	40,133
Pension and postretirement obligations	25,066	22,635	25,066	22,635
Income tax regulatory asset	17,104	19,382	17,104	19,382
Lease right of use assets	21,613	778	21,596	731
Other	—	748	—	407
Total deferred income tax liabilities	<u>\$ 400,257</u>	<u>\$ 353,562</u>	<u>\$ 393,267</u>	<u>\$ 364,332</u>
Deferred income tax assets:				
Income tax regulatory liability	\$ 52,590	\$ 54,259	\$ 52,366	\$ 54,259
Lease liabilities	21,622	775	21,606	728
Other intangible assets	4,485	2,723	—	—
Net operating losses and credits carried forward	861	162	80	48
Other	1,407	—	1,181	—
Total deferred income tax assets	<u>\$ 80,965</u>	<u>\$ 57,919</u>	<u>\$ 75,233</u>	<u>\$ 55,035</u>
Total net deferred income tax liabilities	<u>\$ 319,292</u>	<u>\$ 295,643</u>	<u>\$ 318,034</u>	<u>\$ 309,297</u>

At December 31, 2020 and 2019, regulatory income tax assets of \$14.6 million and \$16.9 million, respectively, were recorded by NW Natural, a portion of which is recorded in current assets. These regulatory income tax assets primarily represent future rate recovery of deferred tax liabilities, resulting from differences in NGD plant financial statement and tax bases and NGD plant removal costs, which were previously flowed through for rate making purposes and to take into account the additional future taxes, which will be generated by that recovery. These deferred tax liabilities, and the associated regulatory income tax assets, are currently being recovered through customer rates. At December 31, 2020 and 2019, regulatory income tax assets of \$2.5 million and \$2.5 million, respectively, were recorded by NW Natural, representing future recovery of deferred tax liabilities resulting from the equity portion of AFUDC. At December 31, 2020, regulatory income tax assets of \$1.7 million were recorded by NW Natural, representing future recovery of Oregon Corporate Activity tax that was deferred between January 1, 2020 and October 31, 2020. In October 2020, the OPUC issued an order providing for recovery of deferred Oregon CAT as well as CAT incurred prospectively beginning November 1, 2020.

At December 31, 2020 and 2019, deferred tax assets of \$52.4 million and \$54.3 million, respectively, were recorded by NW Natural representing the future income tax benefit associated with the excess deferred income tax regulatory liability recorded as a result of the lower federal corporate income tax rate provided for by the TCJA. At December 31, 2020 and 2019, regulatory liability balances representing the benefit of the change in deferred taxes as a result of the TCJA of \$197.8 million and \$205.0 million, respectively, were recorded by NW Natural.

NW Natural's natural gas utility rates include an allowance to provide for the recovery of the anticipated provision for income taxes incurred as a result of providing regulated services. As a result of the 21 percent federal corporate income tax rate enacted in 2017, NW Natural recorded an additional regulatory liability in 2018 and 2019 reflecting the deferral of the estimated rate benefit for customers. The deferral period for Oregon ended on October 31, 2018 coincident with new rates beginning November 1, 2018. The deferral period for Washington ended on October 31, 2019 coincident with new rates beginning November 1, 2019. At December 31, 2019, a regulatory liability of \$1.7 million was recorded to reflect this estimated revenue deferral. The liability has been completely amortized to customers' benefit as of December 31, 2020.

NW Holdings and NW Natural assess the available positive and negative evidence to estimate if sufficient taxable income will be generated to utilize their respective existing deferred tax assets. Based upon this assessment, NW Holdings and NW Natural determined that it is more likely than not that all of their respective deferred tax assets recorded as of December 31, 2020 will be realized.

The Company estimates it has net operating loss (NOL) carryforwards of \$0.3 million for federal taxes and \$11.5 million for state taxes at December 31, 2020. We anticipate fully utilizing these NOL carryforward balances before they begin to expire in 2030 for federal and 2023 for state. Oregon Energy Incentive Program (EIP) credits, California alternative minimum tax (AMT) credits and Idaho investment tax credits (ITC) of \$0.1 million are also available. The EIP credits expires in 2025. The AMT credits do not expire. The ITC credits expire in 2033.

Uncertain tax positions are accounted for in accordance with accounting standards that require an assessment of the anticipated settlement outcome of material uncertain tax positions taken in a prior year, or planned to be taken in the current year. Until such positions are sustained, the uncertain tax benefits resulting from such positions would not be recognized. No reserves for uncertain tax positions were recorded as of December 31, 2020, 2019, or 2018.

The federal income tax returns for tax years 2016 and earlier are closed by statute. The IRS Compliance Assurance Process (CAP) examination of the 2017 and 2018 tax years have been completed. There were no material changes to these returns as filed. The 2019 and 2020 tax years are currently under IRS CAP examination. Our 2021 CAP application has been filed. Under the CAP program, NW Holdings and NW Natural work with the IRS to identify and resolve material tax matters before the tax return is filed each year.

As of December 31, 2020, income tax years 2016 through 2019 remain open for examination by the State of California. Income tax years 2018 and 2019 are open for examination by the State of Idaho. The State of Oregon examined the Oregon corporate income tax returns for tax years 2015, 2016, and 2017. No material changes occurred as a result of this examination. Tax years 2018 and 2019 are open for examination by the State of Oregon.

### **U.S. Federal TCJA Matters**

On December 22, 2017, the TCJA was enacted and permanently lowered the U.S. federal corporate income tax rate to 21% from the previous maximum rate of 35%, effective for the tax year beginning January 1, 2018. The TCJA included specific provisions related to regulated public utilities that provide for the continued deductibility of interest expense and the elimination of bonus tax depreciation for property both acquired and placed into service on or after January 1, 2018.

Under pre-TCJA law, business interest was generally deductible in the determination of taxable income. The TCJA imposed a new limitation on the deductibility of net business interest expense in excess of approximately 30 percent of adjusted taxable income. Taxpayers operating in the trade or business of a regulated utility are excluded from these new interest expense limitations. Final U.S. Treasury Regulations became effective in November of 2020 which provide a de minimis rule whereby if 90 percent or more of a taxpayer's adjusted asset basis is allocable to regulated utility activities, then all of the business interest expense of that taxpayer is deemed to be excepted business interest of the regulated utility activity and is thereby not limited under the TCJA. As a result of the de minimis rule, NW Holdings and NW Natural anticipate that business interest expense will not be limited under the TCJA.

The TCJA generally provides for immediate full expensing for qualified property both acquired and placed in service after September 27, 2017 and before January 1, 2023. This would generally provide for accelerated cost recovery for capital investments. However, the definition of qualified property excludes property used in the trade or business of a regulated utility. Final U.S. Treasury Regulations were published in September of 2019 which clarified that bonus tax depreciation would not be available for regulated utility activity assets both acquired and placed in service by NW Holdings or NW Natural on or after January 1, 2018. Final U.S. Treasury Regulations released in September of 2020 clarified that long production period property acquired before September 27, 2017 continues to qualify for bonus depreciation in the year placed in service consistent with pre-TCJA law.

NW Natural previously filed applications with the OPUC and WUTC to defer the NGD net income tax benefits resulting from the TCJA. In March 2019, the OPUC issued an order addressing the regulatory amortization of the income tax benefits from the TCJA that NW Natural deferred for Oregon customers in December of 2017. Under the order, NW Natural will provide the benefit of these TCJA income tax deferrals to Oregon customers through ongoing annual credits to customer base rates and as a one-time recovery of a portion of the pension balancing account regulatory asset balance. On an annualized basis, it is anticipated that the income tax benefits from the provision of these TCJA benefits to customers should approximate the reduction to pretax income that occurs as a result of the customer base rate credits and one-time recovery of a portion of the pension balancing account.

In October 2019, the WUTC issued an order addressing the regulatory amortization of the income tax benefits from the TCJA that NW Natural deferred for Washington customers in December of 2017. Under the order, NW Natural provided deferred income tax benefits from the TCJA to customers through base rate credits beginning November 1, 2019.

## 12. PROPERTY, PLANT, AND EQUIPMENT

The following table sets forth the major classifications of property, plant, and equipment and accumulated depreciation of continuing operations at December 31:

<i>In thousands</i>	2020	2019
<b>NW Natural:</b>		
NGD plant in service	\$ 3,548,543	\$ 3,302,049
NGD work in progress	63,901	84,965
Less: Accumulated depreciation	1,055,809	1,017,931
NGD plant, net	2,556,635	2,369,083
Other plant in service	66,300	63,513
Other construction work in progress	5,032	5,548
Less: Accumulated depreciation	19,637	18,662
Other plant, net	51,695	50,399
Total property, plant, and equipment	\$ 2,608,330	\$ 2,419,482
<b>Other (NW Holdings):</b>		
Other plant in service	\$ 50,263	\$ 20,671
Less: Accumulated depreciation	3,823	1,254
Other plant, net	46,440	19,417
<b>NW Holdings:</b>		
Total property, plant, and equipment	\$ 2,654,770	\$ 2,438,899
<b>NW Natural and NW Holdings:</b>		
Capital expenditures in accrued liabilities	\$ 25,129	\$ 32,502

Accumulated depreciation does not include the accumulated provision for asset removal costs of \$428.0 million and \$401.9 million at December 31, 2020 and 2019, respectively. These accrued asset removal costs are reflected on the balance sheet as regulatory liabilities. See Note 2.

### NW Holdings

Other plant balances include long-lived assets associated with water operations and non-regulated activities not held by NW Natural or its subsidiaries.

### NW Natural

Other plant balances include long-lived assets not related to NGD and long-lived assets that may be used to support NGD operations.

The weighted average depreciation rate for NGD assets was 3.0% in 2020, 2.9% in 2019, and 2.8% in 2018. The weighted average depreciation rate for assets not related to NGD was 1.8% in 2020, 1.8% in 2019, and 2.2% in 2018.

In May 2019, NW Natural placed its North Mist gas storage expansion facility into service and commenced storage services to the facility's single customer, PGE. Under U.S. GAAP, this agreement is classified as a sales-type lease and qualifies for regulatory accounting deferral treatment. Accordingly, the project was de-recognized from property, plant and equipment upon lease commencement and the investment balance is presented net of the current portion of scheduled billings within assets under sales-type leases on the consolidated balance sheets. A total of \$146.0 million was de-recognized from plant on the lease commencement date. The facility is included within rate base for ratemaking purposes. See Note 7 for information regarding leases, including North Mist.

## 13. GAS RESERVES

NW Natural has invested \$188 million through the gas reserves program in the Jonah Field located in Wyoming as of December 31, 2020. Gas reserves are stated at cost, net of regulatory amortization, with the associated deferred tax benefits recorded as liabilities in the consolidated balance sheets. The investment in gas reserves provides long-term price protection for NGD customers through the original agreement with Encana Oil & Gas (USA) Inc. under which NW Natural invested \$178 million and the amended agreement with Jonah Energy LLC under which an additional \$10 million was invested.

NW Natural entered into the original agreements with Encana in 2011 under which NW Natural holds working interests in certain sections of the Jonah Field. Gas produced in these sections is sold at prevailing market prices, and revenues from such sales, net of associated operating and production costs and amortization, are credited to the NGD cost of gas. The cost of gas, including a carrying cost for the rate base investment, is included in the annual Oregon PGA filing, which allows NW Natural to recover these costs through customer rates. The investment under the original agreement, less accumulated amortization and deferred taxes, earns a rate of return.

In March 2014, NW Natural amended the original gas reserves agreement in order to facilitate Encana's proposed sale of its interest in the Jonah field to Jonah Energy. Under the amendment, NW Natural ended the drilling program with Encana, but increased its working interests in its assigned sections of the Jonah field. NW Natural also retained the right to invest in new wells with Jonah Energy. Under the amended agreement there is still the option to invest in additional wells on a well-by-well basis with drilling costs and resulting gas volumes shared at NW Natural's amended proportionate working interest for each well in which it invests. NW Natural elected to participate in some of the additional wells drilled in 2014, but has not participated in additional wells since 2014. However, there may be the opportunity to participate in more wells in the future.

Gas produced from the additional wells is included in the Oregon PGA at a fixed rate of \$0.4725 per therm, which approximates the 10-year hedge rate plus financing costs at the inception of the investment.

Gas reserves acted to hedge the cost of gas for approximately 5%, 5% and 6% of NGD gas supplies for the years ended December 31, 2020, 2019, and 2018, respectively.

The following table outlines NW Natural's net gas reserves investment at December 31:

<i>In thousands</i>	2020	2019
Gas reserves, current	\$ 11,409	\$ 15,278
Gas reserves, non-current	175,898	172,029
Less: Accumulated amortization	141,414	123,635
Total gas reserves <sup>(1)</sup>	45,893	63,672
Less: Deferred taxes on gas reserves	10,572	15,515
Net investment in gas reserves	\$ 35,321	\$ 48,157

<sup>(1)</sup> The net investment in additional wells included in total gas reserves was \$3.0 million and \$3.8 million at December 31, 2020 and 2019, respectively.

NW Natural's investment is included in NW Holdings' and NW Natural's consolidated balance sheets under gas reserves with the maximum loss exposure limited to the investment balance.

## 14. INVESTMENTS

Investments include financial investments in life insurance policies, and equity method investments in certain partnerships and limited liability companies. The following table summarizes other investments at December 31:

<i>In thousands</i>	NW Holdings		NW Natural	
	2020	2019	2020	2019
Investments in life insurance policies	\$ 49,241	\$ 49,837	\$ 49,241	\$ 49,837
Investments in gas pipeline	—	13,472	—	—
Other	18	24	—	—
Total other investments	\$ 49,259	\$ 63,333	\$ 49,241	\$ 49,837

### Investment in Life Insurance Policies

NW Natural has invested in key person life insurance contracts to provide an indirect funding vehicle for certain long-term employee and director benefit plan liabilities. The amount in the above table is reported at cash surrender value, net of policy loans.

### Investments in Gas Pipeline

On August 6, 2020, NWN Energy completed the sale of 100% of its interest in Trail West Holdings, LLC (TWH) to an unrelated third party for a purchase price of \$14.0 million, \$7.0 million of which was paid upon closing the transaction, and \$7.0 million is to be paid upon the one-year anniversary of the close date. The completion of the sale resulted in an after-tax gain of approximately \$0.5 million.

TWH was a variable interest entity reported under equity method accounting through its sale. The investment in TWH did not meet the criteria to be classified as held for sale or discontinued operations. The investment balance in TWH was \$13.4 million at December 31, 2019.

## **15. BUSINESS COMBINATIONS**

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### **2020 Business Combinations**

During the year ended December 31, 2020, NWN Water and its subsidiaries completed two significant acquisitions qualifying as business combinations. The aggregate fair value of the preliminary cash consideration transferred for these acquisitions was \$38.1 million, most of which was preliminarily allocated to property, plant and equipment and goodwill. These transactions align with NW Holdings' water sector strategy as it continues to expand its water services territories in the Pacific Northwest and beyond and included:

- Suncadia Water Company, LLC and Suncadia Environmental Company, LLC which were acquired by NWN Water of Washington on January 31, 2020, and
- T&W Water Service Company which was acquired by NWN Water of Texas on March 2, 2020.

As each of these acquisitions met the criteria of a business combination, a preliminary allocation of the consideration to the acquired net assets based on their estimated fair value as of the acquisition date was performed. The allocation for each of these business combinations is considered preliminary as of December 31, 2020, as facts and circumstances that existed as of the acquisition date may be discovered as we continue to integrate these businesses. In accordance with U.S. GAAP, the fair value determination involves management judgment in determining the significant estimates and assumptions used and was made using existing regulatory conditions for net assets associated with Suncadia Water Company, LLC and T&W Water Service Company. This allocation is considered preliminary as of December 31, 2020, as facts and circumstances that existed as of the acquisition date may be discovered as we continue to integrate the acquired businesses. As a result, subsequent adjustments to the preliminary valuation of tangible assets, contract assets and liabilities, tax positions, and goodwill may be required. Subsequent adjustments are not expected to be significant, and any such adjustments are expected to be completed within the one-year measurement period for all acquisitions described above.

Total preliminary goodwill of \$18.2 million was recognized from the acquisitions described above. No intangible assets aside from goodwill were acquired. The goodwill recognized is attributable to the regulated water utility service territories, experienced workforces, and the strategic benefits from both the water and wastewater utilities expected from growth in their service territories. The total amount of goodwill that is expected to be deductible for income tax purposes is approximately \$16.5 million. The acquisition costs associated with each business combination were expensed as incurred. The results of these business combinations were not material to the consolidated financial results of NW Holdings for the year ended December 31, 2020.

### **Other Business Combinations**

During the year ended December 31, 2020, NWN Water completed three additional acquisitions, comprised of four water systems and one wastewater system, which qualified as business combinations. The aggregate fair value of the preliminary consideration transferred for these acquisitions was approximately \$1.5 million. These business combinations were not significant to NW Holdings' results of operations.

### **2019 Business Combinations**

#### **Sunriver**

On May 31, 2019, NWN Water of Oregon, a wholly-owned indirect subsidiary of NW Holdings, completed the acquisition of Sunriver Water LLC and Sunriver Environmental LLC (collectively referred to as Sunriver), a privately-owned water utility and wastewater treatment company located in Sunriver, Oregon that serves approximately 9,400 connections. The acquisition-date fair value of the total consideration transferred, after closing adjustments, was approximately \$55.0 million in cash consideration. The transaction aligns with NW Holdings' water sector strategy as it continues to expand its water utility service territory in the Pacific Northwest and begins to pursue wastewater investment opportunities.

The Sunriver acquisition met the criteria of a business combination, and as such a preliminary allocation of the consideration to the acquired assets based on their estimated fair value as of the acquisition date was performed. In accordance with U.S. GAAP, the fair value determination was made using existing regulatory conditions for assets associated with Sunriver Water LLC as well as existing market conditions and standard valuation approaches for assets associated with Sunriver Environmental LLC in order to allocate value as determined by an independent third party assessor for certain assets, which involved the use of management judgment in determining the significant estimates and assumptions used by the assessor, with the remaining difference from the consideration transferred being recorded as goodwill. The acquisition costs were expensed as incurred.

Final goodwill of \$41.1 million was recognized from this acquisition. The goodwill recognized is attributable to Sunriver's regulated water utility service territory, experienced workforce, and the strategic benefits for both the water utility and wastewater services expected from growth in its service territory. No intangible assets aside from goodwill were acquired. The total amount of goodwill that is expected to be deductible for income tax purposes is approximately \$50.0 million.

The final purchase price for the acquisition has been allocated to the net assets acquired as of the acquisition date and is as follows:

<i>In thousands</i>	May 31, 2020
Current assets	\$ 222
Property, plant and equipment	12,866
Goodwill	41,054
Deferred tax assets	828
Current liabilities	(22)
Total net assets acquired	<u>\$ 54,948</u>

The amount of Sunriver revenues included in NW Holdings' consolidated statements of comprehensive income was \$6.6 million for the year ended December 31, 2020. Earnings included in NW Holdings' consolidated statements of comprehensive income was \$1.6 million for the year ended December 31, 2020.

#### Other Business Combinations

During 2019, NWN Water completed three additional acquisitions qualifying as business combinations. The aggregate fair value of the preliminary consideration transferred for these acquisitions was approximately \$2.0 million. These business combinations were not significant to NW Holdings' results of operations.

#### Goodwill

NW Holdings allocates goodwill to reporting units based on the expected benefit from the business combination. We perform an annual impairment assessment of goodwill at the reporting unit level, or more frequently if events and circumstances indicate that goodwill might be impaired. An impairment loss is recognized if the carrying value of a reporting unit's goodwill exceeds its fair value.

As a result of all acquisitions completed, total goodwill was \$69.2 million as of December 31, 2020 and \$49.9 million as of December 31, 2019. The increase in the goodwill balance was primarily due to additions associated with our acquisitions in the water sector. All of our goodwill is related to water and wastewater acquisitions and is included in the other category for segment reporting purposes. The annual impairment assessment of goodwill occurs in the fourth quarter of each year. There have been no impairments recognized to date.

## **16. DERIVATIVE INSTRUMENTS**

NW Natural enters into financial derivative contracts to hedge a portion of the NGD segment's natural gas sales requirements. These contracts include swaps, options, and combinations of option contracts. These derivative financial instruments are primarily used to manage commodity price variability. A small portion of NW Natural's derivative hedging strategy involves foreign currency forward contracts.

NW Natural enters into these financial derivatives, up to prescribed limits, primarily to hedge price variability related to term physical gas supply contracts as well as to hedge spot purchases of natural gas. The foreign currency forward contracts are used to hedge the fluctuation in foreign currency exchange rates for pipeline demand charges paid in Canadian dollars.

In the normal course of business, NW Natural also enters into indexed-price physical forward natural gas commodity purchase contracts and options to meet the requirements of NGD customers. These contracts qualify for regulatory deferral accounting treatment.

NW Natural also enters into exchange contracts related to the third-party asset management of its gas portfolio, some of which are derivatives that do not qualify for hedge accounting or only partial regulatory deferral, but are subject to NW Natural's regulatory sharing agreement. These derivatives are recognized in operating revenues, net of amounts shared with NGD customers.

#### Notional Amounts

The following table presents the absolute notional amounts related to open positions on NW Natural derivative instruments:

<i>In thousands</i>	At December 31,	
	2020	2019
Natural gas (in therms):		
Financial	784,400	651,540
Physical	457,593	512,849
Foreign exchange	\$ 5,896	\$ 6,650



### **Purchased Gas Adjustment (PGA)**

Derivatives entered into by NW Natural for the procurement or hedging of natural gas for future gas years generally receive regulatory deferral accounting treatment. In general, commodity hedging for the current gas year is completed prior to the start of the gas year, and hedge prices are reflected in the weighted-average cost of gas in the PGA filing. Rates and hedging approaches may vary between states due to different rate structures and mechanisms. In addition, as required with the Washington PGA filing, NW Natural incorporated and began implementing risk-responsive hedging strategies for its Washington gas supplies. Hedge contracts entered into after the start of the PGA period are subject to the PGA incentive sharing mechanism in Oregon. NW Natural entered the 2020-21 and 2019-20 gas years with forecasted sales volumes hedged at 53% and 52% in financial swap and option contracts, and 17% and 19% in physical gas supplies, respectively. Hedge contracts entered into prior to the PGA filing, in September 2020, were included in the PGA for the 2020-21 gas year. Hedge contracts entered into after the PGA filing, and related to subsequent gas years, may be included in future PGA filings and qualify for regulatory deferral.

### **Unrealized and Realized Gain/Loss**

The following table reflects the income statement presentation for the unrealized gains and losses from NW Natural's derivative instruments, which also represents all derivative instruments at NW Holdings:

<i>In thousands</i>	December 31, 2020		December 31, 2019	
	Natural gas commodity	Foreign exchange	Natural gas commodity	Foreign exchange
Benefit (expense) to cost of gas	\$ 7,342	\$ 312	\$ 9,863	\$ 102
Operating revenues (expense)	(1,212)	—	(568)	—
Amounts deferred to regulatory accounts on balance sheet	(6,306)	(312)	(9,376)	(102)
Total gain (loss) in pre-tax earnings	<u>\$ (176)</u>	<u>\$ —</u>	<u>\$ (81)</u>	<u>\$ —</u>

#### Unrealized Gain/Loss

Outstanding derivative instruments related to regulated NGD operations are deferred in accordance with regulatory accounting standards. The cost of foreign currency forward and natural gas derivative contracts are recognized immediately in the cost of gas; however, costs above or below the amount embedded in the current year PGA are subject to a regulatory deferral tariff and therefore, are recorded as a regulatory asset or liability.

#### Realized Gain/Loss

NW Natural realized net gains of \$2.3 million and \$17.9 million for the years ended December 31, 2020 and 2019, respectively, from the settlement of natural gas financial derivative contracts. Realized gains and losses offset the higher or lower cost of gas purchased, resulting in no incremental amounts to collect or refund to customers.

### **Credit Risk Management of Financial Derivatives Instruments**

No collateral was posted with or by NW Natural counterparties as of December 31, 2020 or 2019. NW Natural attempts to minimize the potential exposure to collateral calls by diversifying counterparties and using credit limits to manage liquidity risk. Counterparties generally allow a certain credit limit threshold before requiring NW Natural to post collateral against unrealized loss positions. Given NW Natural's counterparty credit limits and portfolio diversification, it was not subject to collateral calls in 2020 or 2019. The collateral call exposure is set forth under credit support agreements, which generally contain credit limits. NW Natural could also be subject to collateral call exposure where it has agreed to provide adequate assurance, which is not specific as to the amount of credit limit allowed, but could potentially require additional collateral in the event of a material adverse change.

Based upon current commodity financial swap and option contracts outstanding, which reflect unrealized gains of \$13.1 million at December 31, 2020, we have estimated the level of collateral demands, with and without potential adequate assurance calls, using current gas prices and various credit downgrade rating scenarios for NW Natural as follows:

<i>In thousands</i>	(Current Ratings) A+/A3	Credit Rating Downgrade Scenarios			
		BBB+/Baa1	BBB-/Baa2	BBB-/Baa3	Speculative
With Adequate Assurance Calls	\$ —	\$ —	\$ —	\$ —	\$ 51
Without Adequate Assurance Calls	\$ —	\$ —	\$ —	\$ —	\$ 51

NW Natural's financial derivative instruments are subject to master netting arrangements; however, they are presented on a gross basis in the consolidated balance sheets. NW Natural and its counterparties have the ability to set-off obligations to each other under specified circumstances. Such circumstances may include a defaulting party, a credit change due to a merger affecting either party, or any other termination event.

If netted by counterparty, NW Natural's physical and financial derivative position would result in an asset of \$14.1 million and a liability of \$1.3 million as of December 31, 2020, and an asset of \$9.4 million and a liability of \$1.9 million as of December 31, 2019.

NW Natural is exposed to derivative credit and liquidity risk primarily through securing fixed price natural gas commodity swaps with financial counterparties. NW Natural utilizes master netting arrangements through International Swaps and Derivatives Association contracts to minimize this risk along with collateral support agreements with counterparties based on their credit ratings. In certain cases, NW Natural requires guarantees or letters of credit from counterparties to meet its minimum credit requirement standards.

NW Natural's financial derivatives policy requires counterparties to have an investment-grade credit rating at the time the derivative instrument is entered into, and specifies limits on the contract amount and duration based on each counterparty's credit rating. NW Natural does not speculate with derivatives. Derivatives are used to hedge exposure above risk tolerance limits. Increases in market risk created by the use of derivatives is offset by the exposures they modify.

We actively monitor NW Natural's derivative credit exposure and place counterparties on hold for trading purposes or require other forms of credit assurance, such as letters of credit, cash collateral, or guarantees as circumstances warrant. The ongoing assessment of counterparty credit risk includes consideration of credit ratings, credit default swap spreads, bond market credit spreads, financial condition, government actions, and market news. A Monte Carlo simulation model is used to estimate the change in credit and liquidity risk from the volatility of natural gas prices. The results of the model are used to establish trading limits. NW Natural's outstanding financial derivatives at December 31, 2020 mature by October 31, 2022.

We could become materially exposed to credit risk with one or more of our counterparties if natural gas prices experience a significant increase. If a counterparty were to become insolvent or fail to perform on its obligations, we could suffer a material loss; however, we would expect such a loss to be eligible for regulatory deferral and rate recovery, subject to a prudence review. All of our existing counterparties currently have investment-grade credit ratings.

#### **Fair Value**

In accordance with fair value accounting, NW natural includes non-performance risk in calculating fair value adjustments. This includes a credit risk adjustment based on the credit spreads of NW Natural counterparties when in an unrealized gain position, or on NW Natural's own credit spread when it is in an unrealized loss position. The inputs in our valuation models include natural gas futures, volatility, credit default swap spreads, and interest rates. Additionally, the assessment of non-performance risk is generally derived from the credit default swap market and from bond market credit spreads. The impact of the credit risk adjustments for all outstanding derivatives was immaterial to the fair value calculation at December 31, 2020. As of December 31, 2020 and 2019, the net fair value was an asset of \$12.8 million and \$7.5 million, respectively, using significant other observable, or Level 2, inputs. No Level 3 inputs were used in our derivative valuations during the years ended December 31, 2020 and 2019.

### **17. COMMITMENTS AND CONTINGENCIES**

#### **Gas Purchase and Pipeline Capacity Purchase and Release Commitments**

NW Natural has signed agreements providing for the reservation of firm pipeline capacity under which it is required to make fixed monthly payments for contracted capacity. The pricing component of the monthly payment is established, subject to change, by U.S. or Canadian regulatory bodies, or is established directly with private counterparties, as applicable. In addition, NW Natural has entered into long-term agreements to release firm pipeline capacity. NW Natural also enters into short-term and long-term gas purchase agreements.

The aggregate amounts of these agreements were as follows at December 31, 2020:

<i>In thousands</i>	Gas Purchase Agreements	Pipeline Capacity Purchase Agreements	Pipeline Capacity Release Agreements
2021	\$ 83,475	\$ 77,748	\$ 7,892
2022	—	80,646	7,182
2023	—	78,503	3,632
2024	—	73,472	3,632
2025	—	71,313	3,027
Thereafter	—	516,291	—
Total	83,475	897,973	25,365
Less: Amount representing interest	25	89,303	162
Total at present value	<u>\$ 83,450</u>	<u>\$ 808,670</u>	<u>\$ 25,203</u>



Total fixed charges under capacity purchase agreements were \$81.8 million for 2020, \$82.2 million for 2019, and \$82.6 million for 2018, of which \$4.8 million, \$4.3 million, and \$4.3 million, respectively, related to capacity releases. In addition, per-unit charges are required to be paid based on the actual quantities shipped under the agreements. In certain take-or-pay purchase commitments, annual deficiencies may be offset by prepayments subject to recovery over a longer term if future purchases exceed the minimum annual requirements.

### **Leases**

Refer to Note 7 for a discussion of lease commitments and contingencies.

### **Environmental Matters**

Refer to Note 18 for a discussion of environmental commitments and contingencies.

## **18. ENVIRONMENTAL MATTERS**

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NW Natural owns, or previously owned, properties that may require environmental remediation or action. The range of loss for environmental liabilities is estimated based on current remediation technology, enacted laws and regulations, industry experience gained at similar sites, and an assessment of the probable level of involvement and financial condition of other potentially responsible parties (PRPs). When amounts are prudently expended related to site remediation of those sites described herein, NW Natural has recovery mechanisms in place to collect 96.7% of remediation costs allocable to Oregon customers and 3.3% of costs allocable to Washington customers.

These sites are subject to the remediation process prescribed by the Environmental Protection Agency (EPA) and the Oregon Department of Environmental Quality (ODEQ). The process begins with a remedial investigation (RI) to determine the nature and extent of contamination and then a risk assessment (RA) to establish whether the contamination at the site poses unacceptable risks to humans and the environment. Next, a feasibility study (FS) or an engineering evaluation/cost analysis (EE/CA) evaluates various remedial alternatives. It is at this point in the process when NW Natural is able to estimate a range of remediation costs and record a reasonable potential remediation liability, or make an adjustment to the existing liability. From this study, the regulatory agency selects a remedy and issues a Record of Decision (ROD). After a ROD is issued, NW Natural would seek to negotiate a consent decree or consent judgment for designing and implementing the remedy. NW Natural would have the ability to further refine estimates of remediation liabilities at that time.

Remediation may include treatment of contaminated media such as sediment, soil and groundwater, removal and disposal of media, institutional controls such as legal restrictions on future property use, or natural recovery. Following construction of the remedy, the EPA and ODEQ also have requirements for ongoing maintenance, monitoring and other post-remediation care that may continue for many years. Where appropriate and reasonably known, NW Natural will provide for these costs in the remediation liabilities described below.

Due to the numerous uncertainties surrounding the course of environmental remediation and the preliminary nature of several site investigations, in some cases, NW Natural may not be able to reasonably estimate the high end of the range of possible loss. In those cases, the nature of the possible loss has been disclosed, as has the fact that the high end of the range cannot be reasonably estimated where a range of potential loss is available. Unless there is an estimate within the range of possible losses that is more likely than other cost estimates within that range, NW Natural records the liability at the low end of this range. It is likely changes in these estimates and ranges will occur throughout the remediation process for each of these sites due to the continued evaluation and clarification concerning responsibility, the complexity of environmental laws and regulations and the determination by regulators of remediation alternatives. In addition to remediation costs, NW Natural could also be subject to Natural Resource Damages (NRD) claims. NW Natural will assess the likelihood and probability of each claim and recognize a liability if deemed appropriate. Refer to "Other Portland Harbor" below.

## Environmental Sites

The following table summarizes information regarding liabilities related to environmental sites, which are recorded in other current liabilities and other noncurrent liabilities in NW Natural's balance sheet at December 31:

<i>In thousands</i>	Current Liabilities		Non-Current Liabilities	
	2020	2019	2020	2019
Portland Harbor site:				
Gasco/Siltronic Sediments	\$ 7,596	\$ 11,632	\$ 43,725	\$ 46,082
Other Portland Harbor	1,942	2,543	7,020	6,920
Gasco/Siltronic Upland site	14,887	14,203	40,250	43,616
Central Service Center site	—	—	—	—
Front Street site	3,816	10,847	1,107	—
Oregon Steel Mills	—	—	179	179
Total	<u>\$ 28,241</u>	<u>\$ 39,225</u>	<u>\$ 92,281</u>	<u>\$ 96,797</u>

### Portland Harbor Site

The Portland Harbor is an EPA listed Superfund site that is approximately 10 miles long on the Willamette River and is adjacent to NW Natural's Gasco uplands site. NW Natural is one of over one hundred PRPs, each jointly and severally liable, at the Superfund site. In January 2017, the EPA issued its Record of Decision, which selects the remedy for the clean-up of the Portland Harbor site (Portland Harbor ROD). The Portland Harbor ROD estimates the present value total cost at approximately \$1.05 billion with an accuracy between -30% and +50% of actual costs.

NW Natural's potential liability is a portion of the costs of the remedy for the entire Portland Harbor Superfund site. The cost of that remedy is expected to be allocated among more than one hundred PRPs. NW Natural is participating in a non-binding allocation process with the other PRPs in an effort to resolve its potential liability. The Portland Harbor ROD does not provide any additional clarification around allocation of costs among PRPs; accordingly, NW Natural has not modified any of the recorded liabilities at this time as a result of the issuance of the Portland Harbor ROD.

NW Natural manages its liability related to the Superfund site as two distinct remediation projects, the Gasco/Siltronic Sediments and Other Portland Harbor projects.

**GASCO/SILTRONIC SEDIMENTS.** In 2009, NW Natural and Siltronic Corporation entered into a separate Administrative Order on Consent with the EPA to evaluate and design specific remedies for sediments adjacent to the Gasco uplands and Siltronic uplands sites. NW Natural submitted a draft EE/CA to the EPA in May 2012 to provide the estimated cost of potential remedial alternatives for this site. In March 2020, NW Natural and the EPA amended the Administrative Order on Consent to include additional remedial design activities downstream of the Gasco sediments site and in the navigation channel. Siltronic Corporation is not a party to the amended order. At this time, the estimated costs for the various sediment remedy alternatives in the draft EE/CA for the additional studies and design work needed before the cleanup can occur, and for regulatory oversight throughout the cleanup range from \$51.3 million to \$350 million. NW Natural has recorded a liability of \$51.3 million for the Gasco sediment clean-up, which reflects the low end of the range. At this time, we believe sediments at the Gasco sediments site represent the largest portion of NW Natural's liability related to the Portland Harbor site discussed above.

**OTHER PORTLAND HARBOR.** While we believe liabilities associated with the Gasco/Siltronic sediments site represent NW Natural's largest exposure, there are other potential exposures associated with the Portland Harbor ROD, including NRD costs and harborwide remedial design and cleanup costs (including downstream petroleum contamination), for which allocations among the PRPs have not yet been determined.

NW Natural and other parties have signed a cooperative agreement with the Portland Harbor Natural Resource Trustee council to participate in a phased NRD assessment to estimate liabilities to support an early restoration-based settlement of NRD claims. One member of this Trustee council, the Yakama Nation, withdrew from the council in 2009, and in 2017, filed suit against NW Natural and 29 other parties seeking remedial costs and NRD assessment costs associated with the Portland Harbor site, set forth in the complaint. The complaint seeks recovery of alleged costs totaling \$0.3 million in connection with the selection of a remedial action for the Portland Harbor site as well as declaratory judgment for unspecified future remedial action costs and for costs to assess the injury, loss or destruction of natural resources resulting from the release of hazardous substances at and from the Portland Harbor site. The Yakama Nation has filed two amended complaints addressing certain pleading defects and dismissing the State of Oregon. On the motion of NW Natural and certain other defendants the federal court has stayed the case pending the outcome of the non-binding allocation proceeding discussed above. NW Natural has recorded a liability for NRD claims which is at the low end of the range of the potential liability; the high end of the range cannot be reasonably estimated at this time. The NRD liability is not included in the aforementioned range of costs provided in the Portland Harbor ROD.

#### Gasco Uplands Site

A predecessor of NW Natural, Portland Gas and Coke Company, owned a former gas manufacturing plant that was closed in 1958 (Gasco site) and is adjacent to the Portland Harbor site described above. The Gasco site has been under investigation by NW Natural for environmental contamination under the ODEQ Voluntary Cleanup Program (VCP). It is not included in the range of remedial costs for the Portland Harbor site noted above. The Gasco site is managed in two parts, the uplands portion and the groundwater source control action.

NW Natural submitted a revised Remedial Investigation Report for the uplands to ODEQ in May 2007. In March 2015, ODEQ approved Remedial Assessment (RA) for this site, enabling commencement of work on the FS in 2016. NW Natural has recognized a liability for the remediation of the uplands portion of the site which is at the low end of the range of potential liability; the high end of the range cannot be reasonably estimated at this time.

In October 2016, ODEQ and NW Natural agreed to amend their VCP agreement to incorporate a portion of the Siltronic property adjacent to the Gasco site formerly owned by Portland Gas & Coke between 1939 and 1960 into the Gasco RA and FS, excluding the uplands for Siltronic. Previously, NW Natural was conducting an investigation of manufactured gas plant constituents on the entire Siltronic uplands for ODEQ. Siltronic will be working with ODEQ directly on environmental impacts to the remainder of its property.

In September 2013, NW Natural completed construction of a groundwater source control system, including a water treatment station, at the Gasco site. NW Natural has estimated the cost associated with the ongoing operation of the system and has recognized a liability which is at the low end of the range of potential cost. NW Natural cannot estimate the high end of the range at this time due to the uncertainty associated with the duration of running the water treatment station, which is highly dependent on the remedy determined for both the upland portion as well as the final remedy for Gasco sediment exposure.

#### Other Sites

In addition to those sites above, NW Natural has environmental exposures at three other sites: Central Service Center, Front Street and Oregon Steel Mills. NW Natural may have exposure at other sites that have not been identified at this time. Due to the uncertainty of the design of remediation, regulation, timing of the remediation and in the case of the Oregon Steel Mills site, pending litigation, liabilities for each of these sites have been recognized at their respective low end of the range of potential liability; the high end of the range could not be reasonably estimated at this time.

**CENTRAL SERVICE CENTER SITE.** The investigative phase to characterize the existing site has been completed and determined by the Oregon Department of Environmental Quality (DEQ) to be sufficient to allow for the issuance of a Conditional No Further Action (cNFA). NW Natural is now conducting ongoing environmental monitoring activities through 2024 in order to meet the conditions which were included within the cNFA.

**FRONT STREET SITE.** The Front Street site was the former location of a gas manufacturing plant NW Natural operated (the former Portland Gas Manufacturing site, or PGM). At ODEQ's request, NW Natural conducted a sediment and source control investigation and provided findings to ODEQ. In December 2015, an FS on the former Portland Gas Manufacturing site was completed.

In July 2017, ODEQ issued the PGM ROD. The ROD specifies the selected remedy, which requires a combination of dredging, capping, treatment, and natural recovery. In addition, the selected remedy also requires institutional controls and long-term inspection and maintenance. In September 2020, NW Natural revised its estimate of the remaining cost to construct the remedy to be approximately \$7.1 million. Further, NW Natural has recognized an additional liability of \$4.9 million for munitions and design costs, regulatory and permitting issues, and post-construction work. Construction of the remedy began in early July 2020 and was completed in October 2020.

**OREGON STEEL MILLS SITE.** Refer to "Legal Proceedings," below.

#### **Environmental Cost Deferral and Recovery**

NW Natural has authorizations in Oregon and Washington to defer costs related to remediation of properties that are owned or were previously owned by NW Natural. In Oregon, a Site Remediation and Recovery Mechanism (SRRM) is currently in place to recover prudently incurred costs allocable to Oregon customers, subject to an earnings test. On October 21, 2019 the WUTC authorized an Environmental Cost Recovery Mechanism (ECRM) for recovery of prudently incurred costs allocable to Washington customers beginning November 1, 2019.

The following table presents information regarding the total regulatory asset deferred as of December 31:

<i>In thousands</i>	2020	2019
Deferred costs and interest <sup>(1)</sup>	\$ 44,516	\$ 36,673
Accrued site liabilities <sup>(2)</sup>	120,352	135,662
Insurance proceeds and interest	(69,253)	(79,949)
Total regulatory asset deferral <sup>(1)</sup>	\$ 95,615	\$ 92,386
Current regulatory assets <sup>(3)</sup>	\$ 4,992	\$ 4,762
Long-term regulatory assets <sup>(3)</sup>	\$ 90,623	\$ 87,624

<sup>(1)</sup> Includes pre-review and post-review deferred costs, amounts currently in amortization, and interest, net of amounts collected from customers. In Oregon, NW Natural earns a carrying charge on cash amounts paid, whereas amounts accrued but not yet paid do not earn a carrying charge until expended. NW Natural also accrues a carrying charge on insurance proceeds for amounts owed to customers. In Washington, neither the cash paid nor insurance proceeds accrue a carrying charge.

<sup>(2)</sup> Excludes 3.3% of the Front Street site liability, or \$0.2 million in 2020 and \$0.4 million in 2019, as the OPUC only allows recovery of 96.7% of costs for those sites allocable to Oregon, including those that historically served only Oregon customers.

<sup>(3)</sup> Environmental costs relate to specific sites approved for regulatory deferral by the OPUC and WUTC. In Oregon, NW Natural earns a carrying charge on cash amounts paid, whereas amounts accrued but not yet paid do not earn a carrying charge until expended. It also accrues a carrying charge on insurance proceeds for amounts owed to customers. In Washington, neither the cash paid nor insurance proceeds received accrue a carrying charge. Current environmental costs represent remediation costs management expects to collect from customers in the next 12 months. Amounts included in this estimate are still subject to a prudence and earnings test review by the OPUC and do not include the \$5.0 million tariff rider. The amounts allocable to Oregon are recoverable through NGD rates, subject to an earnings test. See "Oregon SRRM" below.

## **Oregon SRRM**

### Collections From Oregon Customers

Under the SRRM collection process, there are three types of deferred environmental remediation expense:

- Pre-review - This class of costs represents remediation spend that has not yet been deemed prudent by the OPUC. Carrying costs on these remediation expenses are recorded at NW Natural's authorized cost of capital. NW Natural anticipates the prudence review for annual costs and approval of the earnings test prescribed by the OPUC to occur by the third quarter of the following year.
- Post-review - This class of costs represents remediation spend that has been deemed prudent and allowed after applying the earnings test, but is not yet included in amortization. NW Natural earns a carrying cost on these amounts at a rate equal to the five-year treasury rate plus 100 basis points.
- Amortization - This class of costs represents amounts included in current customer rates for collection and is generally calculated as one-fifth of the post-review deferred balance. NW Natural earns a carrying cost equal to the amortization rate determined annually by the OPUC, which approximates a short-term borrowing rate.

In addition to the collection amount noted above, an order issued by the OPUC provides for the annual collection of \$5.0 million from Oregon customers through a tariff rider. As NW Natural collects amounts from customers, it recognizes these collections as revenue and separately amortizes an equal and offsetting amount of its deferred regulatory asset balance through the environmental remediation operating expense line shown separately in the operating expense section of the income statement.

NW Natural received total environmental insurance proceeds of approximately \$150 million as a result of settlements from litigation that was dismissed in July 2014. Under a 2015 OPUC order which established the SRRM, one-third of the Oregon allocated proceeds were applied to costs deferred through 2012 with the remaining two-thirds applied to costs at a rate of \$5.0 million per year plus interest over the following 20 years. NW Natural accrues interest on the Oregon allocated insurance proceeds in the customer's favor at a rate equal to the five-year treasury rate plus 100 basis points. As of December 31, 2020, NW Natural has applied \$83.2 million of insurance proceeds to prudently incurred remediation costs allocated to Oregon.

### Environmental Earnings Test

To the extent NW Natural earns at or below its authorized Return on Equity (ROE) as defined by the SRRM, remediation expenses and interest in excess of the \$5.0 million tariff rider and \$5.0 million insurance proceeds are recoverable through the SRRM. To the extent NW Natural earns more than its authorized ROE in a year, it is required to cover environmental expenses and interest on expenses greater than the \$10.0 million with those earnings that exceed its authorized ROE.

## **Washington ECRM**

### Washington Deferral

On October 21, 2019, the WUTC issued an order (WUTC Order) establishing the ECRM which allows for recovery of past deferred and future prudently incurred environmental remediation costs allocable to Washington customers through application of insurance proceeds and collections from customers. Environmental remediation expenses relating to sites that previously served both Oregon and Washington customers are allocated between states with Washington customers receiving 3.3% percent of the costs and insurance proceeds.

As a result of the WUTC Order, in the fourth quarter of 2019, approximately \$3.0 million of prudently incurred costs deferred from the initial deferral authorization in February 2011 through November 2018 were fully offset with insurance proceeds. In addition, approximately \$1.5 million of disallowed deferred environmental remediation expenses incurred prior to the deferral authorization were charged to environmental remediation expense.

Insurance proceeds will be fully applied to costs incurred between December 2018 and June 2019 once deemed prudent in future rate proceedings. Remaining insurance proceeds will be amortized over a 10.5 year period ending December 31, 2029. On an annual basis, NW Natural will file for a prudence determination and a request to amortize costs to the extent that remediation expenses exceed the insurance amortization. After insurance proceeds are fully amortized, if in a particular year the request to collect deferred amounts exceeds one percent of Washington normalized revenues, then the excess will be collected over three years with interest.

### **Legal Proceedings**

NW Holdings is not currently party to any direct claims or litigation, though in the future it may be subject to claims and litigation arising in the ordinary course of business.

NW Natural is subject to claims and litigation arising in the ordinary course of business, including the matters discussed above. Although the final outcome of any of these legal proceedings cannot be predicted with certainty, including the matter described below, NW Natural and NW Holdings do not expect that the ultimate disposition of any of these matters will have a material effect on financial condition, results of operations, or cash flows.

#### Oregon Steel Mills Site

In 2004, NW Natural was served with a third-party complaint by the Port of Portland (the Port) in a Multnomah County Circuit Court case, Oregon Steel Mills, Inc. v. The Port of Portland. The Port alleges that in the 1940s and 1950s petroleum wastes generated by NW Natural's predecessor, Portland Gas & Coke Company, and 10 other third-party defendants, were disposed of in a waste oil disposal facility operated by the United States or Shaver Transportation Company on property then owned by the Port and now owned by Evraz Oregon Steel Mills. The complaint seeks contribution for unspecified past remedial action costs incurred by the Port regarding the former waste oil disposal facility as well as a declaratory judgment allocating liability for future remedial action costs. No date has been set for trial. In August 2017, the case was stayed pending the outcome of the Portland Harbor allocation process or other mediation. Although the final outcome of this proceeding cannot be predicted with certainty, NW Natural and NW Holdings do not expect the ultimate disposition of this matter will have a material effect on NW Natural's or NW Holdings' financial condition, results of operations, or cash flows.

For additional information regarding other commitments and contingencies, see Note 17.

## **19. DISCONTINUED OPERATIONS**

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### NW Holdings

On June 20, 2018, NWN Gas Storage, then a wholly-owned subsidiary of NW Natural, entered into a Purchase and Sale Agreement (the Agreement) that provided for the sale by NWN Gas Storage of all of the membership interests in Gill Ranch. Gill Ranch owns a 75% interest in the natural gas storage facility located near Fresno, California known as the Gill Ranch Gas Storage Facility.

On December 4, 2020, NWN Gas Storage closed the sale of all of the membership interests in Gill Ranch and received payment of the initial cash purchase price of \$13.5 million less the \$1.0 million deposit previously paid. Furthermore, additional payments to NWN Gas Storage may be made subject to a maximum amount of \$15.0 million in the aggregate (subject to a working capital adjustment) based on the economic performance of Gill Ranch for each full gas storage year (April 1 of one year through March 31 of the following year) occurring after the closing and the remaining portion of the 2020-2021 gas storage year and will continue until such time as the maximum amount has been paid. The fair value of this arrangement at the closing date was zero based on a discounted cash flow forecast. Subsequent changes in the fair value will be recorded in earnings. The completion of the sale resulted in an after-tax gain of \$5.9 million.

The following table presents the operating results of Gill Ranch and is presented net of tax on NW Holdings' consolidated statements of comprehensive income:

<i>In thousands, except per share data</i>	NW Holdings Discontinued Operations		
	2020	2019	2018
Revenues	\$ 10,193	\$ 5,301	\$ 3,579
Expenses			
Operations and maintenance	7,931	8,587	5,771
General taxes	198	219	479
Depreciation and amortization	391	423	430
Other expenses and interest	848	931	609
Total expenses	9,368	10,160	7,289
Income (loss) from discontinued operations	825	(4,859)	(3,710)
Gain on sale of discontinued operations	8,027	—	—
Income (loss) from discontinued operations before income tax	8,852	(4,859)	(3,710)
Income tax expense (benefit) <sup>(1)</sup>	2,344	(1,283)	(968)
Income (loss) from discontinued operations, net of tax	<u>\$ 6,508</u>	<u>\$ (3,576)</u>	<u>\$ (2,742)</u>

<sup>(1)</sup> Includes income tax expense of \$2.1 million related to the sale of Gill Ranch for the year ended December 31, 2020.

As a result of the disposition of the membership interests of Gill Ranch, there were no assets or liabilities classified as held for sale at December 31, 2020. The assets and liabilities of the discontinued operations classified as held for sale in the consolidated balance sheet at December 31, 2019 include the following:

<i>In thousands</i>	NW Holdings Discontinued Operations	
	2019	
Assets:		
Accounts receivable	\$	333
Inventories		695
Other current assets		457
Property, plant, and equipment, net		13,284
Operating lease right of use asset		118
Other non-current assets		247
Total discontinued operations assets - current assets <sup>(1)</sup>	<u>\$</u>	<u>15,134</u>
Liabilities:		
Accounts payable	\$	1,250
Other current liabilities		848
Operating lease liabilities		116
Other non-current liabilities		11,495
Total discontinued operations liabilities - current liabilities <sup>(1)</sup>	<u>\$</u>	<u>13,709</u>

<sup>(1)</sup> The total assets and liabilities of Gill Ranch were classified as current because it was probable that the sale would be completed within one year.

### **NW Natural**

As part of the holding company reorganization in October 2018, NWN Energy, NWN Gas Storage, Gill Ranch, NNG Financial, NWN Water, and NW Holdings, which were direct and indirect subsidiaries of NW Natural prior to the reorganization, are no longer subsidiaries of NW Natural. See Note 1 for additional information. As a result, NW Natural's financial statements reflect amounts related to these entities as discontinued operations for all periods presented. The expenses included in the results of discontinued operations are the direct operating expenses incurred by the entities that may be reasonably segregated from the costs of NW Natural's continuing operations.

The following table presents the operating results prior to the holding company reorganization effective October 1, 2018 of NWN Energy, NWN Gas Storage, Gill Ranch, NNG Financial, NWN Water, and NW Holdings, which were historically reported within the gas storage segment and other, and is presented net of tax on NW Natural's consolidated statements of comprehensive income:

	NW Natural Discontinued Operations	
<i>In thousands, except per share data</i>	2018	
Revenues	\$	3,016
Expenses		
Operations and maintenance		4,151
General taxes		448
Depreciation and amortization		420
Other expenses and interest		342
Total expenses		5,361
Loss from discontinued operations before income tax		(2,345)
Income tax benefit		(622)
Loss from discontinued operations, net of tax	\$	(1,723)



<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Line No.	Item (a)	Total (b)
1	UTILITY PLANT	
2	In Service	
3	Plant in Service (Classified)	2,705,046,468
4	Property Under Capital Leases	87,581,610
5	Plant Purchased or Sold	
6	Completed Construction not Classified	969,498,053
7	Experimental Plant Unclassified	—
8	TOTAL Utility Plant (Total of lines 3 thru 7)	3,762,126,131
9	Leased to Others	—
10	Held for Future Use	970,068
11	Construction Work in Progress	61,577,633
12	Acquisition Adjustments	—
13	TOTAL Utility Plant (Total of lines 8 thru 12)	3,824,673,832
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,497,763,147
15	Net Utility Plant (Enter Total of line 13 less 14)	2,326,910,685
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	1,446,370,667
19	Amortization and Depl. of Producing Natural Gas Land and Land Rights	
20	Amortization. of Underground Storage Land and Land Rights	33,571
21	Amortization. of Other Utility Plant	103,755,502
22	Salvage Work In Progress	
23	Less Removal Work In Progress	52,396,593
24	TOTAL In Service (Total of lines 18 thru 22 less line 23)	1,497,763,147
25	Leased to Others	
26	Depreciation	—
27	Amortization and Depletion	—
28	TOTAL Leased to Others (Total of lines 26 and 27)	—
29	Held for Future Use	
30	Depreciation	—
31	Amortization	—
32	TOTAL Held for Future Use (Total of lines 30 and 31)	—
33	Abandonment of Leases (Natural Gas)	—
34	Amortization of Plant Acquisition Adjustment	—
35	TOTAL Accumulated Provisions (Should agree with line 14 above) (Total of lines 24, 28, 32, 33, and 34)	1,497,763,147



<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)				
Electric (c)	Gas (d)	Other (Specify) (e)	Common (f)	Line No.
				1
				2
	2,705,046,468			3
	87,581,610			4
				5
	969,498,053			6
	—			7
	3,762,126,131			8
	—			9
	970,068			10
	61,577,633			11
	—			12
	3,824,673,832			13
	1,497,763,147			14
	2,326,910,685			15
				16
				17
	1,446,370,667			18
				19
	33,571			20
	103,755,502			21
				22
	52,396,593			23
	1,497,763,147			24
				25
	—			26
	—			27
	—			28
				29
	—			30
	—			31
	—			32
	—			33
	—			34
	1,497,763,147			35

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**Gas Plant in Service (Accounts 101, 102, 103, and 106)**

1. Report below the original cost of gas plant in service according to the prescribed accounts.
2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold, Account 103, Experimental Gas Plant Unclassified, and Account 106, Completed Construction Not Classified-Gas.
3. Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.
4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.
6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits to primary account classifications.
7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.
8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

**SEE FOLLOWING PAGES**

## ACCOUNT SUMMARY BY FUNCTIONAL CLASS

NW Natural

Period Beginning: January 2020

Period Ending: December 2020

Functional Class		Beginning					Ending
FERC Plant Account		Balance	Additions	Retirements	Transfers	Adjustments	Balance*
UTILITY							
Intangible Plant							
301	ORGANIZATION	1,174	—	—	—	—	1,174
302	FRANCHISES & CONSENTS	83,621	—	—	—	—	83,621
303.1	COMPUTER SOFTWARE	88,905,539	41,709,266	—	—	—	130,614,805
303.2	CUSTOMER INFORMATION SYSTEM	32,348,168	—	—	—	—	32,348,168
303.3	INDUSTRIAL & COMMERCIAL BIL	4,146,951	—	—	—	—	4,146,951
303.4	CRMS	682,893	—	(682,893)	—	—	—
303.5	POWERPLANT SOFTWARE	—	—	—	—	—	—
303.6	NMEP COMPUTER SOFTWARE	452,044	3,807	—	—	—	455,851
303.7	CLOUD-BASED SOFTWARE	—	4,264,625	—	—	—	4,264,625
Intangible Plant Subtotal*		126,620,390	45,977,698	(682,893)	—	—	171,915,195
Production Plant - Oil Gas							
304.1	LAND	24,998	—	—	—	—	24,998
305.2	P P O G STRU & IMPR-SEWER S	—	—	—	—	—	—
305.5	P P O G STRU & IMPR-OTHER Y	13,156	—	—	—	—	13,156
312.3	P P O G FUEL HANDLING AND S	—	—	—	—	—	—
318.3	P P O G LIGHT OIL REFINING	144,896	—	—	—	—	144,896
318.5	P P O G TAR PROCESSING	243,551	—	—	—	—	243,551
325	NATURAL GAS PROD AND GATHER	—	—	—	—	—	—
327	NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—
328	NATURAL GAS PROD AND GATHER	—	—	—	—	—	—
331	NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—
332	NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—
333	NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—
334	NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—
Production Plant - Oil Gas Subtotal*		426,601	—	—	—	—	426,601
Production Plant - Other							
305.11	GAS PRODUCTION - COTTAGE G	8,320	—	—	—	—	8,320
305.17	STRUCTURES MIXING STATION	46,587	—	—	—	—	46,587
311	P P OTHER-LIQUEFIED PETROLE	—	—	—	—	—	—
311.4	P P OTHER-L P G GRANGER	—	—	—	—	—	—
311.7	LIQUIFIED GAS EQUIPMENT COO	4,033	—	—	—	—	4,033
311.8	LIQUIFIED GAS EQUIPMENT LIN	4,209	—	—	—	—	4,209
319	GAS MIXING EQUIPMENT GASCO	185,448	—	—	—	—	185,448
Production Plant - Other Subtotal*		248,597	—	—	—	—	248,597

\* May not foot due to rounding.

**ACCOUNT SUMMARY BY FUNCTIONAL CLASS**

NW Natural

Period Beginning: January 2020

Period Ending: December 2020

Functional Class		Beginning					Ending
FERC Plant Account		Balance	Additions	Retirements	Transfers	Adjustments	Balance*
<b>UTILITY</b>							
<b>Natural Gas Underground Storage</b>							
350.1	LAND	106,549	—	—	—	—	106,549
350.2	RIGHTS-OF-WAY	109,625	—	—	—	—	109,625
350.3	NMEP RIGHTS-OF-WAY	538,145	(65)	—	—	—	538,079
350.4	NMEP LAND	461,268	(56)	—	—	—	461,212
351	STRUCTURES AND IMPROVEMENTS	8,634,151	—	—	—	—	8,634,151
351.1	NMEP STRUCTURES AND IMPROVEMENTS	6,784,473	331,968	—	—	—	7,116,441
352	WELLS	25,605,819	3,541,220	—	—	—	29,147,039
352.1	STORAGE LEASEHOLD & RIGHTS	3,938,491	—	—	—	—	3,938,491
352.2	RESERVOIRS	7,272,553	—	—	—	—	7,272,553
352.3	NON-RECOVERABLE NATURAL GAS	6,440,890	—	—	—	—	6,440,890
352.4	NMEP WELLS	16,159,768	109,114	—	—	—	16,268,882
352.5	NMEP STORAGE LEASEHOLD & RIGHTS	2,619,103	6,258	—	—	—	2,625,361
352.6	NMEP RESERVOIRS	2,619,103	6,258	—	—	—	2,625,361
352.7	NMEP NON-RECOVERABLE NATURAL GAS	2,696,233	6,429	—	—	—	2,702,662
353	LINES	8,087,704	119,676	—	—	—	8,207,380
353.1	NMEP LINES	332,621	20,111	—	—	—	352,733
354	COMPRESSOR STATION EQUIPMENT	32,592,775	—	(5,000,000)	—	—	27,592,775
354.7	NMEP COMPRESSOR STATION EQUIPMENT	27,599,508	385,505	—	—	—	27,985,014
355	MEASURING / REGULATING EQUIPM	7,484,620	2,173,461	—	—	—	9,658,080
355.1	NMEP MEASURING/REGULATING EQUIPMENT	15,519,402	428,258	—	—	—	15,947,660
356	PURIFICATION EQUIPMENT	363,765	27,819,071	—	—	—	28,182,836
357	OTHER EQUIPMENT	2,359,566	2,237,165	—	—	—	4,596,732
Natural Gas Underground Storage Subtotal*		178,326,133	37,184,372	(5,000,000)	—	—	210,510,505

\* May not foot due to rounding.

ACCOUNT SUMMARY BY FUNCTIONAL CLASS  
NW Natural

						Period Beginning:	January 2020
						Period Ending:	December 2020
Functional Class		Beginning					Ending
FERC Plant Account		Balance	Additions	Retirements	Transfers	Adjustments	Balance*
<b>UTILITY</b>							
<b>LOCAL STORAGE PLANT</b>							
360.11	LAND - LNG LINNTON	83,598	—	—	—	—	83,598
360.12	LAND - LNG NEWPORT	536,675	—	—	—	—	536,675
360.2	LAND - OTHER	106,557	—	—	—	—	106,557
361.11	STRUCTURES & IMPROVEMENTS	10,671,914	44,126	—	—	—	10,716,040
361.12	STRUCTURES & IMPROVEMENTS	12,096,752	27,918	—	—	—	12,124,670
361.2	STRUCTURES & IMPROVEMENTS -	26,757	—	—	—	—	26,757
362.11	GAS HOLDERS - LNG LINNTON	4,556,064	—	—	—	—	4,556,064
362.12	GAS HOLDERS - LNG NEWPORT	5,927,104	—	—	—	—	5,927,104
362.2	GAS HOLDERS - LNG OTHER	1,600	—	—	—	—	1,600
363.11	LIQUEFACTION EQUIP. - LINN	3,375,541	74,661	—	—	—	3,450,202
363.12	LIQUEFACTION EQUIP - NEWPO	15,748,404	—	—	—	—	15,748,404
363.21	VAPORIZING EQUIP - LINNTON	4,458,618	—	—	—	—	4,458,618
363.22	VAPORIZING EQUIP - NEWPORT	3,739,813	2,967,836	—	—	—	6,707,649
363.31	COMPRESSOR EQUIP - LINNTON	180,903	—	—	—	—	180,903
363.32	COMPRESSOR EQUIPMENT - NE	4,623,311	121,183	—	—	—	4,744,494
363.41	MEASURING & REGULATING EQU	2,878,465	366,419	—	—	—	3,244,885
363.42	MEASURING & REGULATING EQU	10,562,079	101,307	—	—	—	10,663,386
363.5	CNG REFUELING FACILITIES	3,051,295	—	—	—	—	3,051,295
363.6	LNG REFUELING FACILITIES	739,473	—	—	—	—	739,473
Local Storage Plant Subtotal *		83,364,925	3,703,450	—	—	—	87,068,375
<b>TRANSMISSION PLANT</b>							
365.1	LAND	1,015,597	—	—	—	—	1,015,597
365.2	LAND RIGHTS	6,455,177	—	—	—	—	6,455,177
365.3	NMEP LAND RIGHTS	538,142	(65)	—	—	—	538,076
366.3	STRUCTURES & IMPROVEMENTS	1,546,073	—	—	—	—	1,546,073
367	MAINS	179,027,188	9,249,371	—	—	—	188,276,559
367.21	NORTH MIST TRANSMISSION LI	1,994,582	—	—	—	—	1,994,582
367.22	SOUTH MIST TRANSMISSION LI	14,949,264	—	—	—	—	14,949,264
367.23	SOUTH MIST TRANSMISSION LI	34,881,341	—	—	—	—	34,881,341
367.24	11.7M NORTH S MIST TRANS	17,466,182	—	—	—	—	17,466,182
367.25	12M NORTH S MIST TRANS	18,613,651	—	—	—	—	18,613,651
367.26	38M NORTH S MIST TRANS	68,232,676	—	—	—	—	68,232,676
367.27	NMEP MAINS	66,807,090	136,422	—	—	—	66,943,512
368	TRANSMISSION COMPRESSOR	—	—	—	—	—	—
369	MEASURING & REGULATE STATION	3,969,549	—	—	—	—	3,969,549
370	COMMUNICATION EQUIPMENT	—	—	—	—	—	—
Transmission Plant Subtotal *		415,496,511	9,385,728	—	—	—	424,882,239

\* May not foot due to rounding.

ACCOUNT SUMMARY BY FUNCTIONAL CLASS  
NW Natural

		Period Beginning: January 2020					Period Ending: December 2020
Functional Class		Beginning					Ending
FERC Plant Account		Balance	Additions	Retirements	Transfers	Adjustments	Balance*
UTILITY							
Distribution Plant							
374.1	LAND	85,773	125,919	—	—	—	211,692
374.2	LAND RIGHTS	1,886,181	—	—	—	—	1,886,181
375	STRUCTURES & IMPROVEMENTS	1,519,558	—	—	—	—	1,519,558
376.11	MAINS < 4"	638,110,626	20,447,374	(82,403)	—	—	658,475,598
376.12	MAINS 4" & >	614,721,821	50,963,555	(7,040)	—	—	665,678,336
376.13	NMEP MAINS HP 4" & >	614,976	—	—	—	—	614,976
377	COMPRESSOR STATION EQUIPMENT	818,380	—	—	—	—	818,380
378	MEASURING & REG EQUIP - GENER	38,325,632	2,814,027	—	—	—	41,139,659
379	MEASURING & REG EQUIP - GATE	16,201,552	1,909,065	—	—	—	18,110,617
380	SERVICES	837,805,413	37,756,759	(135,451)	—	—	875,426,721
381	METERS	100,787,881	10,529,596	(4,769,124)	—	—	106,548,353
381.1	METERS (ELECTRONIC)	1,696,938	—	—	—	—	1,696,938
381.2	ERT (ENCODER RECEIVER TRANS	43,696,164	4,070,488	(4,090,445)	—	—	43,676,207
382	METER INSTALLATIONS	64,249,637	4,993,188	(5,030,201)	—	—	64,212,623
382.1	METER INSTALLATIONS (ELECTR	481,020	—	—	—	—	481,020
382.2	ERT INSTALLATION (ENCODER	8,972,506	580,100	(377,910)	—	—	9,174,696
383	HOUSE REGULATORS	2,419,652	134,095	—	—	—	2,553,748
386	OTHER PROPERTY ON CUSTOMERS P	1,162,110	—	—	—	—	1,162,110
386.1	MULTI-FAMILY METER ROOMS	—	—	—	—	—	—
387.1	CATHODIC PROTECTION TESTING	173,859	—	—	—	—	173,859
387.2	CALORIMETERS @ GATE STATIONS	96,424	—	—	—	—	96,424
387.3	METER TESTING EQUIPMENT	72,671	—	—	—	—	72,671
Distribution Plant Subtotal*		2,373,898,776	134,324,165	(14,492,574)	—	—	2,493,730,367

\* May not foot due to rounding.

## ACCOUNT SUMMARY BY FUNCTIONAL CLASS

NW Natural

Period Beginning: January 2020

Period Ending: December 2020

Functional Class	Beginning					Ending
FERC Plant Account	Balance	Additions	Retirements	Transfers	Adjustments	Balance*
UTILITY						
General Plant						
389 LAND	11,652,361	1,027,613	(55,346)	—	—	12,624,629
390 STRUCTURES & IMPROVEMENTS	74,981,091	1,076,705	(231,371)	—	—	75,826,425
390.1 SOURCE CONTROL PLANT	20,181,707	1,106,565	—	—	—	21,288,272
391.1 OFFICE FURNITURE & EQUIPMEN	8,287,224	8,923,357	(113,981)	—	—	17,096,600
391.2 COMPUTERS	37,535,630	19,659,716	(2,834,260)	—	—	54,361,086
391.3 ON SITE BILLING	—	—	—	—	—	—
391.4 CUSTOMER INFORMATION SYSTEM	—	—	—	—	—	—
391.5 NMEP COMPUTERS	1,537,007	10,041	—	—	—	1,547,048
392 TRANSPORTATION EQUIPMENT	51,660,779	4,392,516	(1,534,186)	—	—	54,519,110
393 STORES EQUIPMENT	119,406	—	—	—	—	119,406
394 TOOLS - SHOP & GARAGE EQUIPUI	14,397,767	2,527,572	—	—	—	16,925,339
395 LABORATORY EQUIPMENT	—	—	—	—	—	—
396 POWER OPERATED EQUIPMENT	12,540,849	1,685,053	(204,308)	—	—	14,021,594
397 GEN PLANT-COMMUNICATION EQU	67,401	—	—	—	—	67,401
397.1 MOBILE	4,223,759	33,131	—	—	—	4,256,890
397.2 OTHER THAN MOBILE & TELEMET	9,958	—	—	—	—	9,958
397.3 TELEMETERING - OTHER	2,433,563	4,370,817	(44,672)	—	—	6,759,709
397.4 TELEMETERING - MICROWAVE	5,178,517	807,638	(262,701)	—	—	5,723,453
397.5 TELEPHONE EQUIPMENT	490,767	—	—	—	—	490,767
398 GEN PLANT-MISCELLANEOUS EQU	—	—	—	—	—	—
398.1 PRINT SHOP	4,359	—	—	—	—	4,359
398.2 KITCHEN EQUIPMENT	12,812	16,052	—	—	—	28,865
398.3 JANITORIAL EQUIPMENT	14,873	—	—	—	—	14,873
398.4 INSTALLED IN LEASED BUILDINGS	10,120	—	—	—	—	10,120
398.5 OTHER MISCELLANEOUS EQUIPMENT	66,739	—	—	—	—	66,739
General Plant Subtotal*	245,406,689	45,636,779	(5,280,825)	—	—	285,762,643
Utility Property Grand Total*	3,423,788,620	276,212,193	(25,456,292)	—	—	3,674,544,521
GL Account 101600	7,204,816					85,743,380
GL Account 101601	452,619					1,227,474
GL Account 101603						610,756
Utility Property Under Capital Leases	7,657,435					87,581,610
Total Utility Plant*	3,431,446,055					3,762,126,131

\* May not foot due to rounding.

**ACCOUNT SUMMARY BY FUNCTIONAL CLASS**

NW Natural

Period Beginning: January 2020

Period Ending: December 2020

Functional Class		Beginning					Ending
FERC Plant Account		Balance	Additions	Retirements	Transfers	Adjustments	Balance*
<b>NON-UTILITY</b>							
<b>Intangible Plant</b>							
303.1	COMPUTER SOFTWARE	163,357	—	—	—	—	163,357
303.2	CUSTOMER INFORMATION SYSTEM	61,429	—	—	—	—	61,429
Non Utility	Intangible Plant Subtotal*	224,786	—	—	—	—	224,786
<b>Natural Gas Underground Storage</b>							
352	WELLS	18,023,755	1,171,410	—	—	—	19,195,165
352.1	STORAGE LEASEHOLD & RIGHTS	1,020	—	—	—	—	1,020
352.2	RESERVOIRS	3,561,501	—	—	—	—	3,561,501
353	LINES	2,571,507	3,555	—	—	—	2,575,062
354	COMPRESSOR STATION EQUIPMENT	12,056,993	779,400	—	—	—	12,836,393
355	MEASURING / REGULATING EQUIPMENT	8,233,817	780,086	—	—	—	9,013,903
357	OTHER EQUIPMENT	63,256	—	—	—	—	63,256
Non Utility	Natural Gas Underground Storage Subtotal*	44,511,849	2,734,452	—	—	—	47,246,301
<b>Transmission Plant</b>							
368	TRANSMISSION COMPRESSOR	7,723,454	—	—	—	—	7,723,454
Non Utility	Transmission Plant Subtotal*	7,723,454	—	—	—	—	7,723,454
<b>Distribution Plant</b>							
376.12	MAINS 4" & >	—	—	—	—	—	—
Non Utility	Distribution Plant Subtotal*	—	—	—	—	—	—
<b>General Plant</b>							
389	LAND	438,739	—	—	—	—	438,739
390	STRUCTURES & IMPROVEMENTS	239,306	10,990	—	—	—	250,296
Non Utility	General Plant Subtotal*	678,045	10,990	—	—	—	689,035

\* May not foot due to rounding.



ACCOUNT SUMMARY BY FUNCTIONAL CLASS  
NW Natural

Period Beginning: January 2020

Period Ending: December 2020

Functional Class		Beginning					Ending
FERC Plant Account		Balance	Additions	Retirements	Transfers	Adjustments	Balance*
<b>NON-UTILITY</b>							
<b>Non Utility Other</b>							
121.1	NON-UTIL PROP-DOCK	1,946,033	—	—	—	—	1,946,033
121.2	NON-UTIL PROP-LAND	125,102	—	—	—	—	125,102
121.3	NON-UTIL PROP-OIL ST	4,635,180	41,541	—	—	—	4,676,720
121.7	NON-UTIL PROP-APPL CENTER	64,906	—	—	—	—	64,906
121.8	NON-UTIL PROP-STORAGE	96,038	—	—	—	—	96,038
Non Utility	Other*	6,867,259	41,541	—	—	—	6,908,800
<b>Non Utility Property Grand Total*</b>		<b>60,005,393</b>	<b>2,786,982</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>62,792,375</b>

**Non Utility Property Summary**

Non Utility Property Grand Total		62,792,375
121117	Gas Stored Underground - St. Helens	3,507,590
121707-8	Construction Work in Progress Non Utility	5,548,398
<b>Balance Sheet Total for Non Utility Property*</b>		<b>71,332,440</b>

\* May not foot due to rounding.

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### Gas Property And Capacity Leased From Others

1. Report below the information called for concerning gas property and capacity leased from others for gas operations.
2. For all leases in which the average annual lease payment over the initial term of the lease exceeds \$500,000, describe in column (c), if applicable: the property or capacity leased. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments for Current Year (d)
1	Northwest Pipeline		Pipeline Capacity	48,725,521
2	Tenaska Marketing Canada "Nova & Foothills"		Pipeline Capacity	11,161,781
3	Fortis BC		Pipeline Capacity	7,323,873
4	TransCanada "Gas Transmission NW"		Pipeline Capacity	4,137,479
5	Tenaska Marketing Cdn. "Southern Crossing"		Pipeline Capacity	3,552,693
6	AB PR QOZB I Property LLC		Corporate Headquarter Building	2,311,587
7	Tenaska Marketing Ventures		Pipeline Capacity	1,947,237
8	One Pacific Square LLC		Corporate Headquarter Building	1,883,169
9	International Paper		Pipeline Capacity	480,192
10	KB Pipeline	*	Pipeline Capacity	224,258
11	Coos County Pipeline		Pipeline Capacity	213,863
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35	<b>Total</b>			<b>81,961,653</b>

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### Gas Plant Held for Future Use (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group property held for future use.

2. For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in this account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Underground Storage	07/2009	Undetermined	127,921
2	Easement	11/2011	Undetermined	136,720
3	Willamette River Crossing - Engineering Costs	05/2015	Undetermined	705,427
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35	<b>Total</b>			<b>970,068</b>

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

Construction Work in Progress - Gas (Account 107)			
1. Report below descriptions and balances at end of year of projects in process of construction (Account 107)			
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).			
3. Minor projects (less than \$1,000,000) may be grouped.			
Line No.	Description of Project (a)	Construction Work in Progress - Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Mains and Service Jobs	19,215,065	23,564,648
2	Other, less than \$1M each	13,916,591	6,370,697
3	Misc Facilities Projects	13,811,106	24,884,857
4	Misc Information Services Projects	10,903,191	33,934,092
5	Portland LNG Readiness	2,445,006	976,385
6	Newport LNG Readiness	946,198	2,110,514
7	North Mist Projects	340,476	2,148,300
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34	<b>Total</b>	<b>61,577,633</b>	<b>93,989,493</b>

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 917) of the Uniform System of Accounts.
3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

### GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. Engineering Department overhead covers transmission and distribution system planning, design work, drafting and platting of construction work.

Distribution Department overhead covers transmission and distribution system work scheduling, field supervision and processing of work completed.

Administrative work overhead includes Purchasing, Accounting and general office expense.

General Services Department overhead covers planning and supervision of general plant improvements and facilities.

- b) Charges during the year are segregated into overhead accounts based on the proportion of activity devoted to construction work.  
Construction Overheads are being charged to individual work orders based upon overhead rates for different types of projects. Rates are determined by type of project using the annual capital budget and annual construction overhead budget.
- d) Different rates are applied to different types of construction based on the annual capital budget for each type of plant.
- e) Actual construction overhead rates applied to types of work in:

2020
a. Production, Storage, Transmission and Distribution plant
30%
b. Meters
59%
c. General Plant
6%
d. Non-Utility Property
14%
- f) Direct assignment of construction overhead capitalized during:

2020
53,355,708

2. ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC)

AFUDC is applied to previous month's ending balance plus half of current month's expenditures of Construction Work in Progress (CWIP).

3. N/A

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE (CONTINUED)

#### COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

1. For Line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.
2. Identify, in a footnote, the specific entity used as the source for the capital structure figures.
3. Indicate, in a footnote, if the reported rate of return is one that has been approved in a rate case, black-box settlement rate, or an actual three-year average rate.

Line No.	Title (a)	Amount (b)	Capitalization Ration (percent) (c)	Cost Rate Percentage (d)
	(1) Average Short-Term Debt	S 231,008,379		
	(2) Short-Term Interest			s 1.47%
	(3) Long-Term Debt	D 849,700,000	—	d 4.999%
	(4) Preferred Stock	P —	—	p —%
	(5) Common Equity	C 865,999,000	—	c 9.40%
	(6) Total Capitalization	—	100.00%	
	(7) Average Construction Work in Progress	W 94,981,260		
2.	Gross Rates for Borrowed Funds $s(S/W)+d[(D/(D+P+C))(1-(S/W))]$			1.47 %
3.	Rate for Other Funds $[1-(S/W)] [p(P/(D+P+C))+c(C/(D+P+C))]$			— %
4.	Weighted Average Rate Actually Used for the Year			
	a. Rate for Borrowed Funds -			1.89 %
	b. Rate for Other Funds -			— %

NOTE: Capital structure figures are for NW Natural Gas Company and rate of return was approved by the OPUC rate case.

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

<p align="center"><b>Accumulated Provision for Depreciation of Gas Utility Plant (Account 108)</b></p> <p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, page 204-209, column (d), excluding retirements of nondepreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p> <p>5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g., 7.01, 7.02, etc.</p> <p align="center"><b>SEE FOLLOWING PAGES</b></p>
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**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW NATURAL**

Period Beginning: January 2020  
Period Ending: December 2020

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve*
<b>UTILITY</b>								
<b>Intangible Plant</b>								
301 ORGANIZATION	—	—	—	—	—	—	—	—
302 FRANCHISES & CONSENTS	—	—	—	—	—	—	—	—
303.1 COMPUTER SOFTWARE	35,124,098	7,071,345	—	—	—	—	—	42,195,443
303.2 CUSTOMER INFORMATION SYSTEM	32,348,168	—	—	—	—	—	—	32,348,168
303.3 INDUSTRIAL & COMMERCIAL BIL	4,146,951	—	—	—	—	—	—	4,146,951
303.4 CRMS	682,893	—	(682,893)	—	—	—	—	—
303.5 POWERPLANT SOFTWARE	—	—	—	—	—	—	—	—
303.6 NMEP COMPUTER SOFTWARE	55,987	90,440	—	—	—	—	—	146,427
303.7 CLOUD SOFTWARE	—	455,690	—	—	—	—	—	455,690
Intangible Plant Subtotal*	72,358,096	7,617,475	(682,893)	—	—	—	—	79,292,679
<b>Production Plant - Oil Gas</b>								
304.1 LAND	—	—	—	—	—	—	—	—
305.2 P P O G STRU & IMPR-SEWER S	—	—	—	—	—	—	—	—
305.5 P P O G STRU & IMPR-OTHER Y	13,814	—	—	—	—	—	—	13,814
312.3 P P O G FUEL HANDLING AND S	—	—	—	—	—	—	—	—
318.3 P P O G LIGHT OIL REFINING	152,141	—	—	—	—	—	—	152,141
318.5 P P O G TAR PROCESSING	255,729	—	—	—	—	—	—	255,729
325 NATURAL GAS PROD AND GATHER	—	—	—	—	—	—	—	—
327 NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—	—	—
328 NATURAL GAS PROD AND GATHER	—	—	—	—	—	—	—	—
331 NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—	—	—
332 NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—	—	—
333 NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—	—	—
334 NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—	—	—
Production Plant - Oil Gas Subtotal*	421,683	—	—	—	—	—	—	421,683
<b>Production Plant - Other</b>								
305.11 GAS PRODUCTION - COTTAGE G	8,736	—	—	—	—	—	—	8,736
305.17 STRUCTURES MIXING STATION	51,246	—	—	—	—	—	—	51,246
311 P P OTHER-LIQUEFIED PETROLE	—	—	—	—	—	—	—	—
311.4 P P OTHER-L P G GRANGER	—	—	—	—	—	—	—	—
311.7 LIQUIFIED GAS EQUIPMENT COO	8,066	—	—	—	—	—	—	8,066
311.8 LIQUIFIED GAS EQUIPMENT LIN	6,585	—	—	—	—	—	—	6,585
319 GAS MIXING EQUIPMENT GASCO	194,720	—	—	—	—	—	—	194,720
Production Plant - Other Subtotal*	269,353	—	—	—	—	—	—	269,353

\* May not foot due to rounding.



RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS  
NW NATURAL

Period Beginning: January 2020  
Period Ending: December 2020

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve*
UTILITY								
Natural Gas Underground Storage								
350.1 LAND	—	—	—	—	—	—	—	—
350.2 RIGHTS-OF-WAY	32,004	1,568	—	—	—	—	—	33,571
350.3 NMEP RIGHTS-OF-WAY	5,450	8,717	—	—	—	—	—	14,167
351 STRUCTURES AND IMPROVEMENTS	3,053,795	129,512	—	—	—	—	—	3,183,307
351.1 NMEP STRUCTURES AND IMPROVEMENTS	72,239	117,418	—	—	—	—	—	189,657
352 WELLS	12,607,424	400,506	—	—	—	—	—	13,007,931
352.1 STORAGE LEASEHOLD & RIGHTS	1,811,152	65,773	—	—	—	—	—	1,876,925
352.2 RESERVOIRS	2,799,555	125,815	—	—	—	—	—	2,925,370
352.3 NON-RECOVERABLE NATURAL GAS	3,659,767	101,122	—	—	—	—	—	3,760,889
352.4 NMEP WELLS	201,551	336,092	—	—	—	—	—	537,643
352.5 NMEP STORAGE LEASEHOLD & RIGHTS	31,896	51,171	—	—	—	—	—	83,066
352.6 NMEP RESERVOIRS	32,877	52,745	—	—	—	—	—	85,622
352.7 NMEP NON-RECOVERABLE NATURAL GAS	31,656	50,787	—	—	—	—	—	82,442
353 LINES	3,467,944	167,152	—	—	—	—	—	3,635,097
353.1 NMEP LINES	4,184	7,083	—	—	—	—	—	11,267
354 COMPRESSOR STATION EQUIPMENT	20,553,816	559,998	(5,000,000)	—	—	—	—	16,113,814
354.7 NMEP COMPRESSOR STATION EQUIPMENT	456,891	739,711	—	—	13,550	—	—	1,210,152
355 MEASURING / REGULATING EQUIPM	4,914,910	177,691	—	—	—	—	—	5,092,602
355.1 NMEP MEASURING/REGULATING EQUIPM	207,697	342,720	—	—	—	—	—	550,418
356 PURIFICATION EQUIPMENT	245,017	84,206	—	—	—	—	—	329,223
357 OTHER EQUIPMENT	951,524	81,579	—	—	—	—	—	1,033,103
Natural Gas Underground Storage Subtotal*	55,141,350	3,601,367	(5,000,000)	—	13,550	—	—	53,756,267

\* May not foot due to rounding.

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS  
NW NATURAL

Period Beginning: January 2020  
Period Ending: December 2020

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve*
<b>UTILITY</b>								
<b>Local Storage Plant</b>								
360.11 LAND - LNG LINNTON	—	—	—	—	—	—	—	—
360.12 LAND - LNG NEWPORT	—	—	—	—	—	—	—	—
360.2 LAND - OTHER	—	—	—	—	—	—	—	—
361.11 STRUCTURES & IMPROVEMENTS	3,163,714	404,709	—	—	—	—	—	3,568,422
361.12 STRUCTURES & IMPROVEMENTS	3,143,615	523,940	—	—	—	—	—	3,667,556
361.2 STRUCTURES & IMPROVEMENTS -	12,365	474	—	—	—	—	—	12,839
362.11 GAS HOLDERS - LNG LINNTON	2,570,215	117,546	—	—	—	—	—	2,687,761
362.12 GAS HOLDERS - LNG NEWPORT	6,037,955	144,029	—	—	—	—	—	6,181,983
362.2 GAS HOLDERS - LNG OTHER	1,250	16	—	—	—	—	—	1,266
363.11 LIQUEFACTION EQUIP. - LINN	2,692,940	44,333	—	—	—	—	—	2,737,274
363.12 LIQUEFACTION EQUIP - NEWPO	7,346,843	105,508	—	—	—	—	—	7,452,351
363.21 VAPORIZING EQUIP - LINNTON	2,472,960	20,956	—	—	—	—	—	2,493,915
363.22 VAPORIZING EQUIP - NEWPORT	428,322	134,521	—	—	—	—	—	562,843
363.31 COMPRESSOR EQUIP - LINNTON	206,897	—	—	—	—	—	—	206,897
363.32 COMPRESSOR EQUIPMENT - NE	1,135,117	351,577	—	—	—	—	—	1,486,694
363.41 MEASURING & REGULATING EQU	745,174	116,641	—	—	—	—	—	861,815
363.42 MEASURING & REGULATING EQU	265,230	13,747	—	—	—	—	—	278,977
363.5 CNG REFUELING FACILITIES	1,511,977	79,944	—	—	—	—	—	1,591,921
363.6 LNG REFUELING FACILITIES	739,473	—	—	—	—	—	—	739,473
Local Storage Plant Subtotal*	32,474,046	2,057,941	—	—	—	—	—	34,531,986
<b>Transmission Plant</b>								
365.1 LAND	—	—	—	—	—	—	—	—
365.2 LAND RIGHTS	2,224,476	98,119	—	—	—	—	—	2,322,594
365.3 NMEP LAND RIGHTS	6,358	10,170	—	—	—	—	—	16,528
366.3 STRUCTURES & IMPROVEMENTS -	385,814	27,056	—	—	—	—	—	412,870
367 MAINS	39,817,125	3,405,133	—	—	—	—	—	43,222,257
367.21 NORTH MIST TRANSMISSION LI	1,211,672	34,307	—	—	—	—	—	1,245,979
367.22 SOUTH MIST TRANSMISSION LI	11,252,724	237,693	—	—	—	—	—	11,490,417
367.23 SOUTH MIST TRANSMISSION LI	15,253,972	676,698	—	—	—	—	—	15,930,670
367.24 11.7M S MIST TRANS LINE	6,496,445	338,844	—	—	—	—	—	6,835,289
367.25 12M NORTH S MIST TRANS	6,621,299	362,966	—	—	—	—	—	6,984,265
367.26 38M NORTH S MIST TRANS	24,451,554	1,330,537	—	—	—	—	—	25,782,091
367.27 NMEP MAINS	1,084,348	1,738,704	—	—	—	—	—	2,823,052
368 TRANSMISSION COMPRESSOR	(9)	—	—	—	—	—	—	(9)
369 MEASURING & REGULATE STATION	1,738,646	84,546	—	—	—	—	—	1,823,192
370 COMMUNICATION EQUIPMENT	—	—	—	—	—	—	—	—
Transmission Plant Subtotal*	110,544,423	8,344,773	—	—	—	—	—	118,889,196

\* May not foot due to rounding.

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW NATURAL**

Period Beginning: January 2020  
Period Ending: December 2020

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve*
<b>UTILITY</b>								
<b>Distribution Plant</b>								
374.1 LAND	—	—	—	—	—	—	—	—
374.2 LAND RIGHTS	1,691,723	10,563	—	—	—	—	—	1,702,286
375 STRUCTURES & IMPROVEMENTS	113,564	21,590	—	—	—	—	—	135,155
376.11 MAINS < 4"	354,371,605	16,493,050	(82,403)	(161,966)	36,748	—	—	370,657,034
376.12 MAINS 4" & >	248,222,889	14,779,936	(7,040)	(52,704)	36,966	—	—	262,980,047
376.13 MNEP MAINS 4" & >	9,032	14,452	—	—	—	—	—	23,484
377 COMPRESSOR STATION EQUIPMENT	677,959	10,803	—	—	—	—	—	688,761
378 MEASURING & REG EQUIP - GENER	13,837,855	857,040	—	—	—	—	—	14,694,895
379 MEASURING & REG EQUIP - GATE	3,244,552	366,698	—	—	—	—	—	3,611,250
380 SERVICES	443,259,181	24,546,208	(135,451)	(195,198)	—	—	—	467,474,739
381 METERS	24,017,554	2,359,379	(4,769,124)	—	43,305	—	—	21,651,115
381.1 METERS (ELECTRONIC)	1,993,110	49,042	—	—	—	—	—	2,042,151
381.2 ERT (ENCODER RECEIVER TRANS	21,450,294	2,636,464	(4,090,445)	—	—	—	—	19,996,313
382 METER INSTALLATIONS	6,205,275	2,979,363	(5,030,201)	—	—	—	—	4,154,436
382.1 METER INSTALLATIONS (ELECTR	121,408	41,416	—	—	—	—	—	162,824
382.2 ERT INSTALLATION (ENCODER	6,072,781	350,691	(377,910)	—	—	—	—	6,045,561
383 HOUSE REGULATORS	394,098	72,934	—	—	—	—	—	467,032
386 OTHER PROPERTY ON CUSTOMERS P	264,663	123,364	—	—	—	—	—	388,027
386.1 MULTI-FAMILY METER ROOMS	—	—	—	—	—	—	—	—
387.1 CATHODIC PROTECTION TESTING	144,848	1,426	—	—	—	—	—	146,273
387.2 CALORIMETERS @ GATE STATIONS	96,424	—	—	—	—	—	—	96,424
387.3 METER TESTING EQUIPMENT	72,671	—	—	—	—	—	—	72,671
Distribution Plant Subtotal*	1,126,261,485	65,714,417	(14,492,574)	(409,868)	117,019	—	—	1,177,190,479

\* May not foot due to rounding.

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW NATURAL**

Period Beginning: January 2020

Period Ending: December 2020

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve*
<b>UTILITY</b>								
<b>General Plant</b>								
389 LAND	437,351	—	—	—	—	—	—	437,351
390 STRUCTURES & IMPROVEMENTS	13,552,391	1,710,376	(175,298)	—	—	—	—	15,087,469
390.1 SOURCE CONTROL PLANT	5,608,472	440,291	—	—	—	—	—	6,048,763
391.1 OFFICE FURNITURE & EQUIPMEN	5,507,768	609,214	(113,981)	—	—	—	—	6,003,001
391.2 COMPUTERS	17,062,836	8,531,962	(2,834,260)	—	—	—	—	22,760,537
391.3 ON SITE BILLING	—	—	—	—	—	—	—	—
391.4 CUSTOMER INFORMATION SYSTEM	—	—	—	—	—	—	—	—
391.5 NMEP COMPUTERS	190,021	308,332	—	—	—	—	—	498,353
392 TRANSPORTATION EQUIPMENT	12,305,413	3,553,476	(1,534,186)	—	350,318	—	—	14,675,021
393 STORES EQUIPMENT	119,406	—	—	—	—	—	—	119,406
394 TOOLS - SHOP & GARAGE EQUIPUI	5,467,726	508,176	—	—	48,130	—	—	6,024,032
395 LABORATORY EQUIPMENT	(12)	(10)	—	—	—	—	—	(22)
396 POWER OPERATED EQUIPMENT	2,667,743	468,775	(204,308)	—	34,185	—	—	2,966,394
397 GEN PLANT-COMMUNICATION EQU	34,159	6,835	—	—	—	—	—	40,994
397.1 MOBILE	216,072	389,295	—	—	—	—	—	605,367
397.2 OTHER THAN MOBILE & TELEMET	(10,423)	(17,469)	—	—	—	—	—	(27,892)
397.3 TELEMETERING - OTHER	440,304	387,682	(44,672)	—	—	—	—	783,315
397.4 TELEMETERING - MICROWAVE	683,381	347,296	(262,701)	—	—	—	—	767,975
397.5 TELEPHONE EQUIPMENT	437,520	33,486	—	—	—	—	—	471,005
398 GEN PLANT-MISCELLANEOUS EQU	—	—	—	—	—	—	—	—
398.1 PRINT SHOP	3,783	(494)	—	—	—	—	—	3,289
398.2 KITCHEN EQUIPMENT	5,948	1,810	—	—	—	—	—	7,758
398.3 JANITORIAL EQUIPMENT	14,873	—	—	—	—	—	—	14,873
398.4 INSTALLED IN LEASED BUILDINGS	10,120	—	—	—	—	—	—	10,120
398.5 OTHER MISCELLANEOUS EQUIPMENT	66,739	—	—	—	—	—	—	66,739
General Plant Subtotal*	64,821,590	17,279,031	(5,169,406)	—	432,632	—	—	77,363,848
Utility Property Grand Total*	1,462,292,026	104,615,004	(25,344,872)	(409,868)	563,202	—	—	1,541,715,491

\* May not foot due to rounding.

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW NATURAL**

Period Beginning: January 2020

Period Ending: December 2020

Functional Class		Beginning			Cost of	Salvage and	Transfers and		Ending
FERC Plant Account		Reserve	Provision	Retirements	Removal	Other Credits	Adjustments	Loss/(Gain)	Reserve*
NON UTILITY									
Intangible Plant									
303.1	COMPUTER SOFTWARE	71,122	11,076	—	—	—	—	—	82,198
303.2	CUSTOMER INFORMATION SYSTEM	50,073	6	—	—	—	—	—	50,079
Non Utility	Intangible Plant Subtotal*	121,195	11,082	—	—	—	—	—	132,277
Natural Gas Underground Storage									
352	WELLS	4,539,228	274,217	—	—	—	—	—	4,813,445
352.1	STORAGE LEASEHOLD & RIGHTS	257	17	—	—	—	—	—	275
352.2	RESERVOIRS	1,006,245	61,614	—	—	—	—	—	1,067,859
353	LINES	474,185	53,026	—	—	—	—	—	527,211
354	COMPRESSOR STATION EQUIPMENT	4,616,976	247,716	—	—	—	—	—	4,864,691
355	MEASURING / REGULATING EQUIPM	2,328,117	190,893	—	—	—	—	—	2,519,010
357	OTHER EQUIPMENT	14,401	1,373	—	—	—	—	—	15,774
Non Utility	Natural Gas Underground Storage Subtotal*	12,979,409	828,855	—	—	—	—	—	13,808,264
Transmission Plant									
368	TRANSMISSION COMPRESSOR	2,718,438	166,050	—	—	—	—	—	2,884,487
Non Utility	Transmission Plant Subtotal*	2,718,438	166,050	—	—	—	—	—	2,884,487
Distribution Plant									
376.12	MAINS 4" & >	1,369	(2)	—	—	—	—	—	1,367
Non Utility	Distribution Plant Subtotal*	1,369	(2)	—	—	—	—	—	1,367
General Plant									
389	LAND	—	—	—	—	—	—	—	—
390	STRUCTURES & IMPROVEMENTS	44,288	5,526	—	—	—	—	—	49,814
Non Utility	General Plant Subtotal*	44,288	5,526	—	—	—	—	—	49,814
Non Utility Other									
121.1	NON-UTIL PROP-DOCK	1,947,067	—	—	—	—	—	—	1,947,067
121.2	NON-UTIL PROP-LAND	—	—	—	—	—	—	—	—
121.3	NON-UTIL PROP-OIL ST	2,277,156	19,727	—	—	—	—	—	2,296,882
121.7	NON-UTIL PROP-APPL CENTER	47,322	4,383	—	—	—	—	—	51,705
121.8	NON-UTIL PROP-STORAGE	(1)	—	—	—	—	—	—	(1)
Non Utility	Other*	4,271,543	24,110	—	—	—	—	—	4,295,653
Non Utility Property Grand Total*		20,136,243	1,035,620	—	—	—	—	—	21,171,862

\* May not foot due to rounding

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS  
NW NATURAL

Period Beginning: January 2020

Period Ending: December 2020

Functional Class	Beginning			Cost of	Salvage and	Transfers and		Ending
FERC Plant Account	Reserve	Provision	Retirements	Removal	Other Credits	Adjustments	Loss/(Gain)	Reserve*
TOTAL SUMMARY ALL UTILITY DEPRECIATION RESERVES		12/31/2020						
UTILITY								
108002	(10,055,331)							
108003	(27,436)							
108004	573,094							
108005	(101,562)							
108009	(2,689,670)							
108010	(61,899,448)							
108011	1,166,724,302							
108012	18,964,818							
108013	(4,269,790)							
108014	(1,094,551)							
108015	3,495,279							
108016	5,214,186							
108018	455,690							
108019	—							
108100	—							
108102	425,266,253							
108103	1,159,655							
SUBTOTAL *								

\* May not foot due to rounding

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**GAS STORED (ACCOUNTS 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, AND 164.3)**

1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g) and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).

Line	Description	Base Gas (Account 117.1 - 117.8)	System Balancing (Account)	Non Current (Account)	Account	Current Underground (Account 164.21 - 164.23)	LNG (Account 164.21 - 164.23)	LNG (Account 164.35, 164.36)	Total
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Balance at Beginning of Year	\$25,409,543	—	—	—	\$ 24,753,544	\$ 2,713,986	—	\$ 52,877,073
2	Gas Delivered to Storage	\$ —	—	—	—	\$ 12,891,595	\$ 1,571,114	—	\$ 14,462,709
3	Gas Withdrawn from Storage	\$ 19,393	—	—	—	\$ 15,929,033	\$ 1,285,142	—	\$ 17,233,568
4	Other Debits and Credits	\$ —	—	—	—	\$ —	\$ —	—	\$ —
5	Balance at End of Year	\$25,390,150	\$ —	\$ —	\$ —	\$ 21,716,106	\$ 2,999,958	\$ —	\$ 50,106,214
6	Dekatherms	9,063,998	—	—	—	9,768,371	1,302,749	—	20,135,118
7	Amount Per Dekatherm	\$ 2.80	\$ —	\$ —	\$ —	\$ 2.22	\$ 2.30	\$ —	\$ 2.49

Footnotes:

1. Independent engineering studies are the basis for separation between noncurrent and current inventory.
2. See Notes to Consolidated Financial Statements for method used to report inventories of gas in storage (page 122-A).

<b>Name of Respondent</b>	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			December 31, 2020

### INVESTMENTS (Accounts 123, 124, 136)

1. Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.

2. Provide a subheading for each account and list thereunder the information called for:

(a) Investment in Securities - List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments, state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.

(b) Investment Advances - Report separately for each person or company the amounts of loans or investment advances which are properly includable in Account 123. Include advances subject to current repayment in account 145 and 146. With respect to each advance, show whether the advance is a note or open account.

Line No.	Description of Investment (a)	*	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.) (c)	Purchases or Additions During the Year (d)
1	Account 123 Investments in Associated Companies		None	None
2				
3	Account 124 Other Investments - Investment in Life Insurance <sup>(1)</sup>		49,836,949	1,281,432
4				—
5	Account 136 Temporary Cash Investments			
6	Marketable Securities		—	728,201,177
7	Oregon Low Income Gas Assistance (OLGA) Investment Account		952,475	2,956,498
8	Oregon Low Income Energy Efficiency (OLIEE) Investment Account		1,721,430	4,300,657
9	Smart Energy Environmental Program Investment Account		314,130	3,409,229
10	Total Account 136 Temporary Cash Investments		2,988,035	738,867,561
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<sup>(1)</sup> Purchases and additions represent the change in cash surrender value not additional purchases of life insurance policies.



<b>Name of Respondent</b>	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			December 31, 2020

### INVESTMENTS (Accounts 123, 124, 136) (continued)

List each note giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.

3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.

4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.

5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.

6. In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (h).

Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)	Line No.
					1
					2
1,877,047	49,241,333	49,241,333	—	520,295	3
					4
					5
728,201,177	—	—	189,390	—	6
2,670,800	1,238,173	1,238,173		—	7
2,307,341	3,714,746	3,714,746	—	—	8
3,389,859	333,500	333,500	—	—	9
736,569,177	5,286,419	5,286,419	189,390	—	10
				—	11
					12
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<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1)

- Report below investments in Accounts 123.1, Investments in Subsidiary Companies.
- Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).
  - Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.
  - Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
- Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	Northwest Energy Corporation <sup>(1)</sup> - (Holding Company)	11/1/2001		88,130,262
2	NW Natural RNG Holding Company, LLC - (Holding Company)	11/4/2020		—
3				
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29				
30	<b>TOTAL Cost of Account 123.1</b>		<b>TOTAL</b>	<b>88,130,262</b>

<sup>(1)</sup> Earnings for Year for NWN Gas Reserves, a wholly-owned subsidiary of Northwest Energy Corporation, is included in Cost of Gas within Operation Expenses and is therefore excluded from Equity in Subsidiary Earnings for Year.

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)**

4. Designate in a footnote any securities, notes, or accounts that were pledged and purpose of pledge.
5. If commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 40, column (a) the total cost of Account 123.1

Equity in Subsidiary Earnings for Year	Additional Investment for Year	Amount of Investment at End of Year	Gain or Loss from Investment Disposed of	Line
(e)	(f)	(g)	(h)	No.
(11,753,030)	(2,425,000)	73,952,232	—	1
—	2,681,912	2,681,912		2
				3
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				29
(11,753,030)	256,912	76,634,144	—	30

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**Prepayments (acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)**

<b>PREPAYMENTS (Account 165)</b>		
1. Report below the particulars (details) on each prepayment.		
Line No.	Nature of Payment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Taxes	13,404,211
2	Prepaid Rents	469,337
3	Prepaid Insurance	3,922,539
4	Miscellaneous Prepayments	9,149,246
5		
6		
7	<b>TOTAL</b>	26,945,333

<b>EXTRAORDINARY PROPERTY LOSSES (Account 182.1)</b>							
Line No.	Description of Extraordinary Loss [Include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. (a)	Balance at Beginning of Year (b)	Total amount of loss (c)	Losses Recognized During Year (d)	Written off During Year Account charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
8	None	—	—	—	—	—	—
9							
10							
11							
12							
13							
14							
15							
16	<b>Total</b>						—

<b>UNRECOVERED PLANT AND REGULATORY STUDY COSTS (Account 182.2)</b>							
Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. Number rows in sequence beginning with the next row number after the last row number used for extraordinary property losses. (a)	Balance at Beginning of Year (b)	Total amount of loss (c)	Losses Recognized During Year (d)	Written off During Year Account charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
17	None	—	—	—	—	—	—
18							
19							
20							
21							
22							
23							
24							
25	<b>Total</b>						—

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### OTHER REGULATORY ASSETS (ACCOUNT 182.3)

- 1.Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).
- 2.For regulatory assets being amortized, show period of amortization in column (a).
- 3.Minor items (5% of the Balance at End of Year for account 182.3 or amounts less than \$250,000, whichever is less) may be grouped
- 4.Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Year (b)	Debit (Credit) (c)	Written off During Period Account charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Year (g)
1	Deferred Income Taxes - Utility Plant	16,848,533	—	283	2,208,426	—	14,640,107
2	AFUDC Equity Deferred Taxes	2,533,151	—	283	69,471	—	2,463,680
3							
4							
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28							
29							
30	Total	19,381,684	—		2,277,897	—	17,103,787

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### MISCELLANEOUS DEFERRED DEBITS (Account 186)

- Report below the details called for concerning miscellaneous deferred debits.
- For any deferred debit being amortized, show period of amortization in column (a).
- Minor items (less than \$250,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	Credits Account Charged (d)	Credits Amount (e)	Balance at End of Year (f)
1	Pension and Other Retirement Benefits	173,261,991	16,350,195		18,800,060	170,812,126
2	Pension Deferral	55,382,141	2,263,100		7,131,060	50,514,181
3	Environmental - Accrued Future Liability	136,021,872	116,504,754		132,004,337	120,522,289
4	Environmental - Deferred Expenditures and 3rd Party Proceeds	(42,117,281)	94,512		(18,046,774)	(23,975,995)
5	Environmental - Deferred Expenditures and 3rd Party Proceeds	(1,518,781)	19,306,258		18,717,932	(930,455)
6	Deferred Derivative Activity	2,608,418	19,225,164		14,784,310	7,049,272
7	Leasehold Improvements Amortized Over Remaining Life	31,427,951	12,848,381		7,843,236	36,433,096
8	Unbilled Revenue - Amortizations	(1,928,151)	13,486,730		10,514,073	1,044,506
9	OR - Decoupling	(9,240,827)	23,798,058		26,677,018	(12,119,787)
10	OR - Deferred Industrial DSM	4,162,363	8,061,401		6,517,470	5,706,294
11	OR - WARM	(553,277)	3,846,906		2,081,288	1,212,341
12	OR - Pension Withdrawal	5,801,461	11,590		329,219	5,483,832
13	WA - Pension Withdrawal	669,772	1,338		38,008	633,102
14	WA - Energy Efficiency	4,731,816	4,287,281		5,453,071	3,566,026
15	WA - Low Income	281,885	790,381		675,120	397,146
16	OR Corporate Activity Tax (CAT)	—	10,546,683		4,551,011	5,995,672
17	OR COVID Deferred Costs, Revenues & Cost Savings	—	7,410,283		1,782,406	5,627,877
18	WA COVID Deferred Costs, Revenues & Cost Savings	—	734,373		229,244	505,129
19	OR COVID Late Fee - Reserve <sup>(1)</sup>	—	—		1,254,487	(1,254,487)
20	WA COVID Late Fee - Reserve <sup>(1)</sup>	—	—		57,728	(57,728)
21	OR Hood River Service Restoration	—	593,560		41,157	552,403
22	Other	699,494	5,692,042		5,643,825	747,711
23						
24						
25						
26						
27						
28						
29						
30	Total	359,690,847	265,852,990		247,079,286	378,464,551

(1) Reserve account represents a contra asset to the deferred late fees included within the COVID Deferral accounts. Accounting rules do not allow us to recognize the deferred forgone late fees until the Commissions approve amortization of the deferrals in customer rates.

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<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### Accumulated Deferred Income Taxes (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (specify), include deferrals relating to other income and deductions.
3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric			
3	Gas	—	—	—
4				
5	Total (Total of lines 2 thru 4)	—	—	—
6				
7	TOTAL Account 190 (Total of lines 5 thru 6)	—	—	—
8	Classification of TOTAL			
9	Federal Income Tax	—	—	—
10	State Income Tax	—	—	—
11	Local Income Tax	—	—	—

See FERC Annual Report pages 276-277



<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

Accumulated Deferred Income Taxes (Account 190) (Continued)							
Changes During Year	Changes During Year	Adjustments	Adjustments	Adjustments	Adjustments	Balance at	Line
Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Debits	Debits	Credits	Credits	End of Year	No.
(e)	(f)	Account No.	Amount	Account No.	Amount	(k)	
		(g)	(h)	(i)	(j)		1
							2
—	—	—	—	—	—	—	3
							4
—	—	—	—	—	—	—	5
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—	—	—	—	—	—	—	11

See FERC Annual Report pages 276-277

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### CAPITAL STOCK (Account 201 and 204)

1. Report below the detail called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par of Stated Value per Share (c)	Call Price at End of Year (d)
1	Common Stock	100,000,000	N/A	
2	Preferred Stock (unissued and undesignated)	3,500,000	N/A	
3	Limited Voting Junior Preferred Stock <sup>(1)</sup>	1	1	
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(1) NW Natural has authorized, issued and outstanding, one share of Limited Voting Preferred Stock (Golden Share), \$1 par value, held by GSS Holdings (NWN), Inc. As specified in OPUC Order 17-526, NW Natural is not entitled to file a voluntary petition for bankruptcy unless approved by the holder of the Golden Share, which must be an independent party. Except as provided in NW Natural's Amended and Restated Articles of Incorporation or as otherwise provided by law, the holder of the Junior Preferred Stock has no voting rights for any other purpose. The Golden Share is not entitled to receive or participate in dividends. The Golden Share is entitled in preference to the Common Stock, upon dissolution, liquidation or winding up of the Company, to payment of up to \$100 out of the net assets of the Company, and may be redeemed by the Company, at its election expressed by resolution of the Board of Directors and subject to the consent of the Commission, for \$100.

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**CAPITAL STOCK (Accounts 201 and 204) (Continued)**

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

Outstanding per Bal. Sheet (total amount outstanding without reduction for amts held by respondent)	Outstanding Per Bal. Sheet	Held by Respondent as Reacquired Stock (Acct 217)	Held by Respondent as Reacquired Stock (Acct 217)	Held by Respondent in Sinking and Other Funds	Held by Respondent in Sinking and Other Funds	Line No.
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
100	228,868,408					1
—	—					2
1	1					3
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<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION, PREMIUM ON CAPITAL STOCK, AND INSTALLMENTS RECEIVED ON CAPITAL STOCK (Accounts 202, 203, 205, 206, 207 and 212)**

1. Show for each of the above accounts the amounts applying to each class and series of capital stock.
2. For Account 202, Common Stock Subscribed, and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year.
3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203, Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of the year.
4. For Premium on Account 207, Capital Stock, designate with an asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.

Line No.	Name of Account and Description of Item (a)	* (b)	Number of Shares (c)	Amount (d)
1	Account 202 - Common Stock Subscribed			None
2	Account 205 - Preferred Stock Subscribed			None
3	Account 203 and 206 - Capital Stock Liability for Conversion			None
4	Account 207 - Premium on Capital Stock:			None
5	Account 212 - Installments Received on Capital Stock			—
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30	<b>Total</b>			—

<b>Name of Respondent</b>	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			December 31, 2020

### OTHER PAID IN CAPITAL (Accounts 208 - 211)

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

- a) Donations Received from Stockholders (Account 208) - State amount and give briefly explain the origin and purpose of each donation.
- (b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and give briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
- (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
- (d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Account 208 - Donations Received from Stockholders	NONE
2	Account 209 - Reduction in Par or Stated Value of Capital Stock	NONE
3	Account 210 - Gain on Resale or Cancellation of Reacquired Capital Stock	
4	Balance At Beginning of Year	1,649,864
5	Credit:	—
6	Debit:	—
7	Balance at End of Year	1,649,864
8	Account 211 - Miscellaneous Paid-In Capital	
9	Balance at Beginning of Year	93,156,971
10	Credit:	(51,579)
11	Debit:	
12	Balance at End of Year	93,105,392
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28		
29		
30	<b>Total</b>	<b>94,755,256</b>

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

### DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. Use as many rows as necessary to report all data.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off during the year and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	N/A	—
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
<b>TOTAL</b>		—

### CAPITAL STOCK EXPENSE (ACCOUNT 214)

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. Use as many rows as necessary to report all data. Number the rows in sequence starting from the last row number used for Discount on Capital Stock above.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
15	Capital Stock Expense (Note 1)	4,118,163
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
<b>TOTAL</b>		<b>4,118,163</b>

Note 1: Capital Stock Expense balance is associated with common stock issuances that occurred prior to the holding company reorganization that became effective October 1, 2018.

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED DURING THE YEAR

1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses.
2. Provide details showing the full accounting for the total principal amounts, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.
3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.
4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.
5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

Class of Security	Underwriter of Payee	Date	Stated or Par Value per Share	Number of Shares	Principal Amount or Par Value
<u>Debt Securities Issued</u>					
Secured Medium Term Notes		3/31/2020			150,000,000
			<b>Total Debt Issued</b>		<u>150,000,000</u>
<u>Debt Securities Retired</u>					
Secured Medium Term Notes		2/1/2020			75,000,000
			<b>Total Debt Retired</b>		<u>75,000,000</u>
<u>Common Stock</u>					
NONE					

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

### LONG-TERM DEBT (Account 221, 222, 223, and 224)

1. Report by Balance Sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
3. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (d)
1	<b>Account 221</b>			
2	First Mortgage Bonds			
3				
4	5.370 % Series B	3/25/2009	2/1/2020	—
5	9.050 % Series A	8/13/1991	8/13/2021	10,000,000
6	3.176 % Series B	9/12/2011	9/15/2021	50,000,000
7	3.542 % Series B	8/19/2013	8/19/2023	50,000,000
8	5.620 % Series B	11/21/2003	11/21/2023	40,000,000
9	7.720 % Series B	9/6/2000	9/1/2025	20,000,000
10	6.520 % Series B	12/1/1995	12/1/2025	10,000,000
11	7.050 % Series B	10/15/1996	10/15/2026	20,000,000
12	3.211 % Series B	12/5/2016	12/5/2026	35,000,000
13	7.000 % Series B	5/20/1997	5/21/2027	20,000,000
14	2.822 % Series B	9/13/2017	9/13/2027	25,000,000
15	6.650 % Series B	11/10/1997	11/10/2027	19,700,000
16	6.650 % Series B	6/1/1998	6/1/2028	10,000,000
17	3.141 % Series B	6/17/2019	6/15/2029	50,000,000
18	7.740 % Series B	8/29/2000	8/29/2030	20,000,000
19	7.850 % Series B	9/6/2000	9/1/2030	10,000,000
20	5.820 % Series B	9/24/2002	9/24/2032	30,000,000
21	5.660 % Series B	2/25/2003	2/25/2033	40,000,000
22	5.250 % Series B	6/21/2005	6/21/2035	10,000,000
23	4.000 % Series B	10/30/2012	10/31/2042	50,000,000
24	4.136 % Series B	12/5/2016	12/5/2046	40,000,000
25	3.685 % Series B	9/13/2017	9/13/2047	75,000,000
26	4.110 % Series B	9/10/2018	9/10/2048	50,000,000
27	3.869 % Series B	6/17/2019	6/15/2049	90,000,000
28	3.600 % Series B	3/31/2020	3/15/2050	150,000,000
29				
30			Total First Mortgage Bonds	924,700,000
31	<b>Account 239</b>			
32	Less: Debt due within one year			(60,000,000)
33	<b>Accounts 222 and 223</b>			
34	None			—
35	<b>Account 224</b>			
36	None			—
37				
38				
39				
40	<b>TOTAL</b>			<b>864,700,000</b>



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Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### LONG-TERM DEBT (Accounts 221, 222, 223 and 224) (Continued)

5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.
7. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Interest for Year Rate in (%) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct. 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per \$100 at End of Year (i)	Line No.
					1
					2
					3
5.370 %	335,625			N/A	4
9.050 %	905,000			N/A	5
3.176 %	1,588,000			N/A	6
3.542 %	1,771,000			N/A	7
5.620 %	2,248,000			N/A	8
7.720 %	1,544,000			N/A	9
6.520 %	652,000			N/A	10
7.050 %	1,410,000			N/A	11
3.211 %	1,123,850			N/A	12
7.000 %	1,400,000			N/A	13
2.822 %	705,500			N/A	14
6.650 %	1,310,050			N/A	15
6.650 %	665,000			N/A	16
3.141 %	1,570,500			N/A	17
7.740 %	1,548,000			N/A	18
7.850 %	785,000			N/A	19
5.820 %	1,746,000			N/A	20
5.660 %	2,264,000			N/A	21
5.250 %	525,000			N/A	22
4.000 %	2,000,000			N/A	23
4.136 %	1,654,400			N/A	24
3.685 %	2,763,750			N/A	25
4.110 %	2,055,000			N/A	26
3.869 %	3,482,100			N/A	27
3.600 %	4,050,000			N/A	28
				N/A	29
	40,101,775				30
					31
	—				32
					33
	—				34
					35
	—				36
					37
					38
					39
	40,101,775				40

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

### UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)

- Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt.
- Show premium amounts by enclosing figures in parentheses.
- In column (b) show the principal amount of bonds or other long-term debt originally issued.
- In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period Date From (d)	Amortization Period Date to (e)
1	<b>Account 181</b>				
2					
3	5.370% <sup>(6)</sup>	75,000,000	10,394,058	3/25/2009	2/1/2020
4	9.050 %	10,000,000	40,333	8/13/1991	8/13/2021
5	3.176 %	50,000,000	292,655	9/12/2011	9/15/2021
6	3.542 %	50,000,000	325,679	8/19/2013	8/19/2023
7	5.620% <sup>(5)</sup>	40,000,000	2,952,850	11/21/2003	11/21/2023
8	7.720% <sup>(3)</sup>	20,000,000	1,136,261	9/6/2000	9/1/2025
9	6.520 %	10,000,000	27,646	12/1/1995	12/1/2025
10	7.050 %	20,000,000	50,940	10/15/1996	10/15/2026
11	3.211 %	35,000,000	288,003	12/5/2016	12/5/2026
12	7.000 %	20,000,000	28,906	5/20/1997	5/21/2027
13	2.822 %	25,000,000	159,885	9/13/2017	9/13/2027
14	6.650% <sup>(1)</sup>	19,700,000	37,800	11/10/1997	11/10/2027
15	6.650 %	10,000,000	23,300	6/1/1998	6/1/2028
16	3.141%	50,000,000	255,252	6/17/2019	6/15/2029
17	7.740% <sup>(2)</sup>	20,000,000	1,354,914	8/29/2000	8/29/2030
18	7.850% <sup>(4)</sup>	10,000,000	678,107	9/6/2000	9/1/2030
19	5.820 %	30,000,000	165,382	9/24/2002	9/24/2032
20	5.660 %	40,000,000	56,663	2/25/2003	2/25/2033
21	5.250 %	10,000,000	22,974	6/21/2005	6/21/2035
22	4.000 %	50,000,000	235,479	10/30/2012	10/31/2042
23	4.136 %	40,000,000	307,712	12/5/2016	12/5/2046
24	3.685 %	75,000,000	367,946	9/13/2017	9/13/2047
25	4.110 %	50,000,000	174,695	9/10/2018	9/10/2048
26	3.869 %	90,000,000	415,358	6/17/2019	6/15/2049
27	3.600 %	150,000,000	694,452	3/31/2020	3/15/2050
28					
29	Shelf Registration Expense	—	—	N/A	N/A
30	Line of Credit	—	—	N/A	N/A
31	<b>Accounts 225 and 226</b>				
32	None	—	—	N/A	N/A
33	<b>TOTAL</b>	999,700,000	20,487,250		

1) In November 2009 one investor exercised its right under a one-time put option to redeem \$0.3 million of the \$20 million outstanding. This one-time put option has now expired, and the remaining \$19.7 million remaining principal outstanding is expected to be redeemed at maturity in November 2027.

2) Includes \$992,143 premium, \$178,966 unamortized costs on early redemption of 9.75% series bonds, and \$148,605 unamortized costs on early redemption of 15.375% series bonds allocated to the 7.74% series.

3) Includes \$826,786 premium, \$149,139 unamortized costs on early redemption of 9.75% series bonds, and \$123,837 unamortized costs on early redemption of 15.375% series bonds allocated to the 7.72% series.

4) Includes \$496,071 premium, \$89,483 unamortized costs on early redemption of 9.75% series bonds, and \$74,302 unamortized costs on early redemption of 15.375% series bonds allocated to the 7.85% series.

5) Includes \$150,000 premium and \$405,971 unamortized costs on early redemption of 7.50% series bonds, \$413,600 premium and \$1,116,479 unamortized costs on early redemption of 7.52% series bonds and \$730,000 premium and \$136,800 unamortized costs on early redemption of 7.25% series bonds allocated to 5.62% series.

6) Includes \$10,096,000 costs paid on interest rate hedge loss and \$298,058 unamortized costs on shelf registration, allocated to 5.37% series.

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**UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226) (Continued)**

5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.

7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.

Balance at Beginning of Year (f)	Debits during the Year (g)	Credits During the Year (h)	Balance at End of Year (i)	Line No.
				1
				2
93,474	—	93,474	—	3
6,144	—	3,792	2,352	4
101,943	—	59,700	42,243	5
231,916	—	63,792	168,124	6
72,816	—	18,720	54,096	7
42,296	—	7,464	34,832	8
17,750	—	3,000	14,750	9
39,853	—	5,868	33,985	10
351,221	—	50,700	300,521	11
38,076	—	5,148	32,928	12
239,061	—	31,044	208,017	13
42,504	—	5,412	37,092	14
27,573	—	3,276	24,297	15
537,888	228	56,923	481,193	16
65,326	—	6,132	59,194	17
33,152	—	3,108	30,044	18
165,989	—	13,032	152,957	19
156,562	—	11,904	144,658	20
50,336	—	3,252	47,084	21
407,438	—	17,844	389,594	22
545,559	1,064	20,256	526,367	23
860,747	—	31,068	829,679	24
299,439	—	10,428	289,011	25
1,071,721	410	36,392	1,035,739	26
—	2,433,245	60,606	2,372,639	27
				28
213,654	162,840	208,529	167,965	29
1,018,773	—	270,489	748,284	30
				31
—	—	—	—	32
6,731,211	2,597,787	1,101,353	8,227,645	33

Total above	1,101,353
Less Shelf Registration Expense	(208,529)
Less LOC amortized to interest expense	(270,489)
Amortization Expense per FERC 428	<u>622,335</u>

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257)

- Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.
- In column (c) show the principal amount of bonds or other long-term debt reacquired.
- In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform System of Accounts.
- Show loss amounts by enclosing the figures in parentheses.
- Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	<b>Account 189</b>					
2	First Mortgage Bonds					
3	9.75% <sup>(1)</sup>	9/29/2000	50,000,000	(3,079,332)	953,160	843,180
4	7.52% <sup>(2)</sup>	7/1/2003	11,000,000	(1,530,079)	293,250	216,750
5	7.50% <sup>(3)</sup>	7/1/2003	4,000,000	(555,971)	106,582	78,778
6	7.25%	8/18/2003	20,000,000	(866,800)	166,152	122,808
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	<b>TOTAL</b>				<b>1,519,144</b>	<b>1,261,516</b>

(1) Includes \$2,732,588 loss on debt reacquired in 2000 and \$346,744 unamortized loss allocated from the 15.375% Guaranteed Notes.

(2) Includes \$489,200 loss on debt reacquired in 2003 and \$1,040,879 unamortized loss allocated from the 9.38% Bonds.

(3) Includes \$177,360 loss on debt reacquired in 2003 and \$378,611 unamortized loss allocated from the 9.38% Bonds.

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# RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

- Report the reconciliation of reported net income for the year with taxable income used in computing federal income tax accruals
- If the utility is a member of a group that files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return.

Line No.	Details (a)	Amount (b)
1	<b>Net Income For The Year Per (Page 116)</b>	69,522,964
2	<b>Reconciling Items for the Year</b>	
3	Taxable Income Not Reported on Books	
4	Contributions In Aid Of Construction	3,717,068
5	<b>TOTAL</b>	3,717,068
6	Deductions Recorded On Books Not Deducted for Return	
7	Accrued Vacation	110,351
8	SEC Regulatory Interest	1,039,652
9	Bad Debt Reserve	2,435,259
10	AFUDC Equity	192,962
11	Bond Redemption Loss Amortization	257,628
12	Deferred Fees	218,143
13	Meals and Meetings	338,831
14	Parking and Transit	506,245
15	Employee Stock Purchase Plan	26,224
16	Deferred Payroll Tax	4,709,348
17	Gas Reserves	17,515,713
18	Regulatory Revenue & Cost Adjustments	2,695,423
19	Micellaneous	1,040,009
20	Federal Tax Provision	11,434,224
21	State Tax Provision	7,365,472
22	<b>TOTAL</b>	49,885,484
23	Income Recorded on Books Not Included in Return	
24	Equity Component Of AFUDC Capitalized For Book	—
25	Regulatory Revenue & Cost Adjustments	—
26	<b>TOTAL</b>	—
27	Deductions on Return Not Charged Against Book Income	
28	Excess Of Tax Over Book Depreciation	(16,997,541)
29	Pension	(12,350,658)
30	Deferred Compensation	(22,797)
31	Depletion	(650,423)
32	Equity Compensation	(128,301)
33	Prepaid Insurance	(360,407)
34	Property Taxes	(1,237,095)
35	Dividends Paid On Allocated Shares Held By An ESOP	(596,277)
36	Removal Costs	(11,499,819)
35	Uniform Inventory Capitalization	(648,646)
37	Environmental	(18,729,612)
38	Other Non-Utility Earnings	(7,405,528)
39	<b>TOTAL</b>	(70,627,104)
40	Federal Tax Net Income	52,498,412
41	Show Computation of Tax:	
42	State Tax	(4,713,075)
43	Federal Tax Net Income, less state tax	47,785,337
44	Federal Tax @ 21%	10,034,921
45	Research and Development Credit	(93,260)
46	Other Credits	(274,422)
47	Prior Years' True-Ups and Miscellaneous Adjustments	43,563
48	Total Federal Tax Expense	9,710,802

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR, DISTRIBUTION OF TAXES CHARGED**  
(Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (a)	Balance at Beg. of Year Taxes Accrued (Account 236) (b)	Balance at Beg. of Year Prepaid Taxes (Incl. in Account 165) (c)
1	<b>FEDERAL:</b>		
2	Income Tax (2019)	1,170,037	—
3	Income Tax (2020)	—	—
4	Payroll Tax (2019)	1,620,677	—
5	Payroll Tax (2020)	—	—
6	Pipeline Safety User Fee (2020)	—	—
7	<b>TOTAL FEDERAL</b>	2,790,714	—
8	<b>STATE OF OREGON:</b>		
9	Excise Tax (2019)	138,752	—
10	Excise Tax (2020)	—	—
11	Corporate Activity Tax (2020)	—	—
12	Payroll Tax (2019)	189,266	—
13	Payroll Tax (2020)	—	—
14	Property Tax (2019-2020)	—	12,053,470
15	Property Tax (2020-2021)	—	—
16	Regulatory Commission Fee (2020)	—	—
17	Oregon Department of Energy (2020)	—	—
18	<b>TOTAL OREGON</b>	328,018	12,053,470
19	<b>STATE OF WASHINGTON:</b>		
20	Excise Tax (2020)	—	—
21	Payroll Tax (2019)	120	—
22	Payroll Tax (2020)	—	—
23	Property Tax (2019)	1,647,458	—
24	Property Tax (2020)	—	—
25	Regulatory Commission Fee (2020)	—	—
26	Public Utility Tax (2019)	399,122	—
27	Public Utility Tax (2020)	—	—
28	<b>TOTAL WASHINGTON</b>	2,046,700	—
29	<b>COUNTY &amp; MUNICIPAL:</b>		
30	Income Tax (2019)	(57,065)	—
31	Income Tax (2020)	—	—
32	Franchise Fees	7,860,605	—
33	<b>TOTAL COUNTY &amp; MUNICIPAL</b>	7,803,540	—
34	<b>TOTAL</b>	12,968,972	12,053,470

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR, DISTRIBUTION OF TAXES CHARGED  
(Show utility dept where applicable and acct charged) (Continued)**

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll
8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under \$250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate

Taxes Charged During the Year (d)	Taxes Paid During the Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Taxes Prepaid (Account 165) (h)	Line No.
					1
(1,122,086)	(1,208,800)	—	(1,160,849)	—	2
12,214,257	(2,828,989)	—	9,385,268	—	3
—	(1,620,677)	—	—	—	4
8,706,398	(2,605,245)	—	6,101,153	—	5
234,610	(234,610)	—	—	—	6
20,033,179	(8,498,321)	—	14,325,572	—	7
					8
(386,142)	(164,138)	—	(411,528)	—	9
4,232,768	(1,012,922)	—	3,219,846	—	10
3,167,188	(782,708)	—	2,384,480	—	11
—	(189,266)	—	—	—	12
1,402,088	(1,199,388)	—	202,700	—	13
11,975,102	78,368	—	—	—	14
13,404,212	(26,808,423)	—	—	13,404,211	15
1,920,623	(1,920,623)	—	—	—	16
729,964	(729,964)	—	—	—	17
36,445,803	(32,729,064)	—	5,395,498	13,404,211	18
					19
179,945	(179,945)	—	—	—	20
—	(120)	—	—	—	21
2,968	(2,843)	—	125	—	22
(62,793)	(1,584,665)	—	—	—	23
1,761,105	—	—	1,761,105	—	24
135,481	(135,481)	—	—	—	25
—	(399,122)	—	—	—	26
3,006,991	(2,469,183)	—	537,808	—	27
5,023,697	(4,771,359)	—	2,299,038	—	28
					29
(49,942)	(30,000)	137,007	—	—	30
5,000	(110,000)	(137,007)	(242,007)	—	31
14,810,204	(15,184,739)	—	7,486,070	—	32
14,765,262	(15,324,739)	—	7,244,063	—	33
76,267,941	(61,323,483)	—	29,264,171	13,404,211	34

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR, DISTRIBUTION OF TAXES CHARGED**  
**(Show utility dept where applicable and acct charged) (Continued)**

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2	—	(1,131,923)		9,837
3	—	10,842,725		1,371,532
4	—			
5	—	5,380,538		
6	—	234,610		
7	—	15,325,950	—	1,381,369
8	—	—	—	—
9	—	(389,629)		3,487
10	—	3,764,281		468,487
11		1,338,423		172,325
12	—			
13	—	871,372		
14	—	10,752,724		338,695
15	—	12,412,084		344,687
16	—	1,920,623		
17		729,964		
18	—	31,399,842	—	1,327,681
19				
20	—	66,554	—	—
21	—		—	—
22	—	1,845	—	—
23	—	(62,793)	—	—
24	—	1,690,871	—	—
25	—	135,481	—	—
26	—		—	—
27	—	3,006,991	—	—
28	—	4,838,949	—	—
29				
30	—	(19,163)	—	—
31	—	(305,962)	—	—
32	—	14,790,823	—	—
33	—	14,465,698	—	—
34	—	66,030,439	—	2,709,050



<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR, DISTRIBUTION OF TAXES CHARGED**  
(Show utility dept where applicable and acct charged) (Continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under \$250,000 may be grouped.

Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)	Line No.
					1
—	—	—	—	—	2
—	—	—	—	—	3
—	—	—	—	—	4
—	—	—	3,325,860	—	5
—	—	—	—	—	6
—	—	—	3,325,860	—	7
—	—	—	—	—	8
—	—	—	—	—	9
—	—	—	—	—	10
—	—	—	1,656,440	—	11
—	—	—	—	—	12
—	—	—	530,716	—	13
—	—	—	883,683	—	14
—	—	—	647,441	—	15
—	—	—	—	—	16
—	—	—	—	—	17
—	—	—	3,718,280	—	18
—	—	—	—	—	19
—	—	—	113,391	—	20
—	—	—	—	—	21
—	—	—	1,123	—	22
—	—	—	—	—	23
—	—	—	70,234	—	24
—	—	—	—	—	25
—	—	—	—	—	26
—	—	—	—	—	27
—	—	—	184,748	—	28
—	—	—	—	—	29
—	—	—	(30,779)	—	30
—	—	—	310,962	—	31
—	—	—	19,381	—	32
—	—	—	299,564	—	33
—	—	—	7,528,452	—	34

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)		
1. Describe and report the amount of other current and accrued liabilities at the end of year.		
2. Minor items (less than \$250,000) may be grouped under appropriate title.		
Line No.	Item (a)	Balance at End of Year (b)
1	Environmental Liabilities - Current Portion	28,241,427
2	Public Purpose	7,270,031
3	OLGA Surcharge	1,628,841
4	Workers Compensation Claims - Current Portion	599,032
5	Smart Energy	498,179
6	Deferred Revenue - Appliance Center	564,251
7	Western States Pension - Current Portion	367,227
8	Other items, each less than \$250,000	202,996
9		
10		
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22		
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28		
29		
30	<b>Total</b>	<b>39,371,984</b>

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### Other Deferred Credits (Account 253)

1. Report below the details called for concerning other deferred credits
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (less than \$250,000) may be grouped by classes

Line No.	Description of Other Deferred Credits (a)	Balance at The Beginning of the Year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of Year (f)
1	Western States Pension Plan	6,116,933	—	367,228	—	5,749,705
2						
3						
4						
5						
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26						
27						
28						
29						
30	<b>Total</b>	<b>6,116,933</b>		<b>367,228</b>	<b>—</b>	<b>5,749,705</b>

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.

2. For Other (Specify), included deferrals related to other income and deductions.

Line No.	Account Subdivisions	Balance at Beginning of Year	Changes During Year Amounts Debited to Account 410.1	Changes During Year Amounts Credited to Account 411.1
	(a)	(b)	(c)	(d)
1	Account 283			
2	Electric	—	—	—
3	Gas	—	—	—
4	Property Related	311,084,040	13,668,493	5,204,780
5	Regulatory Assets	20,235,427	7,013,995	7,727,572
6	Regulatory Liabilities	(54,258,986)	3,237,103	8,494,255
7	Other	34,834,969	9,048,650	7,165,815
8	Total (Total of lines 3 thru 7)	311,895,450	32,968,241	28,592,422
9	Other - Non-Operating	8,535,051	—	—
10	Other Comprehensive Income	(3,852,666)	—	—
11	TOTAL Account 283 (Total of lines 8 thru 10)	316,577,835	32,968,241	28,592,422
12	Classification of TOTAL			
13	Federal Income Tax	226,350,870	25,170,346	23,446,925
14	State Income Tax	90,226,965	7,797,895	5,145,497
15	Local Income Tax	—	—	—

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)**

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Changes During Year Amounts Debited to Account 410.2	Changes During Year Amounts Credited to Account 411.2	Adjustments Debits Account No.	Adjustments Debits Amount	Adjustments Credits Account No.	Adjustments Credits Amount	Balance at End of Year	Line
(e)	(f)	(g)	(h)	(i)	(j)	(k)	No.
							1
—	—		—		—	—	2
—	—		—		—	—	3
—	—	—	—	283	205,555	319,753,308	4
(374,334)		186, 283	2,721,482		—	16,426,034	5
—	—		—	254	7,150,037	(52,366,101)	6
—	—		—	283	5,387,241	42,105,045	7
(374,334)	—		2,721,482		12,742,833	325,918,286	8
280,560	10,502	283	205,555		—	8,599,554	9
—	—	218	780,923		—	(4,633,589)	10
(93,774)	10,502		3,707,960		12,742,833	329,884,251	11
							12
(71,008)	8,153		3,333,677		11,279,070	235,940,523	13
(22,766)	2,349		374,283		1,463,763	93,943,728	14
—	—		—		—	—	15

<b>Name of Respondent</b>	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			December 31, 2020

### OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.
4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g Commission Order, state commission order, court decision).

Line No.	Description of Other Regulatory Liabilities (a)	Balance at Beginning of Year (b)	Debits (c)	Credits (d)	Balance at End of Year (e)
1	Storage Margin Share - Oregon (OPUC Advice 00-4 and later OPUC Advice 03-6)	17,130,008	20,952,603	14,169,928	10,347,333
2	Storage Margin Share - Washington (UG 298)	1,643,319	1,643,319	1,181,567	1,181,567
3	Deferred Derivative Unrealized Gains	9,868,484	96,261,748	106,105,243	19,711,979
4	Benefits from the 2017 Tax Cuts and Jobs Act	206,653,831	14,794,591	5,910,694	197,769,934
5	North Mist Construction Overhead Regulatory Liability - Oregon (UM 1913)	1,056,576	1,069,869	13,293	—
6	Gain on Sale of Property - Oregon (UP 400)	—	8,343,221	11,145,890	2,802,669
7	Gain on Sale of Property - Washington (UG-190457)	—	—	837,953	837,953
8	Revenue Requirement True-up for EDIT Amortization - Oregon (UG 388)	—	191,920	1,043,457	851,537
9	Other	559,879	1,333,586	893,134	119,427
10					
11					
12					
13					
14					
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16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30	<b>Total</b>	<b>236,912,097</b>	<b>144,590,857</b>	<b>141,301,159</b>	<b>233,622,399</b>

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<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### GAS OPERATING REVENUES (Account 400)

1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480 - 495.

Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay	Revenues for Transition Costs and Take-or-Pay	Revenues for GRI and ACA	Revenues for GRI and ACA
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	480 Residential Sales				
2	481 Commercial and Industrial Sales				
3	482 Other Sales to Public Authorities				
4	483 Sales for Resale				
5	484 Interdepartmental Sales				
6	485 Intracompany Transfers				
7	487 Forfeited Discounts				
8	488 Miscellaneous Service Revenues				
9	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
10	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities				
11	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
12	489.4 Revenues from Storing Gas of Others				
13	490 Sales of Prod. Ext. from Natural Gas				
14	491 Revenues from Natural Gas Proc. by				
15	492 Incidental Gasoline and Oil Sales				
16	493 Rent from Gas Property				
17	494 Interdepartmental Rents				
18	495 Other Gas Revenues				
19	Subtotal:				
20	496 (Less) Provision for Rate Refunds				
21	TOTAL:				



<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

### GAS OPERATING REVENUES (Account 400) (Continued)

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.  
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.  
6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas	Line No.
Amount for Current Year	Amount for Previous Year	Amount for Current Year	Amount for Previous Year	Amount for Current Year	Amount for Previous Year	
(f)	(g)	(h)	(i)	(j)	(k)	
442,933,967	430,902,294	442,933,967	430,902,294	43,522,626	45,723,708	1
227,845,267	248,547,943	227,845,267	248,547,943	32,497,809	36,117,293	2
—	—	—	—	—	—	3
—	—	—	—	—	—	4
—	—	—	—	—	—	5
—	—	—	—			6
2,106,614	2,076,088	2,106,614	2,076,088			7
708,382	1,318,010	708,382	1,318,010			8
—	—	—	—	—	—	9
—	—	—	—	—	—	10
19,921,966	22,513,550	19,921,966	22,513,550	38,269,244	39,674,360	11
19,465,512	11,820,609	19,465,512	11,820,609	3,784,916	3,374,615	12
—	—	—	—			13
—	—	—	—			14
—	—	—	—			15
88,456	171,374	88,456	171,374			16
—	—	—	—			17
16,797,447	(9,377,080)	16,797,447	(9,377,080)			18
729,867,611	707,972,788	729,867,611	707,972,788			19
—	—	—	—			20
729,867,611	707,972,788	729,867,611	707,972,788			21

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### REVENUES FROM STORING GAS OF OTHERS (Account 489.4)

1. Report revenues and Dth of gas withdrawn from storage by Rate Schedule and in total.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308
3. Other revenues in columns (f) and (g) include reservation charges, injection and withdrawal charges, less revenues reflected in columns (b) through (e).
4. Dth of gas withdrawn from storage must not be adjusted for discounting.
5. Where transportation services are bundled with storage services, report on Dth withdrawn from storage.

Line No.	Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Prior Year (c)	Dekatherm of Natural Gas Amount for Current Year (d)	Dekatherm of Natural Gas Amount for Prior Year (e)
1	Rate Schedule 90 - Firm Storage Service with No-notice withdrawal*	19,465,512	11,820,609	3,784,916	3,374,615
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14	TOTAL	19,465,512	11,820,609	3,784,916	3,374,615

\* Note: The amount in column (b) represents the fixed revenues for Rate Schedule 90 for the North Mist gas storage expansion project.

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### OTHER GAS REVENUES (ACCOUNT 495)

Report below transactions of \$250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below \$250,000 in one amount and provide the number of items.

Line No.	Description of Transaction (a)	Amount (b)
1	Decoupling	(5,017,292)
2	Decoupling Amortization	3,031,137
3	Interstate Storage Credit	16,970,280
4	Intervenor Funding Amortization	(298,706)
5	Oregon Amortizations	(1,331,887)
6	Oregon Revenue Requirement True Up	(569,581)
7	Unbilled Revenue	4,635,406
8	WARM Amortizations	224,391
9	WARM Deferrals	1,509,149
10	Washington Amortizations	130,210
11	Washington Energy Efficiency Deferrals	(2,522,817)
12	Washington Great Program	(283,016)
13	Other (Misc Gas Revenues - 2 items)	320,173
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30	<b>Total</b>	16,797,447

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

<b>GAS OPERATION AND MAINTENANCE EXPENSES</b>			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement)	N/A	N/A
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering	—	—
8	751 Production Maps and Records	—	—
9	752 Gas Wells Expenses	—	—
10	753 Field Lines Expenses	—	—
11	754 Field Compressor Station Expenses	—	—
12	755 Field Compressor Station Fuel and Power	—	—
13	756 Field Measuring and Regulating Station Expenses	—	—
14	757 Purification Expenses	—	—
15	758 Gas Well Royalties	—	—
16	759 Other Expenses	—	—
17	760 Rents	—	—
18	TOTAL Operation (Total of lines 7 thru 17)	—	—
19	Maintenance		
20	761 Maintenance Supervision and Engineering	—	—
21	762 Maintenance of Structures and Improvements	—	—
22	763 Maintenance of Producing Gas Wells	—	—
23	764 Maintenance of Field Lines	—	—
24	765 Maintenance of Field Compressor Station Equipment	—	—
25	766 Maintenance of Field Meas. and Regulating Station Equipment	—	—
26	767 Maintenance of Purification Equipment	—	—
27	768 Maintenance of Drilling and Cleaning Equipment	—	—
28	769 Maintenance of Other Equipment	—	—
29	TOTAL Maintenance (Total of lines 20 thru 28)	—	—
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	—	—

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<b>GAS OPERATION AND MAINTENANCE EXPENSES (Continued)</b>			
Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	Line No.
B2. Products Extraction			31
Operation			32
770 Operation Supervision and Engineering	—	—	33
771 Operation Labor	—	—	34
772 Gas Shrinkage	—	—	35
773 Fuel	—	—	36
774 Power	—	—	37
775 Materials	—	—	38
776 Operation Supplies and expenses	—	—	39
777 Gas Processed by Others	—	—	40
778 Royalties on Products Extracted	—	—	41
779 Marketing expenses	—	—	42
780 Products Purchased for Resale	—	—	43
781 Variation in Products Inventory	—	—	44
(Less) 782 Extracted Products Used by the Utility-Credit	—	—	45
783 Rents	—	—	46
Total Operation (Total of Lines 33 thru 46)	—	—	47
Maintenance			48
784 Maintenance Supervision and Engineering	—	—	49
785 Maintenance of Structures and Improvements	—	—	50
786 Maintenance of Extraction and Refining Equipment	—	—	51
787 Maintenance of Pipe Lines	—	—	52
788 Maintenance of Extracted Products Storage Equipment	—	—	53
789 Maintenance of Compressor Equipment	—	—	54
790 Maintenance of Gas Measuring and Regulating Equipment	—	—	55
791 Maintenance of Other Equipment	—	—	56
TOTAL Maintenance (Total of lines 49 thru 56)	—	—	57
TOTAL Products Extraction (Total of lines 47 and 57)	—	—	58

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

<b>GAS OPERATION AND MAINTENANCE EXPENSES (Continued)</b>			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals	—	—
62	796 Nonproductive Well Drilling	—	—
63	797 Abandoned Leases	—	—
64	798 Other Exploration	—	—
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	—	—
66	D. Other Gas Supply Expenses		
67	Operation		
68	800 Natural Gas Well Head Purchases	—	—
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	—	—
70	801 Natural Gas Field Line Purchases	16,863,511	15,422,093
71	802 Natural Gas Gasoline Plant Outlet Purchases	—	—
72	803 Natural Gas Transmission Line Purchases	—	—
73	804 Natural Gas City Gate Purchases	229,465,545	258,779,635
74	804.1 Liquefied Natural Gas Purchases	—	—
75	805 Other Gas Purchases	—	—
76	805.1 Purchases Gas Cost Adjustments	14,087,970	(25,438,052)
77	TOTAL Purchased Gas (Total of Lines 68 thru 76)	260,417,026	248,763,676
78	806 Exchange Gas	—	—
79	Purchased Gas Expense		
80	807.1 Well Expense-Purchased Gas	—	—
81	807.2 Operation of Purchased Gas Measuring Stations	—	—
82	807.3 Maintenance of Purchased Gas Measuring Stations	—	—
83	807.4 Purchased Gas Calculations Expense	—	—
84	807.5 Other Purchased Gas Expenses	—	—
85	TOTAL Purchased Gas Expense (Total of lines 80 thru 84)	—	—

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Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

<b>GAS OPERATION AND MAINTENANCE EXPENSES (Continued)</b>			
Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	Line No.
808.1 Gas Withdrawn from Storage-Debit	9,359,883	20,606,255	86
(Less) 808.2 Gas Delivered to Storage-Credit	(6,633,111)	(14,075,155)	87
809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	—	—	88
(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	—	—	89
Gas used in Utility Operation-Credit			90
810 Gas Used for Compressor Station Fuel-Credit	—	—	91
811 Gas Used for Products Extraction-Credit	—	—	92
812 Gas Used for Other Utility Operations-Credit	(164,041)	(159,515)	93
TOTAL Gas Used in Utility Operations-Credit (lines 91 thru 93)	(164,041)	(159,515)	94
813 Other Gas Supply Expenses	—	—	95
TOTAL Other Gas Supply Exp. (Total of lines 77, 78, 85, 86-89, 94, 95)	262,979,757	255,135,261	96
TOTAL Production Expenses (Total of lines 3, 30, 58, 65, 96)	262,979,757	255,135,261	97
<b>2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES</b>			98
A. Underground Storage Expenses			99
Operation			100
814 Operation Supervision and Engineering	—	—	101
815 Maps and Records	—	—	102
816 Well Expenses	550,320	493,903	103
817 Lines Expenses	—	—	104
818 Compressor Station Fuel and Power	147,932	164,195	105
819 Compressor Station Fuel and Power	—	—	106
820 Measuring and Regulating Station Expenses	2,702,325	2,520,156	107
821 Purification Expenses	66,271	(284)	108
822 Exploration and Development	—	—	109
823 Gas Losses	—	—	110
824 Other Expenses	—	—	111
825 Storage Well Royalties	—	—	112
826 Rents	—	—	113
TOTAL Operation (Total of lines of 101 thru 113)	3,466,848	3,177,970	114

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Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

<b>GAS OPERATION AND MAINTENANCE EXPENSES (Continued)</b>			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
115	Maintenance		
116	830 Maintenance Supervision and Engineering	—	—
117	831 Maintenance of Structures and Improvements	—	—
118	832 Maintenance of Reservoirs and Wells	222,992	213,083
119	833 Maintenance of Lines	—	—
120	834 Maintenance of Compressor Station Equipment	886,782	323,746
121	835 Maintenance of Measuring and Regulating Station Equip.	—	—
122	836 Maintenance of Purification Equipment	—	—
123	837 Maintenance of Other Equipment	—	—
124	TOTAL Maintenance (Total of lines 116 thru 123)	1,109,774	536,829
125	TOTAL Underground Storage Expenses (lines 114 and 124)	4,576,622	3,714,799
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation supervision and Engineering	37,006	76,156
129	841 Operation Labor and Expenses	—	—
130	842 Rents	—	—
131	842.1 Fuel	—	—
132	842.2 Power	—	—
133	842.3 Gas Losses	—	—
134	TOTAL Operation (Total of lines 128 thru 133)	37,006	76,156
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering	—	—
137	843.2 Maintenance of Structures and Improvements	—	—
138	843.3 Maintenance of Gas Holders	—	—
139	843.4 Maintenance of Purification Equipment	—	—
140	843.5 Maintenance of Liquefaction Equipment	—	—
141	843.6 Maintenance of Vaporizing Equipment	—	—
142	843.7 Maintenance of Compressor Equipment	—	—
143	843.8 Maintenance of Measuring and Regulating Equipment	—	—
144	843.9 Maintenance of Other Equipment	—	—
145	TOTAL Maintenance (Total of lines 136 thru 144)	—	—
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	37,006	76,156



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<b>GAS OPERATION AND MAINTENANCE EXPENSES (Continued)</b>			
Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	Line No.
C. Liquefied Natural Gas Terminating and Processing Expenses			147
Operation			148
844.1 Operation Supervision and Engineering	1,586,606	1,652,104	149
844.2 LNG Processing Terminal Labor and Expenses	—	—	150
844.3 Liquefaction Processing Labor and Expenses	—	—	151
844.4 Liquefaction Transportation Labor and Expenses	—	—	152
844.5 Measuring and Regulating Labor and Expenses	—	—	153
844.6 Compressor Station Labor and Expenses	—	—	154
844.7 Communication system Expenses	—	—	155
844.8 System Control and Load Dispatching	—	—	156
845.1 Fuel	—	—	157
845.2 Power	—	—	158
845.3 Rents	—	—	159
845.4 Demurrage Charges	—	—	160
845.5 Wharfage Receipts-Credit	(89,454)	(175,451)	161
845.6 Processing Liquefied of Vaporized Gas by Others	—	—	162
846.1 Gas Losses	—	—	163
846.2 Other Expenses	—	—	164
TOTAL Operation (Total of lines 149 thru 164)	1,497,152	1,476,653	165
Maintenance			166
847.1 Maintenance Supervision and Engineering	—	—	167
847.2 Maintenance of Structures and Improvements	1,047,771	1,033,744	168
847.3 Maintenance of LNG Processing Terminal Equipment	—	—	169
847.4 Maintenance of LNG Transportation Equipment	—	—	170
847.5 Maintenance of Measuring and Regulating Equipment	—	—	171
847.6 Maintenance of Compressor Station Equipment	—	—	172
847.7 Maintenance of Communication Equipment	—	—	173
847.8 Maintenance of Other Equipment	—	—	174
TOTAL Maintenance (Total of lines 167 thru 174)	1,047,771	1,033,744	175
TOTAL Liquefied Nat Gas Terminating and Proc Exp (Total of lines 165 & 175)	2,544,923	2,510,397	176
TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	7,158,551	6,301,352	177

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Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

<b>GAS OPERATION AND MAINTENANCE EXPENSES (Continued)</b>			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	—	—
181	851 System Control and Load Dispatching	—	—
182	852 Communication system Expenses	—	—
183	853 Compressor Station Labor and Expenses	—	—
184	854 Gas for Compressor Station Fuel	—	—
185	855 Other Fuel and Power for Compressor Stations	—	—
186	856 Mains Expenses	1,998,006	1,989,004
187	857 Measuring and Regulating Station Expenses	—	—
188	858 Transmission and Compression of Gas by Others	—	—
189	859 Other Expenses	—	—
190	860 Rents	—	—
191	TOTAL Operations (Total of lines 180 thru 190)	1,998,006	1,989,004
192	Maintenance		
193	861 Maintenance Supervision and Engineering	—	—
194	862 Maintenance of Structures and Improvements	—	—
195	863 Maintenance of Mains	14,071	166,207
196	864 Maintenance of Compressor Station Equipment	—	—
197	865 Maintenance of Measuring and Regulating Station Equipment	—	—
198	866 Maintenance of Communication Equipment	—	—
199	867 Maintenance of Other Equipment	—	—
200	TOTAL Maintenance (Total of lines 193 thru 199)	14,071	166,207
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	2,012,077	2,155,211
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	2,655,708	2,847,189
205	871 Distribution Load Dispatching	—	—
206	872 Compressor Station Labor and Expenses	—	—
207	873 Compressor Station Fuel and Power	—	—

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
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<b>GAS OPERATION AND MAINTENANCE EXPENSES (Continued)</b>			
Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	Line No.
874 Mains and Services Expenses	10,134,195	9,176,771	208
875 Measuring and Regulating Station Expenses-General	(64,077)	(106,858)	209
876 Measuring and Regulating Station Expenses-Industrial	—	—	210
877 Measuring and Regulating Station Expenses-City Gas	626,216	609,033	211
878 Meter and House Regulator Expenses	6,099,669	5,665,100	212
879 Customer Installations Expenses	8,289,751	7,498,710	213
880 Other Expenses	1,007,600	1,033,460	214
881 Rents	218,327	212,302	215
TOTAL Operations (Total of lines 204 thru 215)	28,967,389	26,935,707	216
Maintenance			217
885 Maintenance Supervision and Engineering	2,950,301	3,197,131	218
886 Maintenance of Structures and Improvements	—	—	219
887 Maintenance of Mains	2,990,042	2,561,718	220
888 Maintenance of Compressor Station Equipment	—	—	221
889 Maintenance of Measuring & Regulating Station Equipment-General	1,669,148	1,610,369	222
890 Maintenance of Meas. and Reg. Station Equipment-Industrial	—	—	223
891 Maintenance of Meas & Reg Station Equip-City Gate	294,584	187,161	224
892 Maintenance of Services	1,366,827	627,763	225
893 Maintenance of Meters and House Regulators	3,775,179	2,826,459	226
894 Maintenance of Other Equipment	35,744	35,113	227
TOTAL Maintenance (Total of lines 218 thru 227)	13,081,825	11,045,714	228
TOTAL Distribution Expenses (Total of lines 216 and 228)	42,049,214	37,981,421	229
5. CUSTOMER ACCOUNTS EXPENSES			230
Operation			231
901 Supervision	1,652,022	1,646,260	232
902 Meter Reading Expenses	987,633	955,140	233
903 Customer Records and Collection Expenses	14,606,112	15,508,882	234

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Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

<b>GAS OPERATION AND MAINTENANCE EXPENSES (Continued)</b>			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
235	904 Uncollectible Accounts	779,162	449,187
236	905 Miscellaneous Customer Accounts Expenses	—	—
237	TOTAL Customer Accounts Expenses (Total of lines 232-236)	18,024,929	18,559,469
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSE		
239	Operation		
240	907 Supervision	256	4,464
241	908 Customer Assistance Expense	1,023,951	1,027,301
242	909 Informational and Instructional Expenses	1,650,679	2,118,069
243	910 Miscellaneous Customer Service and Informational Expenses	182,609	193,529
244	TOTAL Customer Service & Information Expenses (Total of lines 240 thru 243)	2,857,495	3,343,363
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	98,705	11,581
248	912 Demonstration and Selling Expenses	1,779,297	1,886,105
249	913 Advertising Expenses	267,476	295,487
250	916 Miscellaneous Sales Expenses	—	—
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	2,145,478	2,193,173
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	35,749,407	32,969,528
255	921 Office Supplies and Expenses	17,205,859	17,312,345
256	(Less) 922 Administrative Expenses Transferred - Credit	(21,365,227)	(19,619,015)
257	923 Outside Services Employed	10,874,075	11,089,842
258	924 Property Insurance	3,579,275	3,239,827
259	925 Injuries and Damages	319,343	216,918
260	926 Employee Pensions and Benefits	50,218,558	68,707,526
261	927 Franchise Requirements	—	—
262	928 Regulatory Commission Expenses	—	—
263	(Less) 929 Duplicate Charges - Credit	—	—
264	930.1 General Advertising Expenses	—	—
265	930.2 Miscellaneous General Expenses	2,748,357	3,354,367
266	931 Rents	5,829,151	4,706,138
267	TOTAL Operation (Total of lines 254 thru 266)	105,158,798	121,977,476
268	Maintenance		
269	932 Maintenance of General Plant	5,348,885	3,969,495
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	110,507,683	125,946,971
271	TOTAL Gas O&M Expenses (Total of lines 97,177, 201, 229, 237, 244, 251, and 270)	447,735,184	451,616,221

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

Gas Used in Utility Operations						
1. Report below details of credits during the year to Accounts 810, 811, and 812.						
2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).						
Line No.	Purpose for Which Gas was Used (a)	Account Charged (b)	Natural Gas Gas Used Dth (c)	Natural Gas Amount of Credit (in dollars) (d)	Manufactured Gas Gas Used Dth (e)	Manufactured Gas Amount of Credit (in dollars) (f)
1	810 Gas Used for Compressor Station Fuel - Credit		—	—	N/A	N/A
2	811 Gas Used for Products Extraction - Credit		—	—	N/A	N/A
3	Gas Shrinkage and Other Usage in Respondent's Own Processing		—	—	N/A	N/A
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others		—	—	N/A	N/A
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)		484,212	164,041	N/A	N/A
6	System - All Districts	Variable	173,675	164,041	N/A	N/A
7	LNG Plants	Inventory	107,415	0*	N/A	N/A
8	Underground Storage Compressors	Inventory	203,122	0*	N/A	N/A
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21						
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23						
24						
25	<b>Total</b>		<b>484,212</b>	<b>164,041</b>	<b>N/A</b>	<b>N/A</b>

\* Included in the Cost of Inventory

<b>Name of Respondent</b>	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			December 31, 2020

### MISCELLANEOUS GENERAL EXPENSE (Account 930.2)

1. Provide the information requested below on miscellaneous general expenses.
2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items so grouped is shown.

Line No.	Description (a)	Amount (in dollars) (b)
1	Industry association dues	38,980
2	Experimental and general research expenses	
	a. Gas Research Institute (GRI) aka Gas Technology Institute (GTI)	—
	b. Operations Technology Development (OTD)	—
	c. Other	176,852
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent	28,533
4	Other expenses	
8	a. Directors retainers and fees	2,110,463
9	b. COVID-19 Deferred Cost Savings and other COVID-19 related costs	298,243
10	c. Other miscellaneous expenses	95,286
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24		
25	<b>Total</b>	<b>2,748,357</b>

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)**

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.
2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.
3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of the provisions and the plant items to which related.

**See following pages**

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW NATURAL**

Period Beginning: January 2020  
Period Ending: December 2020

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve*
<b>UTILITY</b>								
<b>Intangible Plant</b>								
301 ORGANIZATION	—	—	—	—	—	—	—	—
302 FRANCHISES & CONSENTS	—	—	—	—	—	—	—	—
303.1 COMPUTER SOFTWARE	35,124,098	7,071,345	—	—	—	—	—	42,195,443
303.2 CUSTOMER INFORMATION SYSTEM	32,348,168	—	—	—	—	—	—	32,348,168
303.3 INDUSTRIAL & COMMERCIAL BIL	4,146,951	—	—	—	—	—	—	4,146,951
303.4 CRMS	682,893	—	(682,893)	—	—	—	—	—
303.6 NMEP COMPUTER SOFTWARE	55,987	90,440	—	—	—	—	—	146,427
303.7 CLOUD SOFTWARE	—	455,690	—	—	—	—	—	455,690
Intangible Plant Subtotal*	72,358,096	7,617,475	(682,893)	—	—	—	—	79,292,679
<b>Production Plant - Oil Gas</b>								
304.1 LAND	—	—	—	—	—	—	—	—
305.2 P P O G STRU & IMPR-SEWER S	—	—	—	—	—	—	—	—
305.5 P P O G STRU & IMPR-OTHER Y	13,814	—	—	—	—	—	—	13,814
312.3 P P O G FUEL HANDLING AND S	—	—	—	—	—	—	—	—
318.3 P P O G LIGHT OIL REFINING	152,141	—	—	—	—	—	—	152,141
318.5 P P O G TAR PROCESSING	255,729	—	—	—	—	—	—	255,729
325 NATURAL GAS PROD AND GATHER	—	—	—	—	—	—	—	—
327 NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—	—	—
328 NATURAL GAS PROD AND GATHER	—	—	—	—	—	—	—	—
331 NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—	—	—
332 NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—	—	—
333 NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—	—	—
334 NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—	—	—
Production Plant - Oil Gas Subtotal*	421,683	—	—	—	—	—	—	421,683
<b>Production Plant - Other</b>								
305.11 GAS PRODUCTION - COTTAGE G	8,736	—	—	—	—	—	—	8,736
305.17 STRUCTURES MIXING STATION	51,246	—	—	—	—	—	—	51,246
311 P P OTHER-LIQUEFIED PETROLE	—	—	—	—	—	—	—	—
311.4 P P OTHER-L P G GRANGER	—	—	—	—	—	—	—	—
311.7 LIQUIFIED GAS EQUIPMENT COO	8,066	—	—	—	—	—	—	8,066
311.8 LIQUIFIED GAS EQUIPMENT LIN	6,585	—	—	—	—	—	—	6,585
319 GAS MIXING EQUIPMENT GASCO	194,720	—	—	—	—	—	—	194,720
Production Plant - Other Subtotal*	269,353	—	—	—	—	—	—	269,353

\* May not foot due to rounding.



RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS  
NW NATURAL

Period Beginning: January 2020

Period Ending: December 2020

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve*
UTILITY								
Natural Gas Underground Storage								
350.1 LAND	—	—	—	—	—	—	—	—
350.2 RIGHTS-OF-WAY	32,004	1,568	—	—	—	—	—	33,571
350.3 NMEP RIGHTS-OF-WAY	5,450	8,717	—	—	—	—	—	14,167
351 STRUCTURES AND IMPROVEMENTS	3,053,795	129,512	—	—	—	—	—	3,183,307
351.1 NMEP STRUCTURES AND IMPROVEMENTS	72,239	117,418	—	—	—	—	—	189,657
352 WELLS	12,607,424	400,506	—	—	—	—	—	13,007,931
352.1 STORAGE LEASEHOLD & RIGHTS	1,811,152	65,773	—	—	—	—	—	1,876,925
352.2 RESERVOIRS	2,799,555	125,815	—	—	—	—	—	2,925,370
352.3 NON-RECOVERABLE NATURAL GAS	3,659,767	101,122	—	—	—	—	—	3,760,889
352.4 NMEP WELLS	201,551	336,092	—	—	—	—	—	537,643
352.5 NMEP STORAGE LEASEHOLD & RIGHTS	31,896	51,171	—	—	—	—	—	83,066
352.6 NMEP RESERVOIRS	32,877	52,745	—	—	—	—	—	85,622
352.6 NMEP NON-RECOVERABLE NATURAL GAS	31,656	50,787	—	—	—	—	—	82,442
352.7 NMEP NON-RECOVERABLE NATURAL GAS	31,656	50,787	—	—	—	—	—	82,442
353 LINES	3,467,944	167,152	—	—	—	—	—	3,635,097
353.1 NMEP LINES	4,184	7,083	—	—	—	—	—	11,267
354 COMPRESSOR STATION EQUIPMENT	20,553,816	559,998	(5,000,000)	—	—	—	—	16,113,814
354.7 NMEP COMPRESSOR STATION EQUIPMENT	456,891	739,711	—	—	13,550	—	—	1,210,152
355 MEASURING / REGULATING EQUIPM	4,914,910	177,691	—	—	—	—	—	5,092,602
355.1 NMEP MEASURING/REGULATING EQUIPM	207,697	342,720	—	—	—	—	—	550,418
356 PURIFICATION EQUIPMENT	245,017	84,206	—	—	—	—	—	329,223
357 OTHER EQUIPMENT	951,524	81,579	—	—	—	—	—	1,033,103
Natural Gas Underground Storage Subtotal*	55,141,350	3,601,367	(5,000,000)	—	13,550	—	—	53,756,267

\* May not foot due to rounding.

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS  
NW NATURAL

Period Beginning: January 2020  
Period Ending: December 2020

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve*
<b>UTILITY</b>								
<b>Local Storage Plant</b>								
360.11 LAND - LNG LINNTON	—	—	—	—	—	—	—	—
360.12 LAND - LNG NEWPORT	—	—	—	—	—	—	—	—
360.2 LAND - OTHER	—	—	—	—	—	—	—	—
361.11 STRUCTURES & IMPROVEMENTS	3,163,714	404,709	—	—	—	—	—	3,568,422
361.12 STRUCTURES & IMPROVEMENTS	3,143,615	523,940	—	—	—	—	—	3,667,556
361.2 STRUCTURES & IMPROVEMENTS -	12,365	474	—	—	—	—	—	12,839
362.11 GAS HOLDERS - LNG LINNTON	2,570,215	117,546	—	—	—	—	—	2,687,761
362.12 GAS HOLDERS - LNG NEWPORT	6,037,955	144,029	—	—	—	—	—	6,181,983
362.2 GAS HOLDERS - LNG OTHER	1,250	16	—	—	—	—	—	1,266
363.11 LIQUEFACTION EQUIP. - LINN	2,692,940	44,333	—	—	—	—	—	2,737,274
363.12 LIQUEFACTION EQUIP - NEWPO	7,346,843	105,508	—	—	—	—	—	7,452,351
363.21 VAPORIZING EQUIP - LINNTON	2,472,960	20,956	—	—	—	—	—	2,493,915
363.22 VAPORIZING EQUIP - NEWPORT	428,322	134,521	—	—	—	—	—	562,843
363.31 COMPRESSOR EQUIP - LINNTON	206,897	—	—	—	—	—	—	206,897
363.32 COMPRESSOR EQUIPMENT - NE	1,135,117	351,577	—	—	—	—	—	1,486,694
363.41 MEASURING & REGULATING EQU	745,174	116,641	—	—	—	—	—	861,815
363.42 MEASURING & REGULATING EQU	265,230	13,747	—	—	—	—	—	278,977
363.5 CNG REFUELING FACILITIES	1,511,977	79,944	—	—	—	—	—	1,591,921
363.6 LNG REFUELING FACILITIES	739,473	—	—	—	—	—	—	739,473
Local Storage Plant Subtotal*	32,474,046	2,057,941	—	—	—	—	—	34,531,986
<b>Transmission Plant</b>								
365.1 LAND	—	—	—	—	—	—	—	—
365.2 LAND RIGHTS	2,224,476	98,119	—	—	—	—	—	2,322,594
365.3 NMEP LAND RIGHTS	6,358	10,170	—	—	—	—	—	16,528
366.3 STRUCTURES & IMPROVEMENTS -	385,814	27,056	—	—	—	—	—	412,870
367 MAINS	39,817,125	3,405,133	—	—	—	—	—	43,222,257
367.21 NORTH MIST TRANSMISSION LI	1,211,672	34,307	—	—	—	—	—	1,245,979
367.22 SOUTH MIST TRANSMISSION LI	11,252,724	237,693	—	—	—	—	—	11,490,417
367.23 SOUTH MIST TRANSMISSION LI	15,253,972	676,698	—	—	—	—	—	15,930,670
367.24 11.7M S MIST TRANS LINE	6,496,445	338,844	—	—	—	—	—	6,835,289
367.25 12M NORTH S MIST TRANS	6,621,299	362,966	—	—	—	—	—	6,984,265
367.26 38M NORTH S MIST TRANS	24,451,554	1,330,537	—	—	—	—	—	25,782,091
367.27 NMEP MAINS	1,084,348	1,738,704	—	—	—	—	—	2,823,052
368 TRANSMISSION COMPRESSOR	(9)	—	—	—	—	—	—	(9)
369 MEASURING & REGULATE STATION	1,738,646	84,546	—	—	—	—	—	1,823,192
370 COMMUNICATION EQUIPMENT	—	—	—	—	—	—	—	—
Transmission Plant Subtotal*	110,544,423	8,344,773	—	—	—	—	—	118,889,196

\* May not foot due to rounding.

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS  
NW NATURAL

		Period Beginning: January 2020							Period Ending: December 2020
Functional Class	FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve*
UTILITY									
Distribution Plant									
374.1	LAND	—	—	—	—	—	—	—	—
374.2	LAND RIGHTS	1,691,723	10,563	—	—	—	—	—	1,702,286
375	STRUCTURES & IMPROVEMENTS	113,564	21,590	—	—	—	—	—	135,155
376.11	MAINS < 4"	354,371,605	16,493,050	(82,403)	(161,966)	36,748	—	—	370,657,034
376.12	MAINS 4" & >	248,222,889	14,779,936	(7,040)	(52,704)	36,966	—	—	262,980,047
376.13	MNEP MAINS 4" & >	9,032	14,452	—	—	—	—	—	23,484
377	COMPRESSOR STATION EQUIPMENT	677,959	10,803	—	—	—	—	—	688,761
378	MEASURING & REG EQUIP - GENER	13,837,855	857,040	—	—	—	—	—	14,694,895
379	MEASURING & REG EQUIP - GATE	3,244,552	366,698	—	—	—	—	—	3,611,250
380	SERVICES	443,259,181	24,546,208	(135,451)	(195,198)	—	—	—	467,474,739
381	METERS	24,017,554	2,359,379	(4,769,124)	—	43,305	—	—	21,651,115
381.1	METERS (ELECTRONIC)	1,993,110	49,042	—	—	—	—	—	2,042,151
381.2	ERT (ENCODER RECEIVER TRANS	21,450,294	2,636,464	(4,090,445)	—	—	—	—	19,996,313
382	METER INSTALLATIONS	6,205,275	2,979,363	(5,030,201)	—	—	—	—	4,154,436
382.1	METER INSTALLATIONS (ELECTR	121,408	41,416	—	—	—	—	—	162,824
382.2	ERT INSTALLATION (ENCODER	6,072,781	350,691	(377,910)	—	—	—	—	6,045,561
383	HOUSE REGULATORS	394,098	72,934	—	—	—	—	—	467,032
386	OTHER PROPERTY ON CUSTOMERS P	264,663	123,364	—	—	—	—	—	388,027
386.1	MULTI-FAMILY METER ROOMS	—	—	—	—	—	—	—	—
387.1	CATHODIC PROTECTION TESTING	144,848	1,426	—	—	—	—	—	146,273
387.2	CALORIMETERS @ GATE STATIONS	96,424	—	—	—	—	—	—	96,424
387.3	METER TESTING EQUIPMENT	72,671	—	—	—	—	—	—	72,671
Distribution Plant Subtotal*		1,126,261,485	65,714,417	(14,492,574)	(409,868)	117,019	—	—	1,177,190,479

\* May not foot due to rounding.

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW NATURAL**

Period Beginning: January 2020

Period Ending: December 2020

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve*
<b>UTILITY</b>								
<b>General Plant</b>								
389 LAND	437,351	—	—	—	—	—	—	437,351
390 STRUCTURES & IMPROVEMENTS	13,552,391	1,710,376	(175,298)	—	—	—	—	15,087,469
390.1 SOURCE CONTROL PLANT	5,608,472	440,291	—	—	—	—	—	6,048,763
391.1 OFFICE FURNITURE & EQUIPMEN	5,507,768	609,214	(113,981)	—	—	—	—	6,003,001
391.2 COMPUTERS	17,062,836	8,531,962	(2,834,260)	—	—	—	—	22,760,537
391.3 ON SITE BILLING	—	—	—	—	—	—	—	—
391.4 CUSTOMER INFORMATION SYSTEM	—	—	—	—	—	—	—	—
391.5 NMEP COMPUTERS	190,021	308,332	—	—	—	—	—	498,353
392 TRANSPORTATION EQUIPMENT	12,305,413	3,553,476	(1,534,186)	—	350,318	—	—	14,675,021
393 STORES EQUIPMENT	119,406	—	—	—	—	—	—	119,406
394 TOOLS - SHOP & GARAGE EQUIPUI	5,467,726	508,176	—	—	48,130	—	—	6,024,032
395 LABORATORY EQUIPMENT	(12)	(10)	—	—	—	—	—	(22)
396 POWER OPERATED EQUIPMENT	2,667,743	468,775	(204,308)	—	34,185	—	—	2,966,394
397 GEN PLANT-COMMUNICATION EQU	34,159	6,835	—	—	—	—	—	40,994
397.1 MOBILE	216,072	389,295	—	—	—	—	—	605,367
397.2 OTHER THAN MOBILE & TELEMET	(10,423)	(17,469)	—	—	—	—	—	(27,892)
397.3 TELEMETERING - OTHER	440,304	387,682	(44,672)	—	—	—	—	783,315
397.4 TELEMETERING - MICROWAVE	683,381	347,296	(262,701)	—	—	—	—	767,975
397.5 TELEPHONE EQUIPMENT	437,520	33,486	—	—	—	—	—	471,005
398 GEN PLANT-MISCELLANEOUS EQU	—	—	—	—	—	—	—	—
398.1 PRINT SHOP	3,783	(494)	—	—	—	—	—	3,289
398.2 KITCHEN EQUIPMENT	5,948	1,810	—	—	—	—	—	7,758
398.3 JANITORIAL EQUIPMENT	14,873	—	—	—	—	—	—	14,873
398.4 INSTALLED IN LEASED BUILDINGS	10,120	—	—	—	—	—	—	10,120
398.5 OTHER MISCELLANEOUS EQUIPMENT	66,739	—	—	—	—	—	—	66,739
General Plant Subtotal*	64,821,590	17,279,031	(5,169,406)	—	432,632	—	—	77,363,848
Utility Property Grand Total*	1,462,292,026	104,615,004	(25,344,872)	(409,868)	563,202	—	—	1,541,715,491

\* May not foot due to rounding.

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW NATURAL**

Period Beginning: January 2020

Period Ending: December 2020

Functional Class	Beginning	Provision	Retirements	Cost of	Salvage and	Transfers and	Ending
FERC Plant Account	Reserve			Removal	Other Credits	Adjustments	Reserve*
						Loss/(Gain)	
<b>NON UTILITY</b>							
<b>Intangible Plant</b>							
303.1 COMPUTER SOFTWARE	71,122	11,076	—	—	—	—	82,198
303.2 CUSTOMER INFORMATION SYSTEM	50,073	6	—	—	—	—	50,079
Non Utility Intangible Plant Subtotal*	121,195	11,082	—	—	—	—	132,277
<b>Natural Gas Underground Storage</b>							
352 WELLS	4,539,228	274,217	—	—	—	—	4,813,445
352.1 STORAGE LEASEHOLD & RIGHTS	257	17	—	—	—	—	274
352.2 RESERVOIRS	1,006,245	61,614	—	—	—	—	1,067,859
353 LINES	474,185	53,026	—	—	—	—	527,211
354 COMPRESSOR STATION EQUIPMENT	4,616,976	247,716	—	—	—	—	4,864,692
355 MEASURING / REGULATING EQUIPM	2,328,117	190,893	—	—	—	—	2,519,010
357 OTHER EQUIPMENT	14,401	1,373	—	—	—	—	15,774
Non Utility Natural Gas Underground Storage Subtotal*	12,979,409	828,856	—	—	—	—	13,808,265
<b>Transmission Plant</b>							
368 TRANSMISSION COMPRESSOR	2,718,438	166,050	—	—	—	—	2,884,488
Non Utility Transmission Plant Subtotal*	2,718,438	166,050	—	—	—	—	2,884,488
<b>Distribution Plant</b>							
376.12 MAINS 4" & >	1,369	(2)	—	—	—	—	1,367
Non Utility Distribution Plant Subtotal*	1,369	(2)	—	—	—	—	1,367
<b>General Plant</b>							
389 LAND	—	—	—	—	—	—	—
390 STRUCTURES & IMPROVEMENTS	44,288	5,526	—	—	—	—	49,814
Non Utility General Plant Subtotal*	44,288	5,526	—	—	—	—	49,814
<b>Non Utility Other</b>							
121.1 NON-UTIL PROP-DOCK	1,947,067	—	—	—	—	—	1,947,067
121.2 NON-UTIL PROP-LAND	—	—	—	—	—	—	—
121.3 NON-UTIL PROP-OIL ST	2,277,156	19,727	—	—	—	—	2,296,883
121.7 NON-UTIL PROP-APPL CENTER	47,322	4,383	—	—	—	—	51,705
121.8 NON-UTIL PROP-STORAGE	(1)	—	—	—	—	—	(1)
Non Utility Other*	4,271,544	24,110	—	—	—	—	4,295,654
<b>Non Utility Property Grand Total*</b>	<b>20,136,243</b>	<b>1,035,620</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>21,171,862</b>

\* May not foot due to rounding

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS  
NW NATURAL

Period Beginning: January 2020  
Period Ending: December 2020

Functional Class	Beginning	Cost of	Salvage and	Transfers and	Ending
FERC Plant Account	Reserve	Removal	Other Credits	Adjustments	Reserve*
TOTAL SUMMARY ALL UTILITY DEPRECIATION RESERVES		12/31/2020			
UTILITY					
108002	(10,055,331)				
108003	(27,436)				
108004	573,094				
108005	(101,562)				
108009	(2,689,670)				
108010	(61,899,448)				
108011	1,166,724,302				
108012	18,964,818				
108013	(4,269,790)				
108014	(1,094,551)				
108015	3,495,279				
108016	5,214,186				
108018	455,690				
108019	—				
108100	—				
108102	425,266,253				
108103	1,159,655				
SUBTOTAL*		1,541,715,491			
ADD:					
108001 REMOVAL WORK IN PROCESS		(52,396,593)			
108600 ROU UTIL LEAS ACC DE		8,415,272			
108601 FIN UTIL LEA ACC DEP		28,977			
108666 COST OF REMOVAL		—			
TOTAL UTILITY DEPRECIATION*		1,497,763,147			
TOTAL SUMMARY ALL NON-UTILITY RESERVES DEPRECIATION					
NON UTILITY					
122002	(112,420)				
122026	1,034				
122027	4,476,242				
122028	16,036,830				
122029	(764,395)				
122100	—				
122102	1,534,572				
TOTAL NON UTILITY DEPRECIATION*		21,171,862			

\* May not foot due to rounding

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Continued)			
4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.10, 3.10, 3.02, etc.			
Line No.	Functional Classification (a)	Plant Bases (in thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore	N/A	N/A
3	Onshore	N/A	N/A
4	Underground Gas Storage Plant	257,757	1.76%
5	Transmission Plant		
6	Offshore	N/A	N/A
7	Onshore	N/A	N/A
8	General Plant	N/A	N/A
9			
10			
11			
12			
13			
14			
15			

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

# **PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS**

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

(a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Amounts of less than \$250,000 may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430) -For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Account 425 Miscellaneous Amortization	—
3	Account 426.1 Donations	806,608
4	Account 426.2 Life Insurance - Increase in CSV and Death Benefits	(1,801,727)
5	Account 426.3 Penalties	—
6	Account 426.4 Civic, Political and Related Activities	769,643
7	Account 426.5 Other Deductions	4,770
8	Total Account 426	(220,706)
9	Account 430 Interest on Debt to Associated Companies	—
10	Account 431 Other Interest Expense	
11	Deferred Compensation	425,622
12	Line of Credit	592,726
13	Notes Payable	858,212
14	Other	67,952
15	Total Account 431	1,944,512
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<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### REGULATORY COMMISSION EXPENSES (Account 928)

1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.
2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

Line No.	Description (Furnish name of regulatory commission or body, the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 182.3 at Beginning of Year (e)
1					
2	<b>Northwest Natural does not track expenses by formal regulatory cases.</b>				
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25	<b>Total</b>				

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**REGULATORY COMMISSION EXPENSES (Account 928) (Continued)**

3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization.  
4. Identify separately all annual charge adjustments (ACA)  
5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts.  
6. Minor items (less than \$250,000) may be grouped.

Expenses Incurred During Year Charged Currently To  Department (f)	Expenses Incurred During Year Charged Currently To  Account No. (g)	Expenses Incurred During Year Charged Currently To  Amount (h)	Expenses Incurred During Year Charged Currently To  Deferred to Account 192.3 (i)	Amortized During Year  Contra Account (j)	Amortized During Year  Amount (k)	Deferred in Account 182.3 at End of Year (l)	Line No.
							1
Northwest Natural does not track expenses by formal regulatory cases.							2
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<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

Employee Pensions and Benefits (Account 926)		
1. Report below the items contained in Account 926, Employee Pensions & Benefits		
Line No.	Expense (a)	Amount (b)
1	Pensions - defined benefit plans	23,064,614
2	Health Benefits	12,433,591
3	Benefits dept salaries & wages	3,480,621
4	Defined contribution plans	3,134,855
5	Other postemployment benefit plans	2,928,205
6	Pensions - other	2,718,989
7	Stock compensation expenses	1,813,964
8	Workers compensation and other STD/Family Leave	347,294
9	Other Benefits	296,425
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30	<b>Total</b>	<b>50,218,558</b>

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<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
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### DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals and Other Accounts, and enter such amounts in the appropriate lines and columns provided. Salaries and wages billed to the Respondent by an affiliated company must be assigned to the particular operating function(s) relating to the expenses. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 75.01, 75.02, etc

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production	—	—	—	—
4	Transmission	—	—	—	—
5	Distribution	—	—	—	—
6	Customer Accounts	—	—	—	—
7	Customer Service and Informational	—	—	—	—
8	Sales	—	—	—	—
9	Administrative and General	—	—	—	—
10	TOTAL Operation (Total of lines 3 thru 9)	—	—	—	—
11	Maintenance				
12	Production	—	—	—	—
13	Transmission	—	—	—	—
14	Distribution	—	—	—	—
15	Administrative and General	—	—	—	—
16	TOTAL Maint. (Total of lines 12 thru 15)	—	—	—	—
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	—	—	—	—
19	Transmission (Total of lines 4 and 13)	—	—	—	—
20	Distribution (Total of lines 5 and 14)	—	—	—	—
21	Customer Accounts (Line 6)	—	—	—	—
22	Customer Service and Informational (Line 7)	—	—	—	—
23	Sales (Line 8)	—	—	—	—
24	Administrative and General (Total of lines 9 and 15)	—	—	—	—
25	TOTAL Oper. and Maint. (Total of lines 18 thru 24)	—	—	—	—
26	Gas				
27	Operation				
28	Production - Manufactured Gas	—	—	—	—
29	Production - Nat. Gas (Including Expl. and Dev.)	—	—	—	—
30	Other Gas Supply	—	—	—	—
31	Storage, LNG Terminating and Processing	2,482,778	—	276,728	2,759,506
32	Transmission	636,296	—	74,616	710,912
33	Distribution	16,427,625	—	1,730,971	18,158,596
34	Customer Accounts	9,193,382	—	996,656	10,190,038
35	Customer Service and Informational	2,265,737	—	249,578	2,515,315
36	Sales	835,335	—	69,471	904,806
37	Administrative and General	24,461,475	—	2,247,654	26,709,129
38	TOTAL Operation (Total of lines 28 thru 37)	56,302,628	—	5,645,674	61,948,302
39	Maintenance				

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Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

<b>DISTRIBUTION OF SALARIES AND WAGES (continued)</b>					
Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)	Line No.
Production - Manufactured Gas	—	—	—	—	40
Production - Natural Gas	—	—	—	—	41
Other Gas Supply	—	—	—	—	42
Storage, LNG Terminating and Processing	767,731	—	64,191	831,922	43
Transmission	1,882,044	—	209,415	2,091,459	44
Distribution	8,754,680	—	924,471	9,679,151	45
Administrative and General	1,583,414	—	228,146	1,811,560	46
TOTAL Maint. (Total of lines 40 thru 46)	12,987,869	—	1,426,223	14,414,092	47
Gas (Continued)					48
Total Operation and Maintenance					49
Production - Manufactured Gas (Lines 28 and 40)	—	—	—	—	50
Production - Nat. Gas (Including Expl. and Dev.) (Lines 29 and 41)	—	—	—	—	51
Other Gas Supply (Lines 30 and 42)	—	—	—	—	52
Storage, LNG Terminating and Processing (Lines 31 and 43)	3,250,509	—	340,919	3,591,428	53
Transmission (Total of lines 32 and 44)	2,518,340	—	284,031	2,802,371	54
Distribution (Total of lines 33 and 45)	25,182,305	—	2,655,442	27,837,747	55
Customer Accounts (Total of line 34)	9,193,382	—	996,656	10,190,038	56
Customer Service and Informational (Total of line 35)	2,265,737	—	249,578	2,515,315	57
Sales (Total of line 36)	835,335	—	69,471	904,806	58
Administrative and General (Total of lines 37 and 46)	26,044,889	—	2,475,800	28,520,689	59
TOTAL Operation and Maintenance (Total of lines 50 thru 59)	69,290,497	—	7,071,897	76,362,394	60
Other Utility Departments					61
Operation and Maintenance	—	—	—	—	62
TOTAL All Utility Dept. (Total of lines 25,60, and 62)	69,290,497	—	7,071,897	76,362,394	63
Utility Plant					64
Construction (By Utility Departments)					65
Electric Plant	—	—	—	—	66
Gas Plant	43,204,877	3,616	3,432,340	46,640,833	67
Other	—	—	—	—	68
TOTAL Construction (Total of lines 66 thru 68)	43,204,877	3,616	3,432,340	46,640,833	69
Plant Removal (By Utility Departments)					70
Electric Plant	—	—	—	—	71
Gas Plant	—	—	—	—	72
Other	—	—	—	—	73
TOTAL Plant Removal (Total of lines 71 thru 73)	—	—	—	—	74
Other Accounts (Specify):					75
Merchandising	1,318,673	—		1,318,673	75.01
Governmental & Public Affairs	225,596	—	467,594	693,190	75.02
Utility Employee Salary & Wages - Charged to NNGFC	—	—	—	—	75.03
Utility Employee Salary & Wages - Charged to Gill Ranch	189,822	—		189,822	75.04
Utility Employee Salary & Wages - Charged to NWN Gas Storage	528,304	—		528,304	75.05
Utility Employee Salary & Wages - Charged to Interstate Storage	780,097	—		780,097	75.06
Utility Employee Salary & Wages - Charged to Coos County	—	—	408,198	408,198	75.07
Utility Employee Salary & Wages - Charged to NWN Energy	12,303	—		12,303	75.08
Utility Employee Salary & Wages - Charged to Holdings	66,609	—		66,609	75.09
Utility Employee Salary & Wages - Charged to Water	958,129	—		958,129	75.10
TOTAL Other Accounts	4,079,533	—	875,792	4,955,325	76
TOTAL SALARIES AND WAGES	116,574,907	3,616	11,380,029	127,958,552	77

<b>Name of Respondent</b>	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			December 31, 2020

### CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related

(a) Name of person or organization rendering services.

(b) Total charges for the year.

2. Sum under a description "Other" all of the aforementioned services amounting to \$250,000 or less.

3. Total under a description "Total", the total of all of the aforementioned services.

4. Charges for outside professional and other consultative services provided schedule.

Line No.	Description (a)	Amount (in Dollars) (b)
1	LOY CLARK CONSTRUCTION	23,607,047
2	BURNS & MCDONNELL ENGINEERING	20,179,272
3	ANCHOR QEA LLC	14,227,975
4	SEVENSON ENVIRONMENTAL	12,283,062
5	K & D SERVICES OF OREGON	7,294,533
6	BREMIK CONSTRUCTION INC	6,347,131
7	TURNER CONSTRUCTION COMPANY	6,289,252
8	LOCATING INC	5,803,954
9	BRIX PAVING	5,694,243
10	BROTHERS PIPELINE CORP	5,053,647
11	DELOITTE CONSULTING LLP	3,357,017
12	SNC-LAVALIN CONSTRUCTORS INC	2,296,310
13	AIMS/PVIC	2,241,781
14	STRATEGIC BUSINESS SOLUTIONS INC	2,213,715
15	ONLINE ENTERPRISES INC	1,897,759
16	CHRISTENSON ELECTRIC INC	1,873,616
17	JH KELLY LLC	1,746,073
18	PEARL LEGAL GROUP PC	1,652,205
19	PRICEWATERHOUSECOOPERS LLP	1,384,670
20	SLALOM LLC	1,427,389
21	COURTNEY & SON INC	1,367,318
22	INTERNATIONAL BUSINESS MACHINES	1,353,429
23	HEATH CONSULTANTS INC	1,339,854
24	LRS ARCHITECTS INC	981,232
25	TEK SYSTEMS	977,741
26	RAIMORE CONSTRUCTION LLC	967,739
27	THE NORTH HIGHLAND COMPANY	944,245
28	HARDER MECHANICAL CONTRACTORS INC	908,957
29	G A W INC	898,952
30	PROPELLER INC	875,211
31	EC COMPANY	867,598
32	ACUREN INSPECTION INC	848,770
33	NORWEST ENGINEERING INC	828,800
34	GEOENGINEERS INC	794,106
35	AURITAS LLC	739,910
36	SIEMENS ENERGY INC	667,819
37	HARRIS GROUP INC	663,613
38	STRATEGIC BUSINESS SOLUTIONS LLC	650,900
39	SNAIR EXCAVATING INC	622,828
40	C-2 UTILITY CONTRACTORS LLC	589,590
41	RIZING LLC	556,714
42	BAKER HUGHES OILFIELD OPERATIONS LL	554,159



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Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

<b>CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES (Continued)</b>		
Line No.	Description (a)	Amount (in Dollars) (b)
43	STOEL RIVES LLP	550,240
44	M10 INC	542,315
45	REIMERS & JOLIVETTE INC	512,618
46	AECOM TECHNICAL SERVICES INC	491,850
47	MCDOWELL RACKNER & GIBSON PC	498,628
48	PROKARMA INC	490,867
49	SERVERLOGIC CORPORATION	484,500
50	AEROTEK INC	449,228
51	BIZTEK PEOPLE INC	437,880
52	ENDURO PIPELINE SERVICES INC	431,765
53	STANDARD UTILITY CONTRACTORS	422,050
54	WEST COAST CONTRACTORS INC	419,353
55	NORTHWEST STAFFING RESOURCES INC	398,798
56	ARCUS DATA LLC	397,700
57	CORPORATE ENVIRONMENTS OF OREGON IN	396,480
58	ROADRUNNER SAWCUTTING INC	392,736
59	EN ENGINEERING LLC	369,693
60	FLUX RESOURCES LLC	361,583
61	JHI ENGINEERING INC	349,953
62	IRANI ENGINEERING INC	341,520
63	HDR ENGINEERING INC	321,872
64	WESTLAKE CONSULTANTS INC	303,185
65	HARRANG LONG GARY RUDNICK PC	319,522
66	RANDY L BOEHM	306,825
67	JPMORGAN CHASE BANK	305,000
68	TODD L LAIZURE	303,923
69	INFOGROUP NORTHWEST INC	301,063
70	ONE CALL CONCEPTS INC	296,384
71	ARMADILLO BORING INC	294,400
72	SANBORN HEAD & ASSOCIATES INC	281,053
73	MORGAN LEWIS & BOCKIUS LLP	293,764
74	BRADSON TECHNOLOGY LLC	290,055
75	ROCKWELL AUTOMATION INC	286,878
76	SECURITAS SECURITY SERVICES USA INC	283,199
77	GE OIL & GAS COMPRESSION SYSTEMS LLC	281,619
78	THE HDD COMPANY INC	270,200
79	ABM INDUSTRIES INC	250,190
80	Other (Vendors < \$250k)	13,572,503
81	TOTAL	173,171,528

<b>Name of Respondent</b>	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			December 31, 2020

### Transactions with Associated (Affiliated) Companies

1. Report below the information called for concerning all goods or services received from or provided to associated (affiliated) companies amounting to more than \$250,000.
2. Sum under a description "Other", all of the aforementioned goods and services amounting to \$250,000 or less.
3. Total under a description "Total", the total of all of the aforementioned goods and services.
4. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.

Line No.	Description of the Goods or Service (a)	Name of Associated/Affiliated company (b)	Account(s) Charged or Credited (c)	Amounts Charged or Credited (d)
1	Goods or Services Provided to an Affiliated Company			
2	Labor - salaries & overhead	NW Natural Water Company, LLC	Various	1,843,285
3	Labor - salaries & overhead	NW Natural Gas Storage, LLC	Various	966,603
4	Labor - salaries & overhead	Gill Ranch Storage, LLC	Various	522,399
5	Labor - salaries & overhead	Northwest Natural Holding Company	Various	128,448
6	Indirect costs allocation** and insurance allocation*	NW Natural Water Company, LLC	Various	477,620
7	Indirect costs allocation** and insurance allocation*	NW Natural Gas Storage, LLC	Various	273,223
8	Other goods and services <\$250,000	Various	Various	219,495
9	TOTAL			4,431,073
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17	Goods or Services Received from an Affiliated Company			
18	KB pipeline demand & volumetric charge	NNG Financial Corporation	Various	(224,258)
19	Other goods and services <\$250,000	Various	Various	(127,449)
20	TOTAL			(351,707)
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See Affiliated Interest Report filed annually with the Oregon Public Utility Commission (OPUC) and Washington Utilities and Transportation Commission (WUTC) for further information regarding affiliate allocations and billings.

\*2020/2021 prepaid insurance billed to affiliates has a allocation process using consistent methodology to allocate the premiums as needed to the affiliates. The allocation process is consistent with that stated in our cost allocation manual as filed with the Public Utilities Commission (PUC). Policies purchased directly on behalf of affiliates are 100% reimbursed directly and are not included in the allocation - those reimbursements are also included here.

\*\*2020 indirect costs billed to affiliates based on the Massachusetts Method in accordance with our Cost Allocation Manual.

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<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
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### COMPRESSOR STATIONS

1. Report below details concerning compressor stations. Use the following subheading; field compressor stations, products extraction compressor stations, underground compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.

2. For column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership if jointly owned.

Line No.	Name of station and location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)
1	Underground Storage Compressors:			
2	Miller Station, Mist, Oregon	4	15,400	36,874,735
3	North Mist, Mist, Oregon	2	3,750	27,985,014
4	(Fuel used is natural gas)			
5	Field Compressors: NON-UTILITY			
6	Molalla, Oregon	2	2,219	7,723,454
7	Deer Island, Oregon	1	1,680	3,554,433
8	(Fuel used is natural gas)			
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### COMPRESSOR STATIONS (Continued)

Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote each unit's size and date the unit was placed in operation.

3. For Column (e), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or Power.

Expenses (except depreciation and taxes)  Fuel (e)	Expenses (except depreciation and taxes)  Power (f)	Expenses (except depreciation and taxes)  Other (g)	Gas for Compressor Fuel in Dth (h)	Electricity for Compressor Station kWh (i)	Operational Data  Total Compressor Hours of Operation during the Year (j)	Operational Data  Number of Compressor Operated at Time of Station Peak (k)	Date of Station Peak (l)	Line No.
								1
—	N/A	N/A	203,122	N/A	4,024	1	2/18/20	2
4,940	N/A	N/A	31,672	N/A	2,620	2	12/28/20	3
								4
								5
1,082	N/A	N/A	469	N/A	19 *	N/A	N/A	6
35	N/A	N/A	15	N/A	2 *	N/A	N/A	7
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Note: Fuel used by the compressors is added to the value of the inventory and expensed as a cost of gas when the inventory is withdrawn from storage.

\* Deer Island and Molalla Gate were not run for production during the year. Both were used for maintenance purposes only.

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

GAS STORAGE PROJECTS				
1. Report injections and withdrawals of gas for all storage projects used by respondent.				
Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
	<b>STORAGE OPERATIONS (in Dth)</b>			
1	Gas Delivered to Storage			
2	January	29,928	46,921	76,849
3	February	—	69,234	69,234
4	March	—	97,556	97,556
5	April	294,874	—	294,874
6	May	138,682	1,721,239	1,859,921
7	June	181,779	1,379,730	1,561,509
8	July	68,674	104,275	172,949
9	August	324,908	290,518	615,426
10	September	266,567	156,402	422,969
11	October	163,090	638,611	801,701
12	November	1,342,550	—	1,342,550
13	December	—	848,867	848,867
14	TOTAL (Total of Lines 2 Thru 13)	2,811,052	5,353,353	8,164,405
15	Gas Withdrawn from Storage			
16	January	1,021,238	34,094	1,055,332
17	February	515,888	95,212	611,100
18	March	241,486	393,584	635,070
19	April	20,125	—	20,125
20	May	62,647	4,623	67,270
21	June	33,994	18,638	52,632
22	July	48,204	196,553	244,757
23	August	37,192	400,688	437,880
24	September	32,871	402,007	434,878
25	October	705,947	485,011	1,190,958
26	November	25,853	50,780	76,633
27	December	1,612,923	1,703,726	3,316,649
28	TOTAL (Total of lines 16 thru 27)	4,358,368	3,784,916	8,143,284
Note 1: Storage withdrawals shown above include Jackson Prairie activity, net of fuel (gas measured at the city gate.)				
Note 2: Starting in May 2019, NW Natural placed its North Mist gas storage expansion project into service. The activity in column (c) represents the injections and withdrawals into the North Mist storage facility.				

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### GAS STORAGE PROJECTS

1. On line 4, enter the total storage capacity certificated by FERC.

2. Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.

Line No.	Item (a)	Total Amount (Dth) (b)
	STORAGE OPERATIONS	
1	Total of Working Gas End of Year (See Note 1)	11,071,120
2	Cushion Gas (Including Native Gas) (See Note 2)	9,063,998
3	Total Gas in Reservoir (Total of Line 1 and 2)	20,135,118
4	Certificated Storage Capacity	NA
5	Number of Injection - Withdrawal Wells (Mist only)	25
6	Number of Observation Wells (Mist only)	27
7	Maximum Day's Withdrawal from Storage (All Underground Storage)	275,108
8	Date of Maximum Days' Withdrawal	2/18/20
9	LNG Terminal Companies	2
10	Number of Tanks	2
11	Capacity of Tanks (in Dth)	1,600,000
12	LNG Volumes	
13	Received at "Ship Rail"	—
14	Transferred to Tanks	646,727
15	Withdrawn from Tanks	599,205
16	"Boil Off" Vaporization Loss	—

Note 1: The working gas on line 1 above includes gas recorded in the 164.1 and 164.3 accounts. It excludes the working gas at our North Mist facility as that gas is owned by the storage customer and is not included in NW Natural's accounts.

Note 2: The cushion gas on line 2 includes the cushion gas at the North Mist facility as that gas is owned by NW Natural and included in a 117.4 account.

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TRANSMISSION LINES			
1. Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.			
2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk, in column (b) and in a footnote state the name of the owner, or co-owner, nature of respondent's title, and percent of ownership if jointly owned.			
3. Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book costs are contemplated.			
4. Report the number of miles of pipe to one decimal point.			
Line No.	Designation (Identification) of Line or Group of Lines (a)	* (b)	Total Miles of Pipe (c)
1	State of Oregon		656.0
2	State of Washington		3.5
3	State of Oregon - Kelso - Beaver	*	1.0
4	State of Washington - Kelso - Beaver	*	17.0
5	State of Oregon - Coos County Pipeline	**	76.9
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* Kelso-Beaver is owned 10% by NW Natural dba KB Pipeline Company, 11% by US Gypsum Corp., and 79% by Portland General Electric (PGE); PGE is the operator. (1 mile of Kelso-Beaver Pipeline is located in the State of Oregon and 17 miles are located in the state of Washington). ** Coos County Pipeline is operated by NW Natural on behalf of Coos County.			



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### AUXILIARY PEAKING FACILITIES

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.
2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.
3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility (Dth) (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery
1	Portland, OR	LNG	120,000	26,690,310	Yes
2	Newport, OR	LNG	100,000	56,452,382	Yes
3	Mist, OR	Underground	520,000	181,133,402	Yes
4	North Mist, Mist, OR	Underground	120,000	76,623,404	Yes
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<b>Name of Respondent</b>	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			December 31, 2020

### GAS ACCOUNT - NATURAL GAS

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.
4. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
5. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose. Use copies of pages 520.
6. Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market of that were not transported through any interstate portion of the reporting pipeline.
7. Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on Line 3 relate.
8. Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
9. Indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.

Line No.	Item (a)	Ref. Page No. (b)	Total Amount of Dth (c)
1	NAME OF SYSTEM:		
2	GAS RECEIVED		
3	Gas Purchases (Accounts 800-805) (See Note 1)		75,339,399
4	Gas of Others Received for Gathering (Account 489.1)	303	N/A
5	Gas of Others Received for Transmission (Account 489.2)	305	N/A
6	Gas of Others Received for Distribution (Account 489.3) Transportation	301	38,269,244
7	Gas of Others Received for Contract Storage (Account 489.4)	306	3,784,916
8	Gas of Other Received for Production/Extraction/Processing (Account 490 and 491)		N/A
9	Exchanged Gas Received from Others (Account 806)	328	N/A
10	Gas Received as Imbalances (Account 806)	328	N/A
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332	N/A
12	Other Gas Withdrawn from Storage (Explain) Underground and LNG Storage	512	4,358,368
13	Gas Received from Shippers as Compressor Station Fuel		—
14	Gas Received from Shippers as Lost and Unaccounted for		—
15	Other Receipts (Specify) LPG		—
16	Total Receipts (Total of lines 3 thru 14)		121,751,927
17	GAS DELIVERED		
18	Gas Sales (Accounts 480-495)		76,020,435
19	Deliveries of Gas Gathered for Others (Account 489.1)	303	—
20	Deliveries of Gas Transported for Others (Account 489.2)	305	N/A
21	Deliveries of Gas Distributed for Others (Account 489.3) Transportation	301	38,269,244
22	Deliveries of Contract Storage Gas (Account 489.4)	306	3,784,916
23	Gas of Other Delivered for Production/Extraction/Processing (Account 490 and 491)		N/A
24	Exchange Gas Delivered to Others (Account 806)	328	N/A
25	Gas Delivered as Imbalances (Account 806)	328	N/A
26	Deliveries of Gas to Others for Transportation (Account 858)	332	N/A
27	Other Gas Delivered to Storage (Explain) Underground and LNG Storage	512	2,811,052
28	Gas Used for Compressor Station Fuel	331	217,751
29	Other Deliveries (Specify): Company Use	331	266,461
30	Total Deliveries (Total of lines 17 thru 27)		121,369,859
31	GAS LOSSES AND GAS UNACCOUNTED FOR		
32	Gas Losses and Gas Unaccounted For		382,068
33	TOTALS		
34	Total Deliveries, Gas Losses & Unaccounted for (Total of lines 30 and 32)		121,751,927

Note 1: The cost of Gas Purchases on line 3 are recorded in FERC account 801.

**NORTHWEST NATURAL GAS COMPANY**

**Oregon Supplement to FERC Form 2**

**December 31, 2020**

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**ANNUAL REPORT**  
**OREGON SUPPLEMENT TO FERC FORM 2**  
**for**  
**MULTI-STATE GAS COMPANIES**

**INDEX**

<u>PAGE</u>	<u>TITLE</u>
1	Statement of Utility Operating Income for the Year
2	Gas Operating Revenues
3	Interdepartmental Sales - Natural Gas
3	Rent from Gas Property and Interdepartmental Rents
4 - 9	Gas Operation and Maintenance Expenses
10	Depreciation, Depletion, and Amortization of Gas Plant
11	Taxes, Other Than Income Taxes
12	Calculation of Current Federal Income Tax Expense
13	Calculation of Current State Income Taxes (Excise) Tax Expense
14 - 15	Accumulated Deferred Income Taxes, Account 190
16 - 17	Accumulated Deferred Income Taxes - Accelerated Amortization Property, Account 281
18 - 19	Accumulated Deferred Income Taxes - Other Property, Account 282
20 - 21	Accumulated Deferred Income Taxes - Other, Account 283
22	Accumulated Deferred Investment Tax Credits, Account 255
23	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization & Depletion - Situs
24 - 27	Gas Plant in Service by Account - Situs
28	Gas Plant Held for Future Use - Situs
29	Construction Work in Progress - Situs
30	Accumulated Provision for Depreciation of Gas Utility Plant - Situs
31	Summary of Utility Plant & Accumulated Provisions for Depreciation, Amortization & Depletion - Allocated
32 - 35	Gas Plant in Service by Account - Allocated
36	Gas Plant Held for Future Use - Allocated
37	Construction Work in Progress - Allocated
38	Accumulated Provision for Depreciation of Gas Utility Plant - Allocated
39	Gas Stored
40 - 42	Gas Purchases
43	Gas Used in Utility Operations - Credit
44 - 45	Gas Account - Natural Gas
46	Miscellaneous General Expenses
47	Political Advertising
48	Political Contributions
49	Expenditures to Any Person or Organization Having an Affiliated Interest for Services, etc.
50	Donations and Memberships
51	Officers' Salaries
52	Donations or Payments for Services Rendered By Persons Other Than Employees and Charged to Oregon Operating Accounts
53	Oregon Gas Utility Statistics
Supplemental page	Distribution of Salaries and Wages

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

**STATE OF OREGON - STATEMENT OF INCOME FOR THE YEAR**

Line No.	Account (a)	(REF.) PAGE NO. (b)	GAS UTILITY	
			Current Year (c)	Previous Year (d)
1	<b>UTILITY OPERATING INCOME</b>			
2	Operating Revenues (400)	2		
3	Operating Expenses			
4	Operation Expenses (401)	4-9		
5	Maintenance Expenses (402)	4-9		
6	Depreciation Expense (403)	10		
7	Amort. & Depl. of Utility Plant (404-405)	10		
8	Amort. of Utility Plant Acq. Adj. (406)	10		
9	Amort of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)			
10	Amort. of Conversion Expenses (407)			
11	Taxes Other Than Income Taxes (408.1)	11		
12	Income Taxes - Federal (409.1)	12		
13	Income Taxes - Other (409.1)	13		
14	Provision for Deferred Income Taxes (410.1)	14-21		
15	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	14-21		
16	Investment Tax Credit Adj. - Net (411.4)	22		
17	(Less) Gains from Disp. of Utility Plant (411.6)			
18	Losses from Disp. of Utility Plant (411.7)			
19	TOTAL Utility Operating Expenses (Total of lines 4 thru 18)			
20	Net Utility Operating income (Enter Total of line 2 less 19)			

**SEE FERC ANNUAL REPORT PAGES 114-116**

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
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STATE OF OREGON - GAS OPERATING REVENUES (Account 400)							
Line No.	Account (a)	OPERATING REVENUES		Dth of NATURAL GAS SOLD		AVG. NO. OF NAT. GAS CUSTOMERS PER MO.	
		Current Year (b)	Previous Year (c)	Current Year (d)	Previous Year (e)	Current Year (f)	Previous Year (g)
1	GAS SERVICE REVENUES						
2	480 Residential Sales	391,653,175	383,026,977	38,272,612	40,233,286	616,999	606,803
3	481 Commercial and Industrial Sales						
4	Small or Commercial	170,832,863	192,628,868	21,987,591	25,275,565	61,981	62,026
5	Large or Industrial (See Note 1)	35,557,968	34,903,041	7,897,888	7,968,062	713	735
6	482 Other Sales to Public Authorities	—	—	—	—	—	—
7	484 Interdepartmental Sales	—	—	—	—	—	—
8	TOTAL Sales to Ultimate Consumers	598,044,006	610,558,886	68,158,091	73,476,913	679,693	669,564
9	483 Sales for Resale	—	—	—	—	—	—
10	TOTAL Nat. Gas Service Revenues	598,044,006	610,558,886	68,158,091	73,476,913	679,693	669,564
11	Revenues from Manufactured Gas	—	—				
12	TOTAL Gas Service Revenues	598,044,006	610,558,886				
13	OTHER OPERATING REVENUES						
14	485 Intercompany Transfers	—	—				
15	487 Late Payment Charge	2,015,429	1,985,517				
16	488 Misc. Service Revenues	659,575	1,217,881				
17	489 Rev. From Trans. of Gas of Others (See Note 2)	37,116,406	31,999,169				
18	490 Sales of Prod. Ext. from Natural Gas		—				
19	491 Rev. from Nat. Gas Proc. by Others		—				
20	492 Incidental Gasoline and Oil Sales		—				
21	493 Rent from Gas Property	88,456	164,377				
22	494 Interdepartmental Rents		—				
23	495 Other Gas Revenues	19,208,875	(5,718,286)				
24	TOTAL Other Operating Revenues	59,088,741	29,648,658				
25	TOTAL Gas Operating Revenues	657,132,747	640,207,544				
26	(Less) 496 Provision for Rate Refunds	—	—				
27	TOTAL Gas Operating Revenues Net of Provision for refund	657,132,747	640,207,544				
28	Dist. Type Sales by State (Incl. Main Line Sales to Resid. and Comm. Custrs.)	562,486,038	575,655,845	60,260,203			
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)	35,557,968	34,903,041	7,897,888			
30	Sales for Resale	—	—	—			
31	Other Sales to Pub. Auth. (Local Dist. Only)	—	—	—			
32	Interdepartmental Sales	—	—	—			
33	TOTAL (Same as Line 10, Columns (b) and (d))	598,044,006	610,558,886	68,158,091			

Note 1: In the 2019 FERC Form 2, the Average Number of Natural Gas Customers incorrectly included Transportation customers on line 5. The previous year number has been revised for the 2020 FERC Form 2 to only include Sales customers.

Note 2: Included in line 17, 489 Rev. From Trans. Of Gas of Others, is revenue for gas storage services provided at North Mist.

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# **STATE OF OREGON - INTERDEPARTMENTAL SALES - NATURAL GAS (Account 484)**

**Report particulars concerning sales of natural gas included in Account 484**

LINE NO.	DEPARTMENT AND BASIS OF CHARGES (a)	POINT OF DELIVERY (b)	MCF (14.73 psia at 60° F) (c)	REVENUE (d)
<b>NOT APPLICABLE</b>				

# **RENT FROM GAS PROPERTY AND INTERDEPARTMENTAL RENTS (Accounts 493, 494)**

1. Report particulars concerning rents received, included in Accounts 493 and 494.
2. Minor rents may be entered at the total amount for each class of such rents.
3. If rents are included which were arrived at under an arrangement for apportioning expenses of a joint facility, whereby the amount included in this account represents profit or return on property, depreciation, and taxes, give particulars and the basis of apportionment of such charges to Account 493 or 494.
4. Provide a subheading and total for each account.

LINE NO.	NAME OF LESSEE OR DEPARTMENT (Designate associated companies) (a)	DESCRIPTION OF PROPERTY (b)	AMOUNT OF REVENUE FOR YEAR	
			NATURAL GAS PROPERTY (c)	MANUFACTURED GAS PROPERTY (d)
ACCOUNT 493 - RENT FROM GAS PROPERTY				
1	City of Portland	CNG Meter Rental	209,473	
2	Other	Communication and other	88,456	
			297,929	



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<b>STATE OF OREGON ALLOCATED - GAS OPERATION AND MAINTENANCE EXPENSES</b>			
If the amount for previous year is not derived from previously reported figures, explain in footnotes.			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Detail Page 4A)	—	—
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering	—	—
8	751 Production Maps and Records	—	—
9	752 Gas Wells Expenses	—	—
10	753 Field Lines Expenses	—	—
11	754 Field Compressor Station Expenses	—	—
12	755 Field Compressor Station Fuel and Power	—	—
13	756 Field Measuring and Regulating Station Expenses	—	—
14	757 Purification Expenses	—	—
15	758 Gas Well Royalties	SEE FERC ANNUAL REPORT PAGES 317-325	
16	759 Other Expenses	—	—
17	760 Rents	—	—
18	TOTAL Operation (Total of lines 7 thru 17)	—	—
19	Maintenance		
20	761 Maintenance Supervision and Engineering	—	—
21	762 Maintenance of Structures and Improvements	—	—
22	763 Maintenance of Producing Gas Wells	—	—
23	764 Maintenance of Field Lines	—	—
24	765 Maintenance of Field Compressor Station Equipment	—	—
25	766 Maintenance of Field Meas. and Regulating Station Equipment	—	—
26	767 Maintenance of Purification Equipment	—	—
27	768 Maintenance of Drilling and Cleaning Equipment	—	—
28	769 Maintenance of Other Equipment	—	—
29	TOTAL Maintenance (Total of lines 20 thru 28)	—	—
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	—	—
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering	—	—
34	771 Operation Labor	—	—
35	772 Gas Shrinkage	—	—
36	773 Fuel	—	—
37	774 Power	—	—
38	775 Materials	—	—
39	776 Operation Supplies and expenses	—	—
40	777 Gas Processed by Others	—	—
41	778 Royalties on Products Extracted	—	—
42	779 Marketing expenses	—	—
43	780 Products Purchased for Resale	—	—
44	781 Variation in Products Inventory	—	—
45	(Less) 782 Extracted Products Used by the Utility-Credit	—	—
46	783 Rents	—	—
47	Total Operation (Total of Lines 33 thru 46)	—	—



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<b>STATE OF OREGON ALLOCATED - GAS OPERATION AND MAINTENANCE EXPENSES (Con't)</b>			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
48	Maintenance		
49	784 Maintenance Supervision and Engineering	—	—
50	785 Maintenance of Structures and Improvements	—	—
51	786 Maintenance of Extraction and Refining Equipment	—	—
52	787 Maintenance of Pipe Lines	—	—
53	788 Maintenance of Extracted Products Storage Equipment	—	—
54	789 Maintenance of Compressor Equipment	<b>SEE FERC ANNUAL REPORT PAGES 317-325</b>	
55	790 Maintenance of Gas Measuring and Regulating Equipment	—	—
56	791 Maintenance of Other Equipment	—	—
57	TOTAL Maintenance (Total of lines 49 thru 56)	—	—
58	TOTAL Products Extraction (Total of lines 47 and 57)	—	—
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals	—	—
62	796 Nonproductive Well Drilling	—	—
63	797 Abandoned Leases	—	—
64	798 Other Exploration	—	—
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	—	—
66	D. Other Gas Supply Expenses		
67	Operation		
68	800 Natural Gas Well Head Purchases	—	—
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	—	—
70	801 Natural Gas Field Line Purchases	—	—
71	802 Natural Gas Gasoline Plant Outlet Purchases	—	—
72	803 Natural Gas Transmission Line Purchases	—	—
73	804 Natural Gas City Gate Purchases	—	—
74	804.1 Liquefied Natural Gas Purchases	—	—
75	805 Other Gas Purchases	—	—
76	(Less) 805.1 Purchases Gas Cost Adjustments	—	—
77	TOTAL Purchased Gas (Total of Lines 68 thru 76)	—	—
78	806 Exchange Gas	—	—
79	Purchased Gas Expense		
80	807.1 Well Expense-Purchased Gas	—	—
81	807.2 Operation of Purchased Gas Measuring Stations	—	—
82	807.3 Maintenance of Purchased Gas Measuring Stations	—	—
83	807.4 Purchased Gas Calculations Expense	—	—
84	807.5 Other Purchased Gas Expenses	—	—
85	TOTAL Purchased Gas Expense (Total of lines 80 thru 84)	—	—
86	808.1 Gas Withdrawn from Storage-Debit	—	—
87	(Less) 808.2 Gas Delivered to Storage-Credit	—	—
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	—	—
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	—	—
90	Gas used in Utility Operation-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit	—	—
92	811 Gas Used for Products Extraction-Credit	—	—
93	812 Gas Used for Other Utility Operations-Credit	—	—
94	TOTAL Gas Used in Utility Operations-Credit (lines 91 thru 93)	—	—
95	813 Other Gas Supply Expenses	—	—
96	TOTAL Other Gas Supply Exp. (Total of lines 77, 78, 85, 86-89, 94, 95)	—	—
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, 96)	—	—

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

<b>STATE OF OREGON ALLOCATED - GAS OPERATION AND MAINTENANCE EXPENSES (Con't)</b>			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	—	—
102	815 Maps and Records	—	—
103	816 Well Expenses	—	—
104	817 Lines Expenses	—	—
105	818 Compressor Station Fuel and Power	<b>SEE FERC ANNUAL REPORT PAGES 317-325</b>	
106	819 Compressor Station Fuel and Power	—	—
107	820 Measuring and Regulating Station Expenses	—	—
108	821 Purification Expenses	—	—
109	822 Exploration and Development	—	—
110	823 Gas Losses	—	—
111	824 Other Expenses	—	—
112	825 Storage Well Royalties	—	—
113	826 Rents	—	—
114	TOTAL Operation (Total of lines of 101 thru 113)	—	—
115	Maintenance		
116	830 Maintenance Supervision and Engineering	—	—
117	831 Maintenance of Structures and Improvements	—	—
118	832 Maintenance of Reservoirs and Wells	—	—
119	833 Maintenance of Lines	—	—
120	834 Maintenance of Compressor Station Equipment	—	—
121	835 Maintenance of Measuring and Regulating Station Equip.	—	—
122	836 Maintenance of Purification Equipment	—	—
123	837 Maintenance of Other Equipment	—	—
124	TOTAL Maintenance (Total of lines 116 thru 123)	—	—
125	TOTAL Underground Storage Expenses (lines 114 and 124)	—	—
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation supervision and Engineering	—	—
129	841 Operation Labor and Expenses	—	—
130	842 Rents	—	—
131	842.1 Fuel	—	—
132	842.2 Power	—	—
133	842.3 Gas Losses	—	—
134	TOTAL Operation (Total of lines 128 thru 133)	—	—
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering	—	—
137	843.2 Maintenance of Structures and Improvements	—	—
138	843.3 Maintenance of Gas Holders	—	—
139	843.4 Maintenance of Purification Equipment	—	—
140	843.5 Maintenance of Liquefaction Equipment	—	—
141	843.6 Maintenance of Vaporizing Equipment	—	—
142	843.7 Maintenance of Compressor Equipment	—	—
143	843.8 Maintenance of Measuring and Regulating Equipment	—	—
144	843.9 Maintenance of Other Equipment	—	—
145	TOTAL Maintenance (Total of lines 136 thru 144)	—	—
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	—	—

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

<b>STATE OF OREGON ALLOCATED - GAS OPERATION AND MAINTENANCE EXPENSES (Con't)</b>			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering	—	—
150	844.2 LNG Processing Terminal Labor and Expenses	—	—
151	844.3 Liquefaction Processing Labor and Expenses	—	—
152	844.4 Liquefaction Transportation Labor and Expenses	—	—
153	844.5 Measuring and Regulating Labor and Expenses	<b>SEE FERC ANNUAL REPORT PAGES 317-325</b>	
154	844.6 Compressor Station Labor and Expenses	—	—
155	844.7 Communication system Expenses	—	—
156	844.8 System Control and Load Dispatching	—	—
157	845.1 Fuel	—	—
158	845.2 Power	—	—
159	845.3 Rents	—	—
160	845.4 Demurrage Charges	—	—
161	(Less) 845.5 Wharfage Receipts-Credit	—	—
162	845.6 Processing Liquefied of Vaporized Gas by Others	—	—
163	846.1 Gas Losses	—	—
164	846.2 Other Expenses	—	—
165	TOTAL Operation (Total of lines 149 thru 164)	—	—
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering	—	—
168	847.2 Maintenance of Structures and Improvements	—	—
169	847.3 Maintenance of LNG Processing Terminal Equipment	—	—
170	847.4 Maintenance of LNG Transportation Equipment	—	—
171	847.5 Maintenance of Measuring and Regulating Equipment	—	—
172	847.6 Maintenance of Compressor Station Equipment	—	—
173	847.7 Maintenance of Communication Equipment	—	—
174	847.8 Maintenance of Other Equipment	—	—
175	TOTAL Maintenance (Total of lines 167 thru 174)	—	—
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 & 175)	—	—
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	—	—
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	—	—
181	851 System Control and Load Dispatching	—	—
182	852 Communication system Expenses	—	—
183	853 Compressor Station Labor and Expenses	—	—
184	854 Gas for Compressor Station Fuel	—	—
185	855 Other Fuel and Power for Compressor Stations	—	—
186	856 Mains Expenses	—	—
187	857 Measuring and Regulating Station Expenses	—	—
188	858 Transmission and Compression of Gas by Others	—	—
189	859 Other Expenses	—	—
190	860 Rents	—	—
191	TOTAL Operations (Total of lines 180 thru 190)	—	—

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
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<b>STATE OF OREGON ALLOCATED - GAS OPERATION AND MAINTENANCE EXPENSES (Con't)</b>			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
192	Maintenance		
193	861 Maintenance Supervision and Engineering	—	—
194	862 Maintenance of Structures and Improvements	—	—
195	863 Maintenance of Mains	—	—
196	864 Maintenance of Compressor Station Equipment	—	—
197	865 Maintenance of Measuring and Regulating Station Equipment	—	—
198	866 Maintenance of Communication Equipment	—	—
199	867 Maintenance of Other Equipment	<b>SEE FERC ANNUAL REPORT PAGES 317-325</b>	
200	TOTAL Maintenance (Total of lines 193 thru 199)	—	—
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	—	—
202	<b>4. DISTRIBUTION EXPENSES</b>		
203	Operation		
204	870 Operation Supervision and Engineering	—	—
205	871 Distribution Load Dispatching	—	—
206	872 Compressor Station Labor and Expenses	—	—
207	873 Compressor Station Fuel and Power	—	—
208	874 Mains and Services Expenses	—	—
209	875 Measuring and Regulating Station Expenses-General	—	—
210	876 Measuring and Regulating Station Expenses-Industrial	—	—
211	877 Measuring and Regulating Station Expenses-City Gas	—	—
212	878 Meter and House Regulator Expenses	—	—
213	879 Customer Installations Expenses	—	—
214	880 Other Expenses	—	—
215	881 Rents	—	—
216	TOTAL Operations (Total of lines 204 thru 215)	—	—
217	Maintenance		
218	885 Maintenance Supervision and Engineering	—	—
219	886 Maintenance of Structures and Improvements	—	—
220	887 Maintenance of Mains	—	—
221	888 Maintenance of Compressor Station Equipment	—	—
222	889 Maintenance of Measuring & Regulating Station Equipment-General	—	—
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	—	—
224	891 Maintenance of Meas & Reg Station Equip-City Gate	—	—
225	892 Maintenance of Services	—	—
226	893 Maintenance of Meters and House Regulators	—	—
227	894 Maintenance of Other Equipment	—	—
228	TOTAL Maintenance (Total of lines 218 thru 227)	—	—
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	—	—
230	<b>5. CUSTOMER ACCOUNTS EXPENSES</b>		
231	Operation		
232	901 Supervision	—	—
233	902 Meter Reading Expenses	—	—
234	903 Customer Records and Collection Expenses	—	—
235	904 Uncollectible Accounts	—	—
236	905 Miscellaneous Customer Accounts Expenses	—	—
237	TOTAL Customer Accounts Expenses (Total of lines 232-236)	—	—
238	<b>6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSE</b>		
239	Operation		
240	907 Supervision	—	—
241	908 Customer Assistance Expense	—	—
242	909 Informational and Instructional Expenses	—	—
243	910 Miscellaneous Customer Service and Informational Expenses	—	—
244	TOTAL Customer Service & Information Expenses (Total of lines 240 thru 243)	—	—

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

<b>STATE OF OREGON ALLOCATED - GAS OPERATION AND MAINTENANCE EXPENSES (Con't)</b>			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	—	—
248	912 Demonstration and Selling Expenses	—	—
249	913 Advertising Expenses	—	—
250	916 Miscellaneous Sales Expenses	<b>SEE FERC ANNUAL REPORT PAGES 317-325</b>	
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	—	—
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	—	—
255	921 Office Supplies and Expenses	—	—
256	(Less) 922 Administrative Expenses Transferred - Credit	—	—
257	923 Outside Services Employed	—	—
258	924 Property Insurance	—	—
259	925 Injuries and Damages (See Note 1 Below)	—	—
260	926 Employee Pensions and Benefits	—	—
261	927 Franchise Requirements	—	—
262	928 Regulatory Commission Expenses	—	—
263	(Less) 929 Duplicate Charges - Credit	—	—
264	930.1 General Advertising Expenses	—	—
265	930.2 Miscellaneous General Expenses	—	—
266	931 Rents	—	—
267	TOTAL Operation (Total of lines 254 thru 266)	—	—
268	Maintenance		
269	935 Maintenance of General Plant	—	—
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	—	—
271	TOTAL Gas O & M Expenses (Total of lines 97, 177, 201, 229, 237, 244, 251, and 270)	—	—

<b>STATE OF OREGON ALLOCATED - GAS OPERATION AND MAINTENANCE EXPENSES</b>				
Line No.	FUNCTIONAL CLASSIFICATIONS (a)	OPERATION (b)	MAINTENANCE (c)	TOTAL (d)
272	Production			
273	Manufactured Gas			
274	Natural gas:			
275	Production and Gathering			
276	Products Extraction			
277	Exploration and Dev.			
278	TOTAL Natural Gas	<b>INFORMATION NOT AVAILABLE</b>		
279	Other Gas Supply Expenses	<b>SEE FERC ANNUAL REPORT PAGES 317-325</b>		
280	TOTAL Production			
281	Underground Storage			
282	Other Storage			
283	LNG Terminating and Processing			
284	Transmission Expenses			
285	Distribution Expenses			
286	Customer Accounts Expenses			
287	Customer Service and Informational Expenses			
288	Sales Expenses			
289	Adm. and General Expenses			
290	TOTAL Gas O. & M. Expenses			

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

**STATE OF OREGON - ALLOCATED DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT**  
**(Account 403, 404.1, 404.2, 404.3, 405)**

(Except Amortization of Acquisitions Adjustments)

Report the amounts of depreciation expense, depletion and amortization for the accounts indicated and classify according to the plant functional groups shown.

Line No.	FUNCTIONAL CLASSIFICATION (a)	DEPRECIATION EXPENSE (ACCOUNT 403) (b)	AMORTIZATION & DEPLETION OF PRODUCING NATURAL GAS LAND & LAND RIGHTS (ACCOUNT 404.1) (c)	AMORTIZATION OF UNDERGROUND STORAGE LAND & LAND RIGHTS (ACCOUNT 404.2) (d)	AMORTIZATION OF OTHER LIMITED-TERM GAS PLANT (ACCOUNT 404.3) (e)	AMORTIZATION OF OTHER GAS PLANT (ACCOUNT 405) (f)	TOTAL (g)
1	Intangible Plant						
2	Production Plant, Manufactured Gas						
3	Production and Gathering Plant, Natural Gas		N/A - See SITUS schedule at OR 30				
4	Products Extraction Plant						
5	Underground Gas Storage Plant						
6	Other Storage Plant						
7	Base Load LNG Terminaling and Processing Plant						
8	Transmission Plant						
9	Distribution Plant						
10	General Plant						
11	Common Plant - Gas						
12							
13							
14							
15							
16							
17							
18							
19	TOTAL						



<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

STATE OF OREGON - ALLOCATED TAXES, OTHER THAN INCOME TAXES (Account 408.1)		
Line No.	KIND OF TAX (a)	AMOUNT (b)
	SEE FERC ANNUAL REPORT PAGES 262a - 263b	
	TOTAL (Must agree with page 1, line 11)	

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**STATE OF OREGON - ALLOCATED CALCULATION OF CURRENT FEDERAL INCOME TAX EXPENSE  
(Account 409.1)**

1. Report amounts used to derive current Federal income tax expense, Account 409.1, for the reporting period. If amounts are shown in thousands, show (000) in the heading for column (b).
2. Show amounts increasing taxable income as positive values and amounts decreasing taxable income as negative.
3. Current tax expense on this schedule must match the amount reported on page 1, line 12 of this report. Separately identify adjustments arising from revisions of prior year accruals.
4. Minor amounts of other additions (subtractions) may be grouped.

Line No.	PARTICULARS (Details) (a)	AMOUNT (b)
1	Gas Operating Revenues	
2	Operations and Maintenance Expenses	
3	Taxes, Other than Income	
4	State Income (Excise) Tax	
5	Interest	
6	Federal Income Tax Depreciation	
7	Other Additions (Subtractions) to Derive Taxable Income	
8		
9		
10		
11		
12		
13		
14	<b>SEE FERC ANNUAL REPORT</b>	
15	<b>PAGE 261</b>	
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	
28	Show Computation of Tax:	

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**STATE OF OREGON - ALLOCATED CALCULATION OF CURRENT FEDERAL INCOME TAX EXPENSE  
(Account 409.1)**

1. Report amounts used to derive current Federal income tax expense, Account 409.1, for the reporting period. If amounts are shown in thousands, show (000) in the heading for column (b).
2. Show amounts increasing taxable income as positive values and amounts decreasing taxable income as negative.
3. Current tax expense on this schedule must match the amount reported on page 1, line 13 of this report. Separately identify adjustments arising from revisions of prior year accruals.
4. Minor amounts of other additions (subtractions) may be grouped.

Line No.	PARTICULARS (Details) (a)	AMOUNT (b)
1	Gas Operating Revenues	
2	Operations and Maintenance Expenses	
3	Taxes, Other than Income	
4	Interest	
5	State Income (Excise) Tax Depreciation	
6	Other Additions (Subtractions) to Derive Taxable Income	
7		
8		
9		
10		
11		
12		
13		
14	<b>SEE FERC ANNUAL REPORT</b>	
15	<b>PAGE 261</b>	
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	
28	Show Computation of Tax:	

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

**STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES (Account 190)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.

2. In the space provided:

(a) identify, by amount and classification, significant items for which deferred taxes are being provided.

(b) indicate insignificant amounts under Other.

Line No.	ACCOUNT SUBDIVISIONS (a)	BALANCE BEGINNING OF YEAR (b)	CHANGES DURING THE YEAR	
			AMOUNTS DEBITED ACCOUNT 410.1 (c)	AMOUNTS CREDITED ACCOUNT 410.1 (d)
1	Electric			
2				
3				
4				
5				
6				
7	Other			
8	TOTAL ELECTRIC			
9				
10				
11				
12				
13				
14				
15	Other			
16	TOTAL GAS			
17	Other (Specify)			
18	TOTAL (ACCOUNT 190)			
19	Classification of Totals			
20	Federal Income Tax			
21	State Income Tax			
22	Local Income Tax			

**NOT APPLICABLE**

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Con't)

3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.  
4. Use separate pages as required.

CHANGES DURING THE YEAR		ADJUSTMENTS				BALANCE END OF YEAR	Line No.
AMOUNTS DEBITED ACCOUNT 410.2	AMOUNTS CREDITED ACCOUNT 410.2	DEBITS		CREDITS			
		ACCT. NO.	AMOUNT	ACCT. NO.	AMOUNT		
(e)	(f)	(g)	(h)	(i)	(j)	(k)	
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
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							18
							19
							20
							21
							22

NOT APPLICABLE

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES (Account 281)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amortizable property.
2. In the space provided:
- (a) identify, by amount and classification, significant items for which deferred taxes are being provided.
  - (b) indicate insignificant amounts under Other.
  - (c) Date amortization for tax purposes commenced.
  - (d) "Normal" depreciation rate used in computing the deferred tax.

Line No.	ACCOUNT (a)	BALANCE BEGINNING OF YEAR (b)	CHANGES DURING THE YEAR	
			AMOUNTS DEBITED ACCOUNT 410.1 (c)	AMOUNTS CREDITED ACCOUNT 410.1 (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities			
5	Other			
6				
7				
8	TOTAL Electric (Total of lines 3 thru 7)			
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12	Other			
13				
14				
15	TOTAL Gas (Total of lines 10 thru 14)			
16	Gas (Specify)			
17	TOTAL (Acct 281) Total of 8, 15 & 16)			
18	Classification of TOTAL			
19	Federal Income Tax			
20	State Income Tax			
21	Local Income Tax			

NOT APPLICABLE

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES (Account 281) (Con't)							
(e) Tax rate used originally defer amounts and the tax rate used during the current year to amortize previous deferrals.							
3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.							
4. Use separate pages as required.							
CHANGES DURING THE YEAR		ADJUSTMENTS				BALANCE END OF YEAR	Line No.
AMOUNTS DEBITED ACCOUNT 410.2 (e)	AMOUNTS CREDITED ACCOUNT 410.2 (f)	DEBITS		CREDITS			
		ACCT. NO. (g)	AMOUNT (h)	ACCT. NO. (i)	AMOUNT (j)		
							1
							2
							3
							4
							5
							6
							7
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							9
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							18
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							20
							21
NOT APPLICABLE							

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES (Account 282)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.

2. In the space provided:

- (a) State the general method or methods of liberalized depreciation being used (sum-of-year digits, declining balance, etc.)
- (b) Estimated lives (i.e. useful life, guideline life, guideline class life, etc.)
- (c) Classes of plant to which each method is being applied and date method was adopted.

Line No.	ACCOUNT SUBDIVISIONS (a)	BALANCE BEGINNING OF YEAR (b)	CHANGES DURING THE YEAR	
			AMOUNTS DEBITED ACCOUNT 410.1 (c)	AMOUNTS CREDITED ACCOUNT 410.1 (d)
1	Account 282			
2	Electric			
3	Gas			
4	Other			
5	TOTAL (Total of lines 2 thru 4)			
6	Other (Specify)			
7				
8				
9	TOTAL (Acct 282) (Total of 5 thru 8)			
10	Classification of TOTAL			
11	Federal Income Tax			
12	State Income Tax			
13	Local Income Tax			

**NOT APPLICABLE**



<b>Name of Respondent</b> Northwest Natural Gas Company	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b> December 31, 2020
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**STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES (Account 282) (Con't)**

3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.  
4. Use separate pages as required.

CHANGES DURING THE YEAR		ADJUSTMENTS				BALANCE END OF YEAR	Line No.
AMOUNTS DEBITED ACCOUNT 410.2	AMOUNTS CREDITED ACCOUNT 410.2	DEBITS		CREDITS			
		ACCT. NO.	AMOUNT	ACCT. NO.	AMOUNT		
(e)	(f)	(g)	(h)	(i)	(j)	(k)	
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13

NOT APPLICABLE

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES (Account 283)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.

2. In the space provided below include amounts relating to insignificant items under Other.

Line No.	ACCOUNT SUBDIVISIONS (a)	BALANCE BEGINNING OF YEAR (b)	CHANGES DURING THE YEAR	
			AMOUNTS DEBITED ACCOUNT 410.1 (c)	AMOUNTS CREDITED ACCOUNT 410.1 (d)
1	Account 283			
2	Electric			
3				
4				
5				
6				
7				
8	Other			
9	TOTAL Electric (Total of 2 thru 8)			
10	Gas			
11				
12				
13				
14				
15				
16	Other			
17	TOTAL Gas (Total of lines 10 thru 16)			
18	Other (Specify)			
19	TOTAL (Acct 283) (Total of 9, 17, & 18)			
20	Classification of TOTAL			
21	Federal Income Tax			
22	State Income Tax			
23	Local Income Tax			

**SEE ANNUAL REPORT  
PAGES 276 - 277**

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES (Account 283) (Con't)							
3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.							
4. Use separate pages as required.							
CHANGES DURING THE YEAR		ADJUSTMENTS				BALANCE END OF YEAR	Line No.
AMOUNTS DEBITED ACCOUNT 410.2	AMOUNTS CREDITED ACCOUNT 410.2	DEBITS		CREDITS			
		ACCT. NO.	AMOUNT	ACCT. NO.	AMOUNT		
(e)	(f)	(g)	(h)	(i)	(j)	(k)	
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
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							20
							21
							22
							23
SEE ANNUAL REPORT PAGES 276 - 277							

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

STATE OF OREGON - ALLOCATED ACCUMULATED DEFERED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Explain by footnote any correction to the account balance shown in column (g). Include in column (l) the average period over which the tax credits are amortized.

Line No.	ACCOUNT (a)	BALANCE BEGINNING OF YEAR (b)	DEFERRED FOR YEAR		ALLOCATION TO CURRENT YEAR'S INCOME		ADJUSTMENTS (g)	BALANCE END OF YEAR (h)
			ACCOUNT NO. (c)	AMOUNT (d)	ACCOUNT NO. (e)	AMOUNT (f)		
1								
2								
3								
4								
5								
6								
7								
8								
9	NONE							
10								
11								
12								
13								
14								
15								
16								
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23								
24								
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27								
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29								
30								
31								
32								
33								

NOTES

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

<b>STATE OF OREGON - ALLOCATED ACCUMULATED DEFERED INVESTMENT TAX CREDITS (Account 255)</b>
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Report below information applicable to Account 255. Explain by footnote any correction to the account balance shown in column (g). Include in column (l) the average period over which the tax credits are amortized.

Line No.	ACCOUNT (a)	BALANCE BEGINNING OF YEAR (b)	DEFERRED FOR YEAR		ALLOCATION TO CURRENT YEAR'S INCOME		BALANCE END OF YEAR (g)	AVERAGE PERIOD OF ALLOCATION TO INCOME (h)
			ACCOUNT NO. (c)	AMOUNT (d)	ACCOUNT NO. (e)	AMOUNT (f)		
1	Gas Utility							
2	3%							
3	4%							
4	7%							
5	10%							
6	TOTAL							
7	Other (List separately and show 3%, 4%, 7% , 10% and TOTAL							
8								
9								
10								
11								
12								
13	NONE							
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

STATE OF OREGON - SITUS UTILITY PLANT SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION							
Line No.	ITEM (a)	TOTAL (b)	ELECTRIC (c)	GAS (d)	OTHER (SPECIFY) (e)	OTHER (SPECIFY) (f)	COMMON (g)
1	<b>UTILITY PLANT</b>						
2	In Service						
3	Plant in Service (Classified)	2,454,898,741		2,454,898,741			
4	Property Under Capital Leases	87,581,610		87,581,610			
5	Plant Purchased or Sold	—		—			
6	Completed Construction not Classified	895,398,865		895,398,865			
7	Experimental Plant Unclassified	—		—			
8	TOTAL (Enter total of lines 3 thru 7)	3,437,879,216		3,437,879,216			
9	Leased to Others	—		—			
10	Held for Future Use	970,068		970,068			
11	Construction Work in Progress	58,157,489		58,157,489			
12	Acquisition Adjustments	—		—			
13	TOTAL Utility Plant (Enter total of lines 8 thru 12)	3,497,006,773		3,497,006,773			
14	Accum. Prov. for Depr., Amort., & Depl.	1,370,433,729		1,370,433,729			
15	Net Utility Plant (Line 13 less 14)	2,126,573,044		2,126,573,044			
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION						
17	In Service:						
18	Depreciation	1,316,038,569		1,316,038,569			
19	Amort. and Depl. of Producing Natural Gas Land and Land Rights	—		—			
20	Amort. of Underground Storage Land and Land Rights	33,571		33,571			
21	Amort. of Other Utility Plant	101,856,674		101,856,674			
21.01	Salvage Work In Progress	—		—			
21.02	Less Removal Work in Progress	47,495,085		47,495,085			
22	TOTAL in Service (Lines 18 thru 21)	1,370,433,729		1,370,433,729			
23	Leased to Others						
24	Depreciation	—		—			
25	Amortization and Depletion	—		—			
26	TOTAL Leased to Others (Lines 24 and 25)	—		—			
27	Held for Future Use						
28	Depreciation	—		—			
29	Amortization	—		—			
30	TOTAL Held for Future Use (Lines 28 and 29)	—		—			
31	Abandonment of Leases (Natural Gas)	—		—			
32	Amort. of Plant Acquisition Adjustment	—		—			
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Lines 22, 26, 30, 31, and 32)	1,370,433,729		1,370,433,729			

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### STATE OF OREGON - SITUS GAS PLANT IN SERVICE

1. Report below the original cost of gas plant in service according to the prescribed accounts.
2. In addition to Account 101, *Gas Plant in Service (Classified)*, this page and the next include Account 102, *Gas Plant Purchased or Sold*; Account 103, *Experimental Gas Plant Unclassified*; and Account 106, *Completed Construction Not Classified-Gas*.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions or prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on Estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in column (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at the end of year.
6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.
7. For Account 399, state the nature and use of plant included in this account and if substantial in amount, submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.
8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

**SEE FOLLOWING PAGES**

## ACCOUNT SUMMARY BY FUNCTIONAL CLASS

NW Natural

Period Beginning: January 2020

Period Ending: December 2020

Functional Class		Beginning					Ending
FERC Plant Account		Balance	Additions	Retirements	Transfers	Adjustments	Balance*
<b>UTILITY</b>							
<b>Intangible Plant</b>							
301	ORGANIZATION	852	—	—	—	—	852
302	FRANCHISES & CONSENTS	83,496	—	—	—	—	83,496
303.1	COMPUTER SOFTWARE	88,829,113	41,709,266	—	—	—	130,538,379
303.2	CUSTOMER INFORMATION SYSTEM	30,488,305	—	—	—	—	30,488,305
303.3	INDUSTRIAL & COMMERCIAL BIL	4,146,951	—	—	—	—	4,146,951
303.4	CRMS	682,893	—	(682,893)	—	—	—
303.5	POWERPLANT SOFTWARE	—	—	—	—	—	—
303.6	NMEP COMPUTER SOFTWARE	452,044	3,807	—	—	—	455,851
303.7	CLOUD-BASED SOFTWARE	—	4,264,625	—	—	—	4,264,625
Intangible Plant Subtotal*		124,683,653	45,977,698	(682,893)	—	—	169,978,459
<b>Production Plant - Oil Gas</b>							
304.1	LAND	24,998	—	—	—	—	24,998
305.2	P P O G STRU & IMPR-SEWER S	—	—	—	—	—	—
305.5	P P O G STRU & IMPR-OTHER Y	13,156	—	—	—	—	13,156
312.3	P P O G FUEL HANDLING AND S	—	—	—	—	—	—
318.3	P P O G LIGHT OIL REFINING	144,896	—	—	—	—	144,896
318.5	P P O G TAR PROCESSING	243,551	—	—	—	—	243,551
325	NATURAL GAS PROD AND GATHER	—	—	—	—	—	—
327	NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—
328	NATURAL GAS PROD AND GATHER	—	—	—	—	—	—
331	NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—
332	NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—
333	NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—
334	NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—
Production Plant - Oil Gas Subtotal*		426,601	—	—	—	—	426,601
<b>Production Plant - Other</b>							
305.11	GAS PRODUCTION - COTTAGE G	8,320	—	—	—	—	8,320
305.17	STRUCTURES MIXING STATION	46,587	—	—	—	—	46,587
311	P P OTHER-LIQUEFIED PETROLE	—	—	—	—	—	—
311.4	P P OTHER-L P G GRANGER	—	—	—	—	—	—
311.7	LIQUIFIED GAS EQUIPMENT COO	4,033	—	—	—	—	4,033
311.8	LIQUIFIED GAS EQUIPMENT LIN	4,209	—	—	—	—	4,209
319	GAS MIXING EQUIPMENT GASCO	185,448	—	—	—	—	185,448
Production Plant - Other Subtotal*		248,597	—	—	—	—	248,597

\* May not foot due to rounding.



ACCOUNT SUMMARY BY FUNCTIONAL CLASS  
NW Natural

Period Beginning: January 2020  
Period Ending: December 2020

Functional Class		Beginning					Ending
FERC Plant Account		Balance	Additions	Retirements	Transfers	Adjustments	Balance*
UTILITY							
Natural Gas Underground Storage							
350.1	LAND	106,549	—	—	—	—	106,549
350.2	RIGHTS-OF-WAY	109,625	—	—	—	—	109,625
350.3	NMEP RIGHTS-OF-WAY	538,145	(65)	—	—	—	538,079
350.4	NMEP LAND	461,268	(56)	—	—	—	461,212
351	STRUCTURES AND IMPROVEMENTS	8,634,151	—	—	—	—	8,634,151
351.1	NMEP STRUCTURES AND IMPROVEMENTS	6,784,473	331,968	—	—	—	7,116,441
352	WELLS	25,605,819	3,541,220	—	—	—	29,147,039
352.1	STORAGE LEASEHOLD & RIGHTS	3,938,491	—	—	—	—	3,938,491
352.2	RESERVOIRS	7,272,553	—	—	—	—	7,272,553
352.3	NON-RECOVERABLE NATURAL GAS	6,440,890	—	—	—	—	6,440,890
352.4	NMEP WELLS	16,159,768	109,114	—	—	—	16,268,882
352.5	NMEP STORAGE LEASEHOLD & RIGHTS	2,619,103	6,258	—	—	—	2,625,361
352.6	NMEP RESERVOIRS	2,619,103	6,258	—	—	—	2,625,361
352.7	NMEP NON-RECOVERABLE NATURAL GAS	2,696,233	6,429	—	—	—	2,702,662
353	LINES	8,087,704	119,676	—	—	—	8,207,380
353.1	NMEP LINES	332,621	20,111	—	—	—	352,733
354	COMPRESSOR STATION EQUIPMENT	32,592,775	—	(5,000,000)	—	—	27,592,775
354.7	NMEP COMPRESSOR STATION EQUIPMENT	27,599,508	385,505	—	—	—	27,985,014
355	MEASURING / REGULATING EQUIPM	7,484,620	2,173,461	—	—	—	9,658,080
355.1	NMEP MEASURING / REGULATING EQUIPMENT	15,519,402	428,258	—	—	—	15,947,660
356	PURIFICATION EQUIPMENT	363,765	27,819,071	—	—	—	28,182,836
357	OTHER EQUIPMENT	2,359,566	2,237,165	—	—	—	4,596,732
Natural Gas Underground Storage Subtotal*		178,326,133	37,184,372	(5,000,000)	—	—	210,510,505

\* May not foot due to rounding.

## ACCOUNT SUMMARY BY FUNCTIONAL CLASS

NW Natural

Period Beginning: January 2020

Period Ending: December 2020

Functional Class	Beginning					Ending
FERC Plant Account	Balance	Additions	Retirements	Transfers	Adjustments	Balance*
<b>UTILITY</b>						
<b>Local Storage Plant</b>						
360.11 LAND - LNG LINNTON	83,598	—	—	—	—	83,598
360.12 LAND - LNG NEWPORT	536,675	—	—	—	—	536,675
360.2 LAND - OTHER	106,557	—	—	—	—	106,557
361.11 STRUCTURES & IMPROVEMENTS	10,671,914	44,126	—	—	—	10,716,040
361.12 STRUCTURES & IMPROVEMENTS	12,096,752	27,918	—	—	—	12,124,670
361.2 STRUCTURES & IMPROVEMENTS -	26,757	—	—	—	—	26,757
362.11 GAS HOLDERS - LNG LINNTON	4,556,064	—	—	—	—	4,556,064
362.12 GAS HOLDERS - LNG NEWPORT	5,927,104	—	—	—	—	5,927,104
362.2 GAS HOLDERS - LNG OTHER	1,600	—	—	—	—	1,600
363.11 LIQUEFACTION EQUIP. - LINN	3,375,541	74,661	—	—	—	3,450,202
363.12 LIQUEFACTION EQUIP - NEWPO	15,748,404	—	—	—	—	15,748,404
363.21 VAPORIZING EQUIP - LINNTON	4,458,618	—	—	—	—	4,458,618
363.22 VAPORIZING EQUIP - NEWPORT	3,739,813	2,967,836	—	—	—	6,707,649
363.31 COMPRESSOR EQUIP - LINNTON	180,903	—	—	—	—	180,903
363.32 COMPRESSOR EQUIPMENT - NE	4,623,311	121,183	—	—	—	4,744,494
363.41 MEASURING & REGULATING EQU	2,878,465	366,419	—	—	—	3,244,885
363.42 MEASURING & REGULATING EQU	10,562,079	101,307	—	—	—	10,663,386
363.5 CNG REFUELING FACILITIES	3,051,295	—	—	—	—	3,051,295
363.6 LNG REFUELING FACILITIES	739,473	—	—	—	—	739,473
Local Storage Plant Subtotal*	83,364,925	3,703,450	—	—	—	87,068,375
<b>Transmission Plant</b>						
365.1 LAND	1,015,597	—	—	—	—	1,015,597
365.2 LAND RIGHTS	6,455,177	—	—	—	—	6,455,177
365.3 NMEP LAND RIGHTS	538,142	(65)	—	—	—	538,076
366.3 STRUCTURES & IMPROVEMENTS -	1,546,073	—	—	—	—	1,546,073
367 MAINS	177,912,187	9,248,738	—	—	—	187,160,925
367.21 NORTH MIST TRANSMISSION LI	1,994,582	—	—	—	—	1,994,582
367.22 SOUTH MIST TRANSMISSION LI	14,949,264	—	—	—	—	14,949,264
367.23 SOUTH MIST TRANSMISSION LI	34,881,341	—	—	—	—	34,881,341
367.24 11.7M S MIST TRANS LINE	17,466,182	—	—	—	—	17,466,182
367.25 12M NORTH S MIST TRANS	18,613,651	—	—	—	—	18,613,651
367.26 38M NORTH S MIST TRANS	68,232,676	—	—	—	—	68,232,676
367.27 NMEP MAINS	66,807,090	136,422	—	—	—	66,943,512
368 TRANSMISSION COMPRESSOR	—	—	—	—	—	—
369 MEASURING & REGULATE STATION	3,969,549	—	—	—	—	3,969,549
370 COMMUNICATION EQUIPMENT	—	—	—	—	—	—
Transmission Plant Subtotal*	414,381,510	9,385,095	—	—	—	423,766,605

\* May not foot due to rounding.

## ACCOUNT SUMMARY BY FUNCTIONAL CLASS

NW Natural

Period Beginning: January 2020

Period Ending: December 2020

Functional Class	Beginning					Ending
FERC Plant Account	Balance	Additions	Retirements	Transfers	Adjustments	Balance*
<b>UTILITY</b>						
<b>Distribution Plant</b>						
374.1 LAND	75,384	125,919	—	—	—	201,303
374.2 LAND RIGHTS	1,858,502	—	—	—	—	1,858,502
375 STRUCTURES & IMPROVEMENTS	132,550	—	—	—	—	132,550
376.11 MAINS < 4"	548,955,593	17,984,820	(82,327)	—	—	566,858,086
376.12 MAINS 4" & >	513,101,095	48,863,867	(7,040)	—	—	561,957,922
376.13 NMEP MAINS HP 4" & >	614,976	—	—	—	—	614,976
377 COMPRESSOR STATION EQUIPMENT	818,380	—	—	—	—	818,380
378 MEASURING & REG EQUIP - GENER	34,765,392	2,801,257	—	—	—	37,566,648
379 MEASURING & REG EQUIP - GATE	13,925,100	1,826,349	—	—	—	15,751,449
380 SERVICES	757,667,239	31,503,746	(134,530)	—	—	789,036,456
381 METERS	88,703,212	9,421,877	(4,319,104)	—	—	93,805,986
381.1 METERS (ELECTRONIC)	1,696,938	—	—	—	—	1,696,938
381.2 ERT (ENCODER RECEIVER TRANS	36,651,443	3,663,439	(3,618,205)	—	—	36,696,677
382 METER INSTALLATIONS	57,528,822	4,493,869	(4,197,337)	—	—	57,825,354
382.1 METER INSTALLATIONS (ELECTR	481,020	—	—	—	—	481,020
382.2 ERT INSTALLATION (ENCODER	8,054,538	580,100	(354,198)	—	—	8,280,441
383 HOUSE REGULATORS	2,272,320	134,095	—	—	—	2,406,415
386 OTHER PROPERTY ON CUSTOMERS P	1,162,110	—	—	—	—	1,162,110
386.1 MULTI-FAMILY METER ROOMS	—	—	—	—	—	—
387.1 CATHODIC PROTECTION TESTING	173,859	—	—	—	—	173,859
387.2 CALORIMETERS @ GATE STATIONS	69,794	—	—	—	—	69,794
387.3 METER TESTING EQUIPMENT	72,671	—	—	—	—	72,671
Distribution Plant Subtotal*	2,068,780,940	121,399,339	(12,712,740)	—	—	2,177,467,538

\* May not foot due to rounding.

## ACCOUNT SUMMARY BY FUNCTIONAL CLASS

NW Natural

Period Beginning: January 2020

Period Ending: December 2020

Functional Class	Beginning					Ending
FERC Plant Account	Balance	Additions	Retirements	Transfers	Adjustments	Balance*
<b>UTILITY</b>						
<b>General Plant</b>						
389 LAND	10,493,712	1,027,613	(55,346)	—	—	11,465,979
390 STRUCTURES & IMPROVEMENTS	73,386,388	1,076,705	(231,371)	—	—	74,231,722
390.1 SOURCE CONTROL FACILITY	19,461,808	1,069,827	—	—	—	20,531,635
391.1 OFFICE FURNITURE & EQUIPMEN	8,270,702	8,923,357	(113,981)	—	—	17,080,079
391.2 COMPUTERS	37,535,630	19,659,716	(2,834,260)	—	—	54,361,086
391.3 ON SITE BILLING	—	—	—	—	—	—
391.4 CUSTOMER INFORMATION SYSTEM	—	—	—	—	—	—
391.5 NMEP COMPUTERS	1,537,007	10,041	—	—	—	1,547,048
392 TRANSPORTATION EQUIPMENT	51,203,983	4,392,516	(1,534,186)	—	—	54,062,313
393 STORES EQUIPMENT	119,406	—	—	—	—	119,406
394 TOOLS - SHOP & GARAGE EQUIPUI	14,224,476	2,527,572	—	—	—	16,752,048
395 LABORATORY EQUIPMENT	—	—	—	—	—	—
396 POWER OPERATED EQUIPMENT	12,354,759	1,685,053	(193,867)	—	—	13,845,945
397 GEN PLANT-COMMUNICATION EQU	67,401	—	—	—	—	67,401
397.1 MOBILE	3,806,931	33,819	—	—	—	3,840,750
397.2 OTHER THAN MOBILE & TELEMET	9,958	—	—	—	—	9,958
397.3 TELEMETERING - OTHER	2,254,963	4,370,817	(44,672)	—	—	6,581,109
397.4 TELEMETERING - MICROWAVE	5,178,517	807,638	(262,701)	—	—	5,723,453
397.5 TELEPHONE EQUIPMENT	490,767	—	—	—	—	490,767
398 GEN PLANT-MISCELLANEOUS EQU	—	—	—	—	—	—
398.1 PRINT SHOP	4,359	—	—	—	—	4,359
398.2 KITCHEN EQUIPMENT	12,812	16,052	—	—	—	28,865
398.3 JANITORIAL EQUIPMENT	14,873	—	—	—	—	14,873
398.4 INSTALLED IN LEASED BUILDINGS	5,393	—	—	—	—	5,393
398.5 OTHER MISCELLANEOUS EQUIPMENT	66,739	—	—	—	—	66,739
General Plant Subtotal*	240,500,584	45,600,729	(5,270,384)	—	—	280,830,929
Utility Property Grand Total*	3,110,712,941	263,250,682	(23,666,017)	—	—	3,350,297,607
GL Account 101600	7,204,816					85,743,380
GL Account 101601	452,619					1,227,474
GL Account 101603	—					610,756
Utility Property Under Capital Leases	7,657,435					87,581,610
Total Utility Plant*	3,118,370,376					3,437,879,217

\* May not foot due to rounding.

## ACCOUNT SUMMARY BY FUNCTIONAL CLASS

NW Natural

Period Beginning: January 2020

Period Ending: December 2020

Functional Class		Beginning					Ending
FERC Plant Account		Balance	Additions	Retirements	Transfers	Adjustments	Balance*
<b>NON-UTILITY</b>							
<b>Intangible Plant</b>							
303.1	COMPUTER SOFTWARE	163,357	—	—	—	—	163,357
303.2	CUSTOMER INFORMATION SYSTEM	61,429	—	—	—	—	61,429
Non Utility	Intangible Plant Subtotal*	224,786	—	—	—	—	224,786
<b>Natural Gas Underground Storage</b>							
352	WELLS	18,023,755	1,171,410	—	—	—	19,195,165
352.1	STORAGE LEASEHOLD & RIGHTS	1,020	—	—	—	—	1,020
352.2	RESERVOIRS	3,561,501	—	—	—	—	3,561,501
353	LINES	2,571,507	3,555	—	—	—	2,575,062
354	COMPRESSOR STATION EQUIPMENT	12,056,993	779,400	—	—	—	12,836,393
355	MEASURING / REGULATING EQUIPMENT	8,233,817	780,086	—	—	—	9,013,903
357	OTHER EQUIPMENT	63,256	—	—	—	—	63,256
Non Utility	Natural Gas Underground Storage Subtotal*	44,511,849	2,734,452	—	—	—	47,246,301
<b>Transmission Plant</b>							
368	TRANSMISSION COMPRESSOR	7,723,454	—	—	—	—	7,723,454
Non Utility	Transmission Plant Subtotal*	7,723,454	—	—	—	—	7,723,454
<b>Distribution Plant</b>							
376.12	MAINS 4" & >	—	—	—	—	—	—
Non Utility	Distribution Plant Subtotal*	—	—	—	—	—	—
<b>General Plant</b>							
389	LAND	438,739	—	—	—	—	438,739
390	STRUCTURES & IMPROVEMENTS	239,306	10,990	—	—	—	250,296
Non Utility	General Plant Subtotal*	678,045	10,990	—	—	—	689,035

\* May not foot due to rounding.

ACCOUNT SUMMARY BY FUNCTIONAL CLASS  
NW Natural

Period Beginning: January 2020

Period Ending: December 2020

Functional Class		Beginning					Ending
FERC Plant Account		Balance	Additions	Retirements	Transfers	Adjustments	Balance*
<b>NON-UTILITY</b>							
Non Utility Other							
121.1	NON-UTIL PROP-DOCK	1,946,033	—	—	—	—	1,946,033
121.2	NON-UTIL PROP-LAND	125,102	—	—	—	—	125,102
121.3	NON-UTIL PROP-OIL ST	4,635,180	41,541	—	—	—	4,676,720
121.7	NON-UTIL PROP-APPL CENTER	64,906	—	—	—	—	64,906
121.8	NON-UTIL PROP-STORAGE	96,038	—	—	—	—	96,038
Non Utility	Other*	6,867,259	41,541	—	—	—	6,908,800
Non Utility Property Grand Total*		60,005,393	2,786,982	—	—	—	62,792,375

\* May not foot due to rounding.

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**STATE OF OREGON - SITUS GAS PLANT HELD FOR FUTURE USE (Account 105)**

1. Report separately each property held for future use at end of the year having an original cost of \$100,000 or more. Other items of property held for future use may be grouped provided that the number of properties so grouped is indicated.
2. For property having an original cost of \$100,000 or more previously used in utility operations, now held for future use, give in addition to other required information, the date that utility use of such property was discontinued, and the date the original was transferred to Account 105.

Line No.	DESCRIPTION AND LOCATION OF PROPERTY (a)	DATE ORIGINALLY INCLUDED IN THIS ACCOUNT (b)	DATE EXPECTED (c)	BALANCE END OF YEAR (d)
1	Underground Storage	07/2009	Undetermined	127,921
2	Easement	11/2011	Undetermined	136,720
3	Willamette River Crossing - Engineering Costs	05/2015	Undetermined	705,427
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26				
27				
28				
29				
30	TOTALS			970,068

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

**STATE OF OREGON - SITUS CONSTRUCTION WORK IN PROGRESS - GAS (Account 107)**

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than \$1,000,000) may be grouped.

Line No.	DESCRIPTION OF PROJECT (a)	CONSTRUCTION WORK IN PROGRESS - GAS (ACCOUNT 107) (b)	ESTIMATED ADDITIONAL COST OF PROJECT (c)
1	Mains and Service Jobs	15,794,922	21,208,184
2	Other, less than \$1M each	13,916,590	6,370,697
3	Misc Facilities Projects	13,811,106	24,884,857
4	Misc Information Services Projects	10,903,191	33,934,092
5	Portland LNG Readiness	2,445,006	976,385
6	Newport LNG Readiness	946,198	2,110,514
7	North Mist Projects	340,476	2,148,300
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27			
28			
29			
30	TOTALS	58,157,489	91,633,029



<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**STATE OF OREGON - SITUS ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT  
(Account 108)**

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for gas plant in service pages 24-27, column (d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 of the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

**SEE FOLLOWING PAGES**

## RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS

## NW NATURAL

Period Beginning: January 2020

Period Ending: December 2020

Functional Class	Beginning			Cost of	Salvage and	Transfers and		Ending
FERC Plant Account	Reserve	Provision	Retirements	Removal	Other Credits	Adjustments	Loss/(Gain)	Reserve*
<b>UTILITY</b>								
<b>Intangible Plant</b>								
301 ORGANIZATION	—	—	—	—	—	—	—	—
302 FRANCHISES & CONSENTS	—	—	—	—	—	—	—	—
303.1 COMPUTER SOFTWARE	35,118,150	7,066,163	—	—	—	—	—	42,184,313
303.2 CUSTOMER INFORMATION SYSTEM	30,485,095	—	—	—	—	—	—	30,485,095
303.3 INDUSTRIAL & COMMERCIAL BIL	4,146,951	—	—	—	—	—	—	4,146,951
303.4 CRMS	682,893	—	(682,893)	—	—	—	—	—
303.5 POWERPLANT SOFTWARE	—	—	—	—	—	—	—	—
303.6 NMEP COMPUTER SOFTWARE	55,987	90,440	—	—	—	—	—	146,427
303.7 CLOUD-BASED SOFTWARE	—	455,690	—	—	—	—	—	455,690
Intangible Plant Subtotal*	70,489,075	7,612,294	(682,893)	—	—	—	—	77,418,476
<b>Production Plant - Oil Gas</b>								
304.1 LAND	—	—	—	—	—	—	—	—
305.2 P P O G STRU & IMPR-SEWER S	—	—	—	—	—	—	—	—
305.5 P P O G STRU & IMPR-OTHER Y	13,814	—	—	—	—	—	—	13,814
312.3 P P O G FUEL HANDLING AND S	—	—	—	—	—	—	—	—
318.3 P P O G LIGHT OIL REFINING	152,141	—	—	—	—	—	—	152,141
318.5 P P O G TAR PROCESSING	255,729	—	—	—	—	—	—	255,729
325 NATURAL GAS PROD AND GATHER	—	—	—	—	—	—	—	—
327 NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—	—	—
328 NATURAL GAS PROD AND GATHER	—	—	—	—	—	—	—	—
331 NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—	—	—
332 NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—	—	—
333 NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—	—	—
334 NATURAL GAS PROD & GATHERIN	—	—	—	—	—	—	—	—
Production Plant - Oil Gas Subtotal*	421,683	—	—	—	—	—	—	421,683
<b>Production Plant - Other</b>								
305.11 GAS PRODUCTION - COTTAGE G	8,736	—	—	—	—	—	—	8,736
305.17 STRUCTURES MIXING STATION	51,246	—	—	—	—	—	—	51,246
311 P P OTHER-LIQUEFIED PETROLE	—	—	—	—	—	—	—	—
311.4 P P OTHER-L P G GRANGER	—	—	—	—	—	—	—	—
311.7 LIQUIFIED GAS EQUIPMENT COO	8,066	—	—	—	—	—	—	8,066
311.8 LIQUIFIED GAS EQUIPMENT LIN	6,585	—	—	—	—	—	—	6,585
319 GAS MIXING EQUIPMENT GASCO	194,720	—	—	—	—	—	—	194,720
Production Plant - Other Subtotal*	269,353	—	—	—	—	—	—	269,353

\* May not foot due to rounding.

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW NATURAL**

Period Beginning: January 2020

Period Ending: December 2020

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve
<b>UTILITY</b>								
<b>Natural Gas Underground Storage</b>								
350.1 LAND	—	—	—	—	—	—	—	—
350.2 RIGHTS-OF-WAY	32,004	1,568	—	—	—	—	—	33,571
350.3 NMEP RIGHTS-OF-WAY	5,450	8,717	—	—	—	—	—	14,167
351 STRUCTURES AND IMPROVEMENTS	3,053,795	129,512	—	—	—	—	—	3,183,307
351.1 NMEP STRUCTURES AND IMPROVEMENTS	72,239	117,418	—	—	—	—	—	189,657
352 WELLS	12,607,424	400,506	—	—	—	—	—	13,007,931
352.1 STORAGE LEASEHOLD & RIGHTS	1,811,152	65,773	—	—	—	—	—	1,876,925
352.2 RESERVOIRS	2,799,555	125,815	—	—	—	—	—	2,925,370
352.3 NON-RECOVERABLE NATURAL GAS	3,659,767	101,122	—	—	—	—	—	3,760,889
352.4 NMEP WELLS	201,551	336,092	—	—	—	—	—	537,643
352.5 NMEP STORAGE LEASEHOLD & RIGHTS	31,896	51,171	—	—	—	—	—	83,066
352.6 NMEP RESERVOIRS	32,877	52,745	—	—	—	—	—	85,622
352.7 NMEP NON-RECOVERABLE NATURAL GAS	31,656	50,787	—	—	—	—	—	82,442
353 LINES	3,467,944	167,152	—	—	—	—	—	3,635,097
353.1 NMEP LINES	4,184	7,083	—	—	—	—	—	11,267
354 COMPRESSOR STATION EQUIPMENT	20,553,816	559,998	(5,000,000)	—	—	—	—	16,113,814
354.7 NMEP COMPRESSOR STATION EQUIPMENT	456,891	739,711	—	—	13,550	—	—	1,210,152
355 MEASURING / REGULATING EQUIPM	4,914,910	177,691	—	—	—	—	—	5,092,602
355.1 NMEP MEASURING / REGULATING EQUIPMENT	207,697	342,720	—	—	—	—	—	550,418
356 PURIFICATION EQUIPMENT	245,017	84,206	—	—	—	—	—	329,223
357 OTHER EQUIPMENT	951,524	81,579	—	—	—	—	—	1,033,103
Natural Gas Underground Storage Subtotal*	55,141,350	3,601,367	(5,000,000)	—	13,550	—	—	53,756,267

\* May not foot due to rounding.

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW NATURAL**

Period Beginning: January 2020

Period Ending: December 2020

Functional Class	Beginning			Cost of	Salvage and	Transfers and		Ending
FERC Plant Account	Reserve	Provision	Retirements	Removal	Other Credits	Adjustments	Loss/(Gain)	Reserve*
<b>UTILITY</b>								
<b>Local Storage Plant</b>								
360.11 LAND - LNG LINNTON	—	—	—	—	—	—	—	—
360.12 LAND - LNG NEWPORT	—	—	—	—	—	—	—	—
360.2 LAND - OTHER	—	—	—	—	—	—	—	—
361.11 STRUCTURES & IMPROVEMENTS	3,163,714	404,709	—	—	—	—	—	3,568,422
361.12 STRUCTURES & IMPROVEMENTS	3,143,615	523,940	—	—	—	—	—	3,667,556
361.2 STRUCTURES & IMPROVEMENTS -	12,365	474	—	—	—	—	—	12,839
362.11 GAS HOLDERS - LNG LINNTON	2,570,215	117,546	—	—	—	—	—	2,687,761
362.12 GAS HOLDERS - LNG NEWPORT	6,037,955	144,029	—	—	—	—	—	6,181,983
362.2 GAS HOLDERS - LNG OTHER	1,250	16	—	—	—	—	—	1,266
363.11 LIQUEFACTION EQUIP. - LINN	2,692,940	44,333	—	—	—	—	—	2,737,274
363.12 LIQUEFACTION EQUIP - NEWPO	7,346,843	105,508	—	—	—	—	—	7,452,351
363.21 VAPORIZING EQUIP - LINNTON	2,472,960	20,956	—	—	—	—	—	2,493,915
363.22 VAPORIZING EQUIP - NEWPORT	428,322	134,521	—	—	—	—	—	562,843
363.31 COMPRESSOR EQUIP - LINNTON	206,897	—	—	—	—	—	—	206,897
363.32 COMPRESSOR EQUIPMENT - NE	1,135,117	351,577	—	—	—	—	—	1,486,694
363.41 MEASURING & REGULATING EQU	745,174	116,641	—	—	—	—	—	861,815
363.42 MEASURING & REGULATING EQU	265,230	13,747	—	—	—	—	—	278,977
363.5 CNG REFUELING FACILITIES	1,511,977	79,944	—	—	—	—	—	1,591,921
363.6 LNG REFUELING FACILITIES	739,473	—	—	—	—	—	—	739,473
Local Storage Plant Subtotal*	32,474,046	2,057,941	—	—	—	—	—	34,531,986
<b>Transmission Plant</b>								
365.1 LAND	—	—	—	—	—	—	—	—
365.2 LAND RIGHTS	2,224,476	98,119	—	—	—	—	—	2,322,594
365.3 NMEP LAND RIGHTS	6,358	10,170	—	—	—	—	—	16,528
366.3 STRUCTURES & IMPROVEMENTS -	385,814	27,056	—	—	—	—	—	412,870
367 MAINS	39,625,566	3,384,162	—	—	—	—	—	43,009,728
367.21 NORTH MIST TRANSMISSION LI	1,211,672	34,307	—	—	—	—	—	1,245,979
367.22 SOUTH MIST TRANSMISSION LI	11,252,724	237,693	—	—	—	—	—	11,490,417
367.23 SOUTH MIST TRANSMISSION LI	15,253,972	676,698	—	—	—	—	—	15,930,670
367.24 11.7M S MIST TRANS LINE	6,496,445	338,844	—	—	—	—	—	6,835,289
367.25 12M NORTH S MIST TRANS	6,621,299	362,966	—	—	—	—	—	6,984,265
367.26 38M NORTH S MIST TRANS	24,451,554	1,330,537	—	—	—	—	—	25,782,091
367.27 NMEP MAINS	1,084,348	1,738,704	—	—	—	—	—	2,823,052
368 TRANSMISSION COMPRESSOR	(9)	—	—	—	—	—	—	(9)
369 MEASURING & REGULATE STATION	1,738,646	84,546	—	—	—	—	—	1,823,192
370 COMMUNICATION EQUIPMENT	—	—	—	—	—	—	—	—
Transmission Plant Subtotal*	110,352,864	8,323,802	—	—	—	—	—	118,676,667

\* May not foot due to rounding.

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW NATURAL**

								Beginning: Period Ending:	January 2019 December 2019
Functional Class	FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve*
<b>UTILITY</b>									
<b>Distribution Plant</b>									
374.1	LAND	—	—	—	—	—	—	—	—
374.2	LAND RIGHTS	1,667,253	10,408	—	—	—	—	—	1,677,661
375	STRUCTURES & IMPROVEMENTS	51,384	1,248	—	—	—	—	—	52,632
376.11	MAINS < 4"	312,393,456	14,168,578	(82,327)	(161,608)	36,748	—	—	326,354,846
376.12	MAINS 4" & >	216,673,937	12,363,606	(7,040)	(52,704)	36,966	—	—	229,014,764
376.13	NMEP MAINS HP 4" & >	9,032	14,452	—	—	—	—	—	23,484
377	COMPRESSOR STATION EQUIPMENT	677,959	10,803	—	—	—	—	—	688,761
378	MEASURING & REG EQUIP - GENER	12,814,255	778,576	—	—	—	—	—	13,592,830
379	MEASURING & REG EQUIP - GATE	2,408,968	315,531	—	—	—	—	—	2,724,499
380	SERVICES	406,052,221	22,167,843	(134,530)	(193,208)	—	—	—	427,892,326
381	METERS	21,014,750	2,078,227	(4,319,104)	—	43,305	—	—	18,817,178
381.1	METERS (ELECTRONIC)	1,993,110	49,042	—	—	—	—	—	2,042,151
381.2	ERT (ENCODER RECEIVER TRANS	16,646,920	2,218,769	(3,618,205)	—	—	—	—	15,247,484
382	METER INSTALLATIONS	4,808,706	2,672,191	(4,197,337)	—	—	—	—	3,283,560
382.1	METER INSTALLATIONS (ELECTR	121,408	41,416	—	—	—	—	—	162,824
382.2	ERT INSTALLATION (ENCODER	5,328,429	315,265	(354,198)	—	—	—	—	5,289,496
383	HOUSE REGULATORS	376,750	68,564	—	—	—	—	—	445,314
386	OTHER PROPERTY ON CUSTOMERS P	264,663	123,364	—	—	—	—	—	388,027
386.1	MULTI-FAMILY METER ROOMS	—	—	—	—	—	—	—	—
387.1	CATHODIC PROTECTION TESTING	144,848	1,426	—	—	—	—	—	146,273
387.2	CALORIMETERS @ GATE STATIONS	69,794	—	—	—	—	—	—	69,794
387.3	METER TESTING EQUIPMENT	72,671	—	—	—	—	—	—	72,671
Distribution Plant Subtotal*		1,003,590,513	57,399,306	(12,712,740)	(407,520)	117,019	—	—	1,047,986,577

\* May not foot due to rounding.

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW NATURAL**

Period Beginning: January 2020

Period Ending: December 2020

Functional Class		Beginning			Cost of	Salvage and	Transfers and		Ending
FERC Plant Account		Reserve	Provision	Retirements	Removal	Other Credits	Adjustments	Loss/(Gain)	Reserve*
<b>UTILITY</b>									
<b>General Plant</b>									
389	LAND	437,351	—	—	—	—	—	—	437,351
390	STRUCTURES & IMPROVEMENTS	13,422,472	1,674,177	(175,298)	—	—	—	—	14,921,351
390.1	SOURCE CONTROL FACILITY	5,429,836	424,601	—	—	—	—	—	5,854,437
391.1	OFFICE FURNITURE & EQUIPMEN	5,483,798	608,388	(113,981)	—	—	—	—	5,978,205
391.2	COMPUTERS	17,062,836	8,531,962	(2,834,260)	—	—	—	—	22,760,537
391.3	ON SITE BILLING	—	—	—	—	—	—	—	—
391.4	CUSTOMER INFORMATION SYSTEM	—	—	—	—	—	—	—	—
391.5	NMEP COMPUTERS	190,021	308,332	—	—	—	—	—	498,353
392	TRANSPORTATION EQUIPMENT	11,964,795	3,518,668	(1,534,186)	—	350,318	—	—	14,299,595
393	STORES EQUIPMENT	119,406	—	—	—	—	—	—	119,406
394	TOOLS - SHOP & GARAGE EQUIPUI	5,419,425	498,703	—	—	48,130	—	—	5,966,257
395	LABORATORY EQUIPMENT	(12)	(10)	—	—	—	—	—	(22)
396	POWER OPERATED EQUIPMENT	2,578,375	460,885	(193,867)	—	34,185	—	—	2,879,577
397	GEN PLANT-COMMUNICATION EQU	34,159	6,835	—	—	—	—	—	40,994
397.1	MOBILE	214,087	386,463	—	—	—	—	—	600,550
397.2	OTHER THAN MOBILE & TELEMET	(10,423)	(17,469)	—	—	—	—	—	(27,892)
397.3	TELEMETERING - OTHER	426,725	375,769	(44,672)	—	—	—	—	757,823
397.4	TELEMETERING - MICROWAVE	683,381	347,296	(262,701)	—	—	—	—	767,975
397.5	TELEPHONE EQUIPMENT	437,520	33,486	—	—	—	—	—	471,005
398	GEN PLANT-MISCELLANEOUS EQU	—	—	—	—	—	—	—	—
398.1	PRINT SHOP	3,783	(494)	—	—	—	—	—	3,289
398.2	KITCHEN EQUIPMENT	5,948	1,810	—	—	—	—	—	7,758
398.3	JANITORIAL EQUIPMENT	14,873	—	—	—	—	—	—	14,873
398.4	INSTALLED IN LEASED BUILDINGS	5,393	—	—	—	—	—	—	5,393
398.5	OTHER MISCELLANEOUS EQUIPMENT	66,739	—	—	—	—	—	—	66,739
General Plant Subtotal*		63,990,488	17,159,400	(5,158,964)	—	432,632	—	—	76,423,556
Utility Property Grand Total*		1,336,729,371	96,154,109	(23,554,597)	(407,520)	563,202	—	—	1,409,484,565
<b>NON UTILITY</b>									
<b>Intangible Plant</b>									
303.1	COMPUTER SOFTWARE	71,122	11,076	—	—	—	—	—	82,198
303.2	CUSTOMER INFORMATION SYSTEM	50,073	6	—	—	—	—	—	50,079
Non Utility Intangible Plant Subtotal*		121,195	11,082	—	—	—	—	—	132,277

\* May not foot due to rounding.

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW NATURAL**

Period Beginning: **January 2020**

Period Ending: **December 2020**

Functional Class FERC Plant Account		Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve*
<b>NON UTILITY</b>									
<b>Natural Gas Underground Storage</b>									
352	WELLS	4,539,228	274,217	—	—	—	—	—	4,813,445
352.1	STORAGE LEASEHOLD & RIGHTS	257	17	—	—	—	—	—	275
352.2	RESERVOIRS	1,006,245	61,614	—	—	—	—	—	1,067,859
353	LINES	474,185	53,026	—	—	—	—	—	527,211
354	COMPRESSOR STATION EQUIPMENT	4,616,976	247,716	—	—	—	—	—	4,864,691
355	MEASURING / REGULATING EQUIPM	2,328,117	190,893	—	—	—	—	—	2,519,010
357	OTHER EQUIPMENT	14,401	1,373	—	—	—	—	—	15,774
<b>Non Utility Natural Gas Underground Storage Subtotal*</b>		<b>12,979,409</b>	<b>828,855</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>13,808,264</b>
<b>Transmission Plant</b>									
368	TRANSMISSION COMPRESSOR	2,718,438	166,050	—	—	—	—	—	2,884,487
<b>Non Utility Transmission Plant Subtotal*</b>		<b>2,718,438</b>	<b>166,050</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,884,487</b>
<b>Distribution Plant</b>									
376.12	MAINS 4" & >	1,369	(2)	—	—	—	—	—	1,367
<b>Non Utility Distribution Plant Subtotal*</b>		<b>1,369</b>	<b>(2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,367</b>
<b>General Plant</b>									
389	LAND	—	—	—	—	—	—	—	—
390	STRUCTURES & IMPROVEMENTS	44,288	5,526	—	—	—	—	—	49,814
<b>Non Utility General Plant Subtotal*</b>		<b>44,288</b>	<b>5,526</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>49,814</b>
<b>Non Utility Other</b>									
121.1	NON-UTIL PROP-DOCK	1,947,067	—	—	—	—	—	—	1,947,067
121.2	NON-UTIL PROP-LAND	—	—	—	—	—	—	—	—
121.3	NON-UTIL PROP-OIL ST	2,277,156	19,727	—	—	—	—	—	2,296,882
121.7	NON-UTIL PROP-APPL CENTER	47,322	4,383	—	—	—	—	—	51,705
121.8	NON-UTIL PROP-STORAGE	(1)	—	—	—	—	—	—	(1)
<b>Non Utility Other*</b>		<b>4,271,543</b>	<b>24,110</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4,295,653</b>
<b>Non Utility Property Grand Total*</b>		<b>20,136,243</b>	<b>1,035,620</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>21,171,862</b>

\* May not foot due to rounding.

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW NATURAL**

Period Beginning: **January 2020**

Period Ending: **December 2020**

Functional Class	Beginning			Cost of	Salvage and	Transfers and		Ending
FERC Plant Account	Reserve	Provision	Retirements	Removal	Other Credits	Adjustments	Loss/(Gain)	Reserve
TOTAL SUMMARY ALL UTILITY DEPRECIATION RESERVES		12/31/2020						
UTILITY								
108002	(10,055,331)							
108003	(27,436)							
108004	573,094							
108005	(101,562)							
108009	(2,689,670)							
108010	(60,042,464)							
108011	1,033,074,030							
108012	18,601,695							
108013	(4,257,487)							
108014	(1,094,551)							
108015	3,408,462							
108016	5,214,186							
108018	455,690							
108019	—							
108100	—							
108102	425,266,253							
108103	1,159,655							
108666	—							
SUBTOTAL*								<u>1,409,484,565</u>
ADD:								
108001 REMOVAL WORK IN PROCESS		(47,495,085)						
108600 ROU UTIL LEAS ACC DE		8,415,272						
108601 FIN UTIL LEA ACC DEP		28,977						
108666 COST OF REMOVAL		—						
TOTAL UTILITY DEPRECIATION*								<u>1,370,433,729</u>
TOTAL SUMMARY ALL NON-UTILITY RESERVES DEPRECIATION								
NON UTILITY								
122002	(112,420)							
122026	1,034							
122027	4,476,242							
122028	16,036,830							
122029	(764,395)							
122100	—							
122102	1,534,572							
TOTAL NON UTILITY DEPRECIATION*								<u>21,171,862</u>

\* May not foot due to rounding.



<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

**STATE OF OREGON - ALLOCATED  
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION  
AND DEPLETION**

Line No.	ITEM (a)	TOTAL (b)	ELECTRIC (c)	GAS (d)	OTHER (SPECIFY) (e)	OTHER (SPECIFY) (f)	COMMON (g)
1	<b>UTILITY PLANT</b>						
2	In Service						
3	Plant in Service (Classified)						
4	Property Under Capital Leases						
5	Plant Purchased or Sold						
6	Completed Construction not Classified		N/A - See SITUS schedule at OR 23				
7	Experimental Plant Unclassified						
8	TOTAL (Enter total of lines 3 thru 7)						
9	Leased to Others						
10	Held for Future Use						
11	Construction Work in Progress						
12	Acquisition Adjustments						
13	TOTAL Utility Plant (Enter total of lines 8 thru 12)						
14	Accum. Prov. for Depr., Amort., & Depl.						
15	Net Utility Plant (Line 13 less 14)						
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION						
17	In Service:						
18	Depreciation						
19	Amort. and Depl. of Producing Natural Gas Land and Land Rights						
20	Amort. of Underground Storage Land and Land Rights						
21	Amort. of Other Utility Plant						
21.01	Salvage Work In Progress						
21.02	Less Removal Work in Progress						
22	TOTAL in Service (Lines 18 thru 21)						
23	Leased to Others						
24	Depreciation						
25	Amortization and Depletion						
26	TOTAL Leased to Others (Lines 24 and 25)						
27	Held for Future Use						
28	Depreciation						
29	Amortization						
30	TOTAL Held for Future Use (Lines 28 and 29)						
31	Abandonment of Leases (Natural Gas)						
32	Amort. of Plant Acquisition Adjustment						
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Lines 22, 26, 30, 31, and 32)						

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

### STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE

- Report below the original cost of gas plant in service
- In addition to Account 101, Gas Plant In Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold, Account 103, Completed Construction Not Classified - Gas.
- Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
- Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
- Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions or prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on Estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in column (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at the end of the year. **(Continued on page 33)**

Line No.	Account (a)	BALANCE BEGINNING OF YEAR (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	BALANCE END OF YEAR (g)
1	1. Intangible Plant						
2	301 Organization						
3	302 Franchises and Consents						
4	303 Miscellaneous Intangible Plant						
5	TOTAL Intangible Plant						
6	2. Production Plant						
7	Natural Gas Production & Gathering Plant						
8	325.1 Producing Lands						
9	325.2 Producing Leaseholds	N/A - See SITUS schedule at OR 24 - 27					
10	325.3 Gas Rights						
11	325.4 Rights-of-Way						
12	325.5 Other Land and Land Rights						
13	326 Gas Well Structures						
14	327 Field Compressor Station Structures						
15	328 Field Meas. And Reg. Sta. Structures						
16	329 Other Structures						
17	330 Producing Gas Wells - Well Construction						
18	331 Producing Gas Wells - Well Equipment						
19	332 Field Lines						
20	333 Field Compressor Station Equipment						
21	334 Field Mess. And Reg. Sta. Equipment						
22	335 Drilling and Cleaning Equipment						
23	336 Purification Equipment						
24	337 Other Equipment						
25	338 Unsuccessful Explor. & Devel. Costs						
26	TOTAL Production & Gathering Plant						
27	Products Extraction Plant						
28	340 Land and Land Rights						
29	341 Structures and Improvements						
30	342 Extraction and Refining Equipment						
31	343 Pipe lines						
32	344 Extracted Products Storage Equipment						

<b>Name of Respondent</b>	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			December 31, 2020

### STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE (CONT'D)

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc. and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

7. For account 399, state the nature and use of plant included in this account and if substantial amount, submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Line No.	Account (a)	BALANCE BEGINNING OF YEAR (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	BALANCE END OF YEAR (g)
	2. Production Plant (Con't) Products Extraction Plant (Con't)						
33	345 Compressor Equipment						
34	345 Gas Meas. And Reg. Equipment						
35	347 Other Equipment						
36	TOTAL Products Extraction Plant						
37	TOTAL Nat. Gas Production Plant	N/A - See SITUS schedule at OR 24 - 27					
38	Mfd. Gas Prod. Plant (Submit Suppl. Stmt)						
39	TOTAL Production Plant						
40	3. Natural Gas Storage & Proc. Plant						
41	Underground Storage Plant						
42	350.1 Land						
43	350.2 Rights-of-Way						
44	351 Structures & Improvements						
45	352 Wells						
46	352.1 Storage Leaseholds & Rights						
47	352.2 Reservoirs						
48	352.3 Non-recoverable Natural Gas						
49	353 Lines						
50	354 Compressor Station Equipment						
51	355 Measuring & Reg. Equipment						
52	356 Purification Equipment						
53	357 Other Equipment						
54	TOTAL Underground Storage Plant						
55	Other Storage Plant						
56	360 Land and Land Rights						
57	361 Structures and Improvements						
58	362 Gas Holders						
59	363 Purification Equipment						
60	363.1 Liquefaction Equipment						
61	363.2 Vaporizing Equipment						
62	363.3 Compressor Equipment						
63	363.4 Meas. And Reg. Equipment						
64	363.5 Other Equipment						
65	TOTAL Other Storage Plant						

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE (CONT'D)							
Line No.	Account (a)	BALANCE BEGINNING OF YEAR (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	BALANCE END OF YEAR (g)
66	Base Load Liquefied Natural Gas Terminaling and Processing Plant						
67	364.1 Land and Land Rights						
68	364.2 Structures and Improvements						
69	364.3 LNG Processing Terminal Equipment						
70	364.4 LNG Transportation Equipment						
71	364.5 Measuring and Regulating Equipment	N/A - See SITUS schedule at OR 24 - 27					
72	364.6 Compressor Station Equipment						
73	364.7 Communications Equipment						
74	364.8 Other Equipment						
75	TOTAL Base Load Liquefied Natural						
76	Gas, Terminaling, & Processing Plant						
77	TOTAL Nat. Gas Storage & Proc. Plant						
78	4. Transmission Plant						
79	365.1 Land and Land Rights						
80	365.2 Rights-of-Way						
81	366 Structures and Improvements						
82	367 Mains						
83	368 Compressor Station Equipment						
84	369 Measuring and Reg. Sta. Equipment						
85	370 Communication Equipment						
86	371 Other Equipment						
87	TOTAL Transmission Plant						
88	5. Distribution Plant						
89	374 Land and Land Rights						
90	375 Structures and Improvements						
91	376 Mains						
92	377 Compressor Station Equipment						
93	378 Meas. And Reg. Sta. Equip. - General						
94	379 Meas. And Reg. Sta. Equip. - City Gate						
95	380 Services						
96	381 Meters						
97	382 Meter Installations						
98	383 House Regulators						
99	384 House Reg. installations						
100	385 Industrial Meas. & Reg. Sta. Equip						
101	386 Other Prop. On Customers' premises						
102	387 Other Equipment						
103	TOTAL Distribution Plant						

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

<b>STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE (CONT'D)</b>							
Line No.	Account (a)	BALANCE BEGINNING OF YEAR (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	BALANCE END OF YEAR (g)
104	6. General Plant						
105	389 Land and Land Rights						
106	390 Structures and Improvements						
107	391 Office Furniture and Equipment						
108	392 Transportation Equipment	<b>N/A - See SITUS schedule at OR 24 - 27</b>					
109	393 Store Equipment						
110	394 Tools, Shop, and Garage Equipment						
111	395 Laboratory Equipment						
112	396 Power Operated Equipment						
113	397 Communication Equipment						
114	398 Miscellaneous Equipment						
115	Subtotal						
116	399 Other Intangible Property						
117	TOTAL General Plant						
118	TOTAL (Accounts 101 and 106)						
119	Gas Plant Purchased (See Instr. 8)						
120	(Less) Gas Plant Sold (See Instr. 8)						
121	Experimental Gas Plant Unclassified						
122	TOTAL Gas Plant In Service						

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**STATE OF OREGON - ALLOCATED GAS PLANT HELD FOR FUTURE USE (Account 105)**

1. Report separately each property held for future use at end of the year having an original cost of \$100,000 or more. Other items of property held for future use may be grouped provided that the number of properties so grouped is indicated.
2. For property having an original cost of \$100,000 or more previously used in utility operations, now held for future use, give in addition to other required information, the date that utility use of such property was discontinued, and the date the original was transferred to Account 105.

Line No.	DESCRIPTION AND LOCATION OF PROPERTY (a)	DATE ORIGINALLY INCLUDED IN THIS ACCOUNT (b)	DATE EXPECTED (c)	BALANCE END OF YEAR (d)
1	<b>N/A - See SITUS schedule at OR 28</b>			
2				
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30	<b>TOTALS</b>			—

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**STATE OF OREGON - ALLOCATED CONSTRUCTION WORK IN PROGRESS - GAS (Account 107)**

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than \$1,000,000) may be grouped.

Line No.	DESCRIPTION OF PROJECT (a)	CONSTRUCTION WORK IN PROGRESS - GAS (ACCOUNT 107) (b)	ESTMATED ADDITIONAL COST OF PROJECT (c)
1	<b>N/A - See SITUS schedule at OR 29</b>		
2			
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29			
30	TOTALS		

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**STATE OF OREGON - ALLOCATED ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108)**

1. Explain in a footnote any important adjustments during the year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for gas plant in service, pages 32-35, column (d) excluding retirements of non-depreciable property.
3. The provisions of Account 108 of the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year-end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund of similar method of depreciation accounting.

**Section A. Balances and Changes During Year**

Line No.	ITEM (a)	TOTAL (d+d+e) (b)	GAS PLANT IN SERVICE (c)	GAS PLANT HELD FOR FUTURE USE (d)	GAS PLANT LEASED TO OTHERS (e)
1	Balance Beginning of Year				
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense				
4	(413) Exp. Of Gas Plt. Lease to Others				
5	Transportation Expenses - Clearing				
6	Other Clearing Accounts				
7	Other Accounts (Specify):	N/A - See SITUS schedule at OR 30			
8					
9	Total Deprec. Prov. For Year (Enter total of lines 3-8)				
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired				
12	Cost of Removal				
13	Salvage (Credit)				
14	TOTAL Net Charges for Plant Ret. (Enter Total of lines 11-13)				
15	Other Debit or Credit Items (Describe):				
16					
17	Balance End of Year (Enter Total of Lines 1,9, 14, 15,& 16)				

**Section B. Balances at End of Year According to Functional Classifications**

18	Production - Manufactured Gas				
19	Prod. And Gathering - Natural Gas				
20	Products Extraction - Natural Gas				
21	Underground Gas Storage				
22	Other Storage Plant				
23	Base Load LNG Term and Proc. Plt.				
24	Transmission				
25	Distribution				
26	General				
27	TOTAL (Total of Lines 18 thru 26)				



<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

### STATE OF OREGON - GAS STORED (Account 117, 164.1, 164.2 and 164.3)

1. Report below the information called for concerning inventories of gas stored.
2. The Uniform System of Accounts provides that inventory cost records be maintained on a consolidated basis for all storage projects with separate records showing the Mcf of inputs and withdrawals and balance for each project, except under certain specified circumstances. If the respondent's inventory cost records are not maintained on a consolidated basis for all storage projects, furnish an explanation of the accounting followed and reason for any deviation from the general basis provided by the Uniform System of Accounts. Separate schedules on this schedule form should be furnished for each group of storage projects for which separate inventory cost records are maintained.
3. If during the year adjustment was made of the stored gas inventory, such as to correct for cumulative inaccuracies of gas measurements, furnish an explanation of the reason for the adjustment, the Mcf and dollar amount of adjustment and account charged or credited.
4. Give a concise statement of the facts and the accounting performed with respect to any encroachment of withdrawals during the year, or restoration of previous encroachment, upon native gas constituting the "gas cushion" of any storage reservoir.
5. If the respondent uses a "base stock" in connection with its inventory accounting, give a concise statement of the basis of establishing such "base stock" and the inventory basis and the accounting performed with respect to any encroachment of withdrawals upon "base stock", or restoration of previous encroachment, including brief particulars of any such accounting during the year.
6. If respondent has provided accumulated provision for stored gas which may not eventually be fully recovered from any storage project furnish a statement showing: (a) date of Commission authorization of such accumulated provision (b) explanation of circumstances requiring such provision (c) basis of provision and factors of calculation (d) estimated ultimate accumulated provision accumulation (e) a summary showing balance of accumulated provision and entries during year.
7. Pressure base of gas volumes reported in this schedule is 14.73 psia at 60° F.

Line No.	Description (a)	Non Current (Account 117) (b)	Current (Account 164.1) (c)	LNG (Account 164.1) (d)	LNG (Account 164.2) (e)	Total (i)
1	Balance at Beginning of Year					
2	Gas Delivered to Storage					
3	Contra Account					
4	Gas Withdrawn from Storage					
5	Contra Account					
6	Other Debits and Credits					
7	(Explain					
8	Balance at End of Year					
9	Dekatherms					
10	Amount Per Dekatherm					
11						
12	Balance at End of Year					
13	MCF					
14	Amount per Mcf					
15	State basis of segregation of inventory between current and noncurrent portions.					
16						
17	Gas delivered to storage:					
18	Mcf					
19	Amount per Mcf					
20	Cost basis of gas delivered to storage:					
21	Specify: Own production (give production area, see					
22	uniform system of accounts); average system purchases					
23	specific purchases (state which purchases).					
24	Does cost of gas delivered to storage include any expenses					
25	for use of respondent's transmission, storage, or other					
26	facilities? If so, give particulars and date of Commission					
27	approval of the accounting.					
28						
29	Gas withdrawn from storage:					
30	Mcf					
31	Amount per Mcf					
32	Cost basis of withdrawals:					
33	Specify: average cost, lifo, fifo. (Explain any change in					
34	inventory basis during year and give date of Commission;					
35	approval of the change or approval of an inventory basis					
36	different from that referred to in uniform system of accounts)					

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### STATE OF OREGON - GAS PURCHASES (Accounts 800, 801, 802, 803, 804.1 and 805)

1. Report particulars of gas purchases during the year in the manner prescribed below. (Code numbers to be used in reporting for Columns (d), (e) and (f) will be supplied by the Commission.)

2. Provide subheadings and totals for prescribed accounts as follows

800	Natural Gas Well Head Purchases
801	Natural Gas Field Line Purchases
802	Natural Gas Gasoline Plant Outlet Purchases
803	Natural gas Transmission Line Purchases
804	Natural Gas City Gate Purchases
804.1	Liquefied natural Gas Purchases
805	Other gas Purchases

Purchases are to be reported in account number sequence, e.g. all purchases charged to Account 800, followed by charges to Account 801, etc. Under each account number, purchases should be reported by states in alphabetical order. Totals are to be shown for each account in Columns (k) and (l) and should agree with the books of accounts, or any differences reconciled.

3. Purchases may be reported by gas purchase contract totals (at the option of the respondent) where one contract includes two or more FERC producer rate schedules or small producer certificates, provided that the same price is being paid for all gas purchased under the contract. If two or more prices are in effect under the same contract, separate details for each price shall be reported. The name, and FERC rate schedule or small producer certificate docket number of each seller included in the contract total shall be listed on separate sheets, clearly cross-referenced. Where two or more prices are in effect, the sellers at each price are to be listed separately.

4. Purchases of less than 100,000 MCF per year per contract from sellers not affiliated with the reporting company may (at the option of the respondent) be grouped by account number, except when the purchases were permanently discontinued during the reporting year. When grouped purchases are reported, the number of grouped purchases is to be reported in Column (a). Only Columns (a), (k), (l), and (m) are to be completed for grouped purchases; however, the Commission may request additional details when necessary. Grouped non-jurisdictional purchases should be shown on a separate line.

5. Column instructions are as follows:

Columns (a) and (d) - In reporting the names of sellers under FERC rate schedules, use the names as they appear on the filed rate schedules. Abbreviations may be used where necessary. The code number to be used is the Commission assigned number.

Column (b) - Give the name of the producing field only for purchases at the wellhead or from field lines. The plant name should be given for purchases from gasoline plant outlets. If purchases under a contract are from more than one field or plant, use the name of the one contributing the largest volume. Use a footnote to list the other fields or plants involved.

Column (c) - State the net rate in cents per MCF as of December 31 for the reported year, applicable to the volume shown in Column (k). The net rate includes all applicable deductions and downward adjustments. The rate is effective if filed pursuant to applicable statutes and regulations and (as to FERC rates schedules) permitted by the commission to become effective.

Columns (e) and (f) - General Services Administration location code designations are to be used to designate the state and county where the gas is received. Where gas is received in more than one county, use the code designation for the county having the largest volume, and by footnote list the other countries involved.

Column (g) - List the assigned commission rate schedule number or small producer certificate docket number. Use the designation "NF" in Column (g) to indicate non-jurisdictional purchases.

Column (h) - In some cases, two or more lines will be required to report a purchase, as when two or more rates are being paid under the same contract, or when purchases under the same rate schedule are charged to more than one account. If for such reasons the producer rate schedule or non-jurisdictional purchase contract appears on more than one line, enter a numerical code (selected by the respondent) in Column (h) to so indicate. Once established, the same numerical suffix is to be used for all subsequent-year reporting of the purchase. If the purchase was permanently discontinued during the reporting year, so indicate by an asterisk (\*) in column (h). Column (h) is to be used also, to enter any Commission assigned letter rate schedule suffix (e.g. R.S. No. 22A).

Column (i) - Show date of the gas purchase contract. If gas is purchased under a renegotiated contract show the dates of the original and renegotiated contracts on the following line in brackets. If new acreage is dedicated by ratification of an existing contract, show the date of the ratification, rather than the date of the original contract. If gas is being sold from a different reservoir than the original dedicated acreage pursuant to Section 2.56 (f) (2) of the Commission's Rules of Practice and Procedure, place the letter "A" after the contract date.

Column (j) - Show, for each purchase, the approximate BTU per cubic foot, determined in accordance with the definition in item No. 7 of the General Instructions for FERC Form 2.

Column (k) - State the volume of purchased gas as finally measured for purpose of determining the amount payable for the gas. Include current year receipts of make-up gas that was paid for in prior years.

Column (l) - State the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in Column (k).

Column (m) - State the average cost per MCF to the nearest hundredth of a cent. (Column (l) divided by Column (k) multiplied by 100).

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<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

STATE OF OREGON - GAS PURCHASES (Account 800, 801, 802, 803, 804, 804.1 and 805) (Con't)			
Line No.	NAME OF SELLER (DESIGNATE ASSOCIATED COMPANIES) (a)	NAME OF PRODUCING FIELD OR GASOLINE PLANT (b)	NET RATE EFFECTIVE DECMEBER 31 (c)
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6		SEE FERC ANNUAL REPORT PAGE 520	
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<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

Line No.	SELLAR CODE (d)	STATE CODE (e)	COUNTRY CODE (f)	RATE SCHEDULE		DATE OF CONTRACT (i)	APPROX BTU PER CU FEET (j)	GAS PURCHASED - MCF (14.73 PSIA 60°F) (k)	COST OF GAS (l)	COST PER MCF (CENTS) (m)
				No. (g)	Suffix (h)					
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SEE FERC ANNUAL REPORT  
PAGE 520

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### STATE OF OREGON - GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 810, 811 and 812)

- Report below particulars of credits during the year to Accounts 810, 811 and 812, which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.
- Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.
- If the reported MCF for any use is an estimated quantity, state such fact.
- If any natural gas was used by the respondent for which charge was not made to the appropriate operating expenses or other account, list separately in column (c) the MCF of gas so used, omitting entries in columns (d) and (e).
- Pressure base of measurement, to be reported in columns (c) and (f) is 14.73 psia at 60° F.

Line No.	PURPOSE FOR WHICH GAS WAS USED (a)	ACCOUNT CHARGED (b)	NATURAL GAS			MANUFACTURED GAS	
			Dth OF GAS USED (14.73 PSIA AT 60° F) (c)	AMOUNT OF CREDIT (d)	AMOUNT PER Dth (CENTS) (e)	MCF OF GAS USED (14.73 PSIA AT 60° F) (f)	AMOUNT OF CREDIT (g)
1	810 Gas used for Compressor Station Fuel - Credit		—	—	—	N/A	N/A
2	811 Gas used for Products Extraction - Credit		—	—	—	N/A	N/A
3	(a) Gas shrinkage & other usage in respondent's own processing		—	—		N/A	N/A
4	(b) Gas shrinkage, etc. for respondent's gas processed by others		—	—		N/A	N/A
5	812 Gas used for Other Utility Operations - Credit		484,212	164,041	0.34	N/A	N/A
6	(Report separately for each principal use, Group minor uses.)					N/A	N/A
7	System - All Districts		173,675	164,041			
8	LNG Plants		107,415	0*			
9	Underground Storage Compressors		203,122	0*			
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12							
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16							
17							
18							
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20							
21							
22							
23							
24							
25	TOTAL		484,212	164,041	0.34		

\* Included in the Cost of Inventory

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### STATE OF OREGON - GAS ACCOUNT - NATURAL GAS

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent, taking into consideration differences in pressure bases used in measuring Mcf of natural gas received and delivered.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.
4. In a footnote report the volumes of gas from respondent's own production delivered to respondent's transmission system and included in natural gas sales.
5. If the respondent operates two or more systems which are not interconnected, separate schedules should be submitted. Insert pages for this purpose.

Line No.	ITEM (a)	REF. PAGE NO. (b)	Amount of Dth (c)
1	<b>GAS RECEIVED</b>		
2	Natural Gas Produced		—
3	LPG Gas Produced and Mixed with Natural Gas		—
4	Manufactured Gas Produced and Mixed with Natural Gas		—
5	Purchased Gas		
6	(a.) Wellhead		—
7	(b.) Field Lines		190,334
8	(c.) Gasoline Plants		—
9	(d.) Transmission Line		—
10	(e.) City Gate Under FERC Rate Schedules		67,106,463
11	(f.) LNG		—
12	(g.) Other		—
13	TOTAL, Gas Purchased (Enter Total of lines 7 thru 13)		67,296,797
14	Gas of Others Received for Transportation		36,322,889
15	Receipts of Respondents' Gas Transported or Compressed by Others		—
16	Exchange Gas Received		—
17	Gas Withdrawn from Underground Storage	*	2,986,563
18	Gas Received from LNG Storage		599,205
19	Gas Received from LNG Processing		—
20	Other Receipts (Specify): Off System Storage Withdrawal		—
21	TOTAL Receipts (Enter Total of lines 2 thru 5, 13, and 14 thru 20)		107,205,454

\* This amount does not tie to system page 512 as it only includes Oregon storage sites.

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

STATE OF OREGON - GAS ACCOUNT - NATURAL GAS (CONT'D)			
Line No.	ITEM (a)	REF. PAGE NO. (b)	Amount of Dth (c)
	<b>GAS DELIVERED</b>		
22	Natural Gas Sales		
23	a. Field Sales		
24	(i) To Interstate Pipeline Companies for Resale pursuant to		—
25	FERC Rate Schedules		—
26	(ii) Retail Industrial Sales		—
27	(iii) Other Field Sales		—
28	TOTAL, Field Sales		—
29	b. Transmission System Sales		
30	(i) To Interstate Pipeline Co. for Resale Under FERC Rate Schedules		—
31	(ii) To Interstate Pipeline Co. and Gas Utilities for resale under		—
32	FERC Rate Schedules		—
33	(iii) Mainline Industrial Sales Under FERC Certification		—
34	(iv) Other Mainline Industrial Sales		—
35	(v) Other Transmission System Sales		—
36	TOTAL, Transmission System Sales		—
37	c. Local Distribution by Respondent		
38	(i) Retail Industrial Sales		7,890,986
39	(ii) Other Distribution System Sales		60,427,564
40	TOTAL, Distribution System Sales		68,318,550
41	d. Interdepartmental sales		—
42	e. Unbilled Therms		(160,459)
43	TOTAL SALES		68,158,091
44	Deliveries of Gas Transported or Compressed for:		
45	(a.) Other Interstate Pipeline Companies		—
46	(b.) Others - Transportation		36,322,889
47	TOTAL, Gas Transported or Compressed for Others		36,322,889
48	Deliveries of Respondent's Gas for Trans. or Compression by Others		—
49	Exchange Gas Delivered		—
50	Natural Gas Used by Respondent		484,212
51	Natural Gas Delivered to Underground Storage	*	1,364,568
52	Natural Gas Delivered to LNG Storage		646,727
53	Natural Gas Delivered to LNG Processing		—
54	Natural Gas for Franchise Requirements		—
55	Other Deliveries (Specify): FIK		—
56	TOTAL SALES & OTHER DELIVERIES		106,976,487
	<b>UNACCOUNTED FOR GAS</b>		
57	Production System Losses		—
58	Storage Losses: Mist Gas Loss		—
59	Transmission System Losses		—
60	Distribution System Losses		228,967
61	Other Losses (Leakage)		—
62	TOTAL Unaccounted for		228,967
63	TOTAL SALES, OTHER DELIVERIES, AND UNACCOUNTED FOR		107,205,454
* This amount does not tie to system page 512 as it only includes Oregon storage sites.			



<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

STATE OF OREGON - MISCELLANEOUS GENERAL EXPENSES (Account 930.2)				
Report below the information called for concerning items included in miscellaneous general expenses.				
Line No.	ITEMS (a)	TOTAL (b)	AMOUNT APPLICABLE TO STATE OF OREGON (c)	AMOUNT APPLICABLE TO OTHER STATES (d)
	SEE FERC ANNUAL REPORT PAGE 335			

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**STATE OF OREGON - POLITICAL ADVERTISING**

1. List all payments for advertising, the purpose of which is to aid or defeat any measure before the people or to promote or prevent the enactment of any national, state, district or municipal legislation.
2. Give the specific purpose of such advertising, when and where placed, and the account or accounts charged.
3. Report whole dollars only. Provide a total for each account and a grand total.

Line No.	DESCRIPTION (a)	ACCOUNT CHARGED (b)	AMOUNT (d)
	<b>NONE</b>		

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### STATE OF OREGON - POLITICAL CONTRIBUTIONS

1. List all payments for advertising, the purpose of which is to aid or defeat any measure before the people or to promote or prevent the enactment of any national, state, district or municipal legislation.
2. The purpose of all contributions or payments should be clearly explained
3. Report whole dollars only. Provide a total for each account and a grand total.

Line No.	DESCRIPTION (a)	ACCOUNT CHARGED (b)	AMOUNT (c)
1	SYSTEM INTERNAL LOBBY AND INTERNAL RESOURCES	426-04935	15,118
2	AMERICAN GAS FOUNDATION	426-04935	10,000
3	Total 426-04935	Total	25,118
4			
5	SYSTEM INTERNAL LOBBY AND INTERNAL RESOURCES	426-04950	184,714
6	Total 426-04950	Total	184,714
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15		Total	209,832

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**STATE OF OREGON - EXPENDITURES TO ANY PERSON OR ORGANIZATION  
HAVING AN AFFILIATED INTEREST FOR SERVICES, ETC.**

1. Report all expenditures to any person or organization having an affiliated interest for service, advice, auditing, associating, sponsoring, engineering, managing, operating, financial, legal or other services. See Oregon Revised Statute 757.015 for definition of "affiliated interest."

2. Give reference if such expenditures have in the past been approved by the Commission. Describe the services received and the account or accounts charged. Report whole dollars only.

Line No.	DESCRIPTION (a)	ACCOUNT NUMBER (b)	TOTAL AMOUNT (d)	AMOUNT ASSIGNED TO OREGON (d)
1	The required affiliated interest expenditure information for 2020 will be provided in NW Natural's FY 2020 annual affiliated interest report that will be filed with the commission near the same time as this filing.			
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<b>Name of Respondent</b>	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			December 31, 2020

### STATE OF OREGON - DONATIONS AND MEMBERSHIPS

1. List all donations and membership expenditures made by the utility during the year and the accounts charged. Give the name, city, and state of each organization to whom a donation has been made. Group donations under headings such as:

- a. Contributions to and memberships in charitable organizations.
- b. Organizations of the utility industry.
- c. Technical and professional organizations.
- d. Commercial and trade organizations.
- e. All other organizations and kinds of donations and contributions.

2. List donations by type and group by the accounts charged. Report whole dollars only. Provide a total for each group of donations.

Line No.	DESCRIPTION (a)	ACCOUNT NUMBER (b)	TOTAL AMOUNT (c)	AMOUNT ASSIGNED TO OREGON (d)
1	All donations listed below are contributions to charitable organizations.			
2	UNITED WAY	426-02180	102,300	102,300
3	OREGON COMMUNITY FOUNDATION	426-02180	49,692	49,692
4	CASA FOR CHILDREN	426-02180	22,550	22,550
5	OREGON FOOD BANK INC	426-02180	22,309	22,309
6	HABITAT FOR HUMANITY	426-02180	13,749	13,749
7	GUIDE DOGS FOR THE BLIND INC	426-02180	10,500	10,500
8	PORTLAND ART MUSEUM	426-02180	10,200	10,200
9	PORTLAND HOMELESS FAMILY SOLUTIONS	426-02180	9,565	9,565
10	MEALS ON WHEELS PEOPLE INC	426-02180	9,000	9,000
11	EARTHSHARE CHAPTERS INC	426-02180	8,790	8,790
12	BLACK UNITED FUND OF OREGON	426-02180	7,940	7,940
13	THE OREGON ZOO FOUNDATION	426-02180	7,610	7,610
14	CLARK COUNTY VOCATIONAL SKILLS CNT	426-02180	7,000	—
15	OUTSIDE IN	426-02180	6,540	6,540
16	AMERICAN RED CROSS CASCADES REGION	426-02180	6,505	2,655
17	OREGON RESTAURANT & LODGING ASSN	426-02180	6,500	6,500
18	LATINO NETWORK	426-02180	6,250	6,250
19	BLANCHET HOUSE OF HOSPITALITY	426-02180	5,888	5,888
20	REGIONAL ARTS & CULTURE COUNCIL	426-02180	5,510	5,510
21	CAMPBELL INSTITUTE	426-02180	5,500	5,500
22	PORTLAND PARKS FOUNDATION	426-02180	5,500	5,500
23	CENTRAL CITY CONCERN INC	426-02180	5,300	5,300
24	URBAN LEAGUE OF PORTLAND	426-02180	5,250	5,250
25	BASIC RIGHTS EDUCATION FUND	426-02180	5,150	5,150
26	MEDICAL TEAMS INTERNATIONAL	426-02180	5,150	5,150
27	HACIENDA COMMUNITY DEVELOPMENT	426-02180	5,100	5,100
28	BEAVERTON EDUCATION FOUNDATION	426-02180	5,000	5,000
29	CLARK COUNTY COMMUNITY DEVELOPMENT	426-02180	5,000	—
30	COMMUNITY TRANSITIONAL SCHOOL	426-02180	5,000	5,000
31	ETHOS INC	426-02180	5,000	5,000
32	INCIGHT COMPANY	426-02180	5,000	5,000
33	JAPANESE GARDEN	426-02180	5,000	5,000
34	JUNIOR ACHIEVEMENT	426-02180	5,000	5,000
35	MACDONALD CENTER	426-02180	5,000	5,000
36	METROPOLITAN FAMILY SERVICE	426-02180	5,000	5,000
37	NEW AVENUES FOR YOUTH	426-02180	5,000	5,000
38	NORTHWEST EARTH INSTITUTE	426-02180	5,000	5,000
39	OREGON BALLET THEATRE	426-02180	5,000	5,000
40	OREGON COAST AQUARIUM INC	426-02180	5,000	5,000
41	OREGON MUSEUM OF SCIENCE AND INDUSTRY	426-02180	5,000	5,000

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

Line No.	DESCRIPTION (a)	ACCOUNT NUMBER (b)	TOTAL AMOUNT (c)	AMOUNT ASSIGNED TO OREGON (d)
42	OREGON SYMPHONY ASSOCIATION	426-02180	5,000	5,000
43	THE CHILDREN'S CENTER OF CLACKAMAS	426-02180	5,000	5,000
44	THE DOUGY CENTER INC	426-02180	5,000	5,000
45	THE LIBRARY FOUNDATION	426-02180	5,000	5,000
46	CASCADIA BEHAVIORAL HEALTHCARE INC	426-02180	5,000	5,000
47	AGROS INTERNATIONAL	426-02180	5,000	5,000
48	COLLEGE POSSIBLE	426-02180	5,000	5,000
49	WOMEN ON BOARDS	426-02180	5,000	5,000
50	THE NEXT DOOR INC	426-02180	5,000	5,000
51	VERDE	426-02180	4,100	4,100
52	LIFEWORCS NORTHWEST	426-02180	6,000	6,000
53	NATIVE AMERICAN YOUTH	426-02180	3,850	3,850
54	HEAT OREGON	426-02180	3,504	3,504
55	CAMP FIRE COLUMBIA	426-02180	3,500	3,500
56	I HAVE A DREAM FOUNDATION OREGON	426-02180	3,500	3,500
57	REACH COMMUNITY DEVELOPMENT INC	426-02180	3,500	3,500
58	OREGON JEWISH MUSEUM	426-02180	3,500	3,500
59	CLASSROOM LAW PROJECT	426-02180	3,500	3,500
60	EPISCOPAL LAYMAN'S MISSION SOCIETY	426-02180	3,000	3,000
61	FAMILY BUILDING BLOCKS	426-02180	3,000	3,000
62	LGBTQ COMMUNITY CENTER FUND	426-02180	3,000	3,000
63	OPEN SCHOOL INC	426-02180	3,000	3,000
64	PORTLAND CHILDREN'S MUSEUM	426-02180	3,000	3,000
65	STREET ROOTS	426-02180	3,000	3,000
66	CLACKAMAS COMMUNITY COLLEGE FOUND	426-02180	3,000	3,000
67	LOWER COLUMBIA RIVER ESTUARY PARTNERSHIP	426-02180	3,000	1,500
68	WESTERN RIVERS CONSERVANCY	426-02180	3,000	1,500
69	CAUSA OF OREGON	426-02180	2,900	2,900
70	COMMUNITY WAREHOUSE	426-02180	2,820	2,820
71	PORTLAND RESCUE MISSION	426-02180	2,785	2,785
72	OREGON COUNCIL FOR THE HUMANITIES	426-02180	2,750	2,750
73	HARPER'S PLAYGROUND	426-02180	2,625	2,625
74	THE NATURE CONSERVANCY	426-02180	2,600	2,600
75	ACHIEVEMENT REWARDS FOR COLLEGE	426-02180	2,500	2,500
76	BIRCH COMMUNITY SERVICES INC	426-02180	2,500	2,500
77	CATHOLIC COMMUNITY SERVICES	426-02180	2,500	2,500
78	CENTRO CULTURAL DEL CONDADO DE WA	426-02180	2,500	2,500
79	COALITION OF COMMUNITIES OF COLOR	426-02180	2,500	2,500
80	COLUMBIA RIVER MARITIME MUSEUM	426-02180	2,500	2,500
81	COLUMBIA SPRINGS	426-02180	2,500	—
82	CONSTRUCTING HOPE PRE APPRENTICE	426-02180	2,500	2,500
83	EMANUEL MEDICAL CENTER FOUNDATION	426-02180	2,500	2,500
84	FREE CLINIC OF SOUTHWEST WASHINGTON	426-02180	2,500	—
85	FRIENDS OF ZENGER FARM	426-02180	2,500	2,500
86	LIFELINE CONNECTIONS	426-02180	2,500	2,500
87	MARCH OF DIMES	426-02180	2,500	2,500
88	MUSLIM EDUCATIONAL TRUST	426-02180	2,500	2,500
89	NEIGHBORHOOD PARTNERSHIPS INC	426-02180	2,500	2,500
90	NORTHWEST HOUSING ALTERNATIVES	426-02180	2,500	2,500

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

Line No.	DESCRIPTION (a)	ACCOUNT NUMBER (b)	TOTAL AMOUNT (c)	AMOUNT ASSIGNED TO OREGON (d)
91	OREGON COAST COMMUNITY ACTION	426-02180	2,500	2,500
92	OREGON PARTNERSHIP INC	426-02180	2,500	2,500
93	READING RESULTS	426-02180	2,500	2,500
94	SATURDAY ACADEMY	426-02180	2,500	2,500
95	SOCIAL VENTURE PARTNERS PORTLAND	426-02180	2,500	2,500
96	SOUTH LANE FAMILY RELIEF NURSERY	426-02180	2,500	2,500
97	SOUTHWEST WASHINGTON REGIONAL	426-02180	2,500	—
98	STORE TO DOOR	426-02180	2,500	2,500
99	THE CHILDREN'S BOOK BANK	426-02180	2,500	2,500
100	WILLAMETTE PARTNERSHIP	426-02180	2,500	—
101	YWCA OF GREATER PORTLAND	426-02180	2,500	2,500
102	CONCORDIA UNIVERSITY	426-02180	2,500	2,500
103	MT. SCOTT PARK CENTER FOR LEARNING	426-02180	2,500	2,500
104	JEWISH FEDERATION OF GREATER PORTLAND	426-02180	2,500	2,500
105	ADELANTE MUJERES	426-02180	2,500	2,500
106	HUMAN SOLUTIONS	426-02180	2,500	2,500
107	CASA OF LANE COUNTY	426-02180	2,500	2,500
108	CLATSOP CASA PROGRAM INC	426-02180	2,500	2,500
109	CONSCIOUS CAPITALISM PORTLAND	426-02180	2,500	2,500
110	PORTLAND STATE UNIVERSITY FOUNDATION	426-02180	2,500	2,500
111	HILLSBORO SCHOOLS FOUNDATION	426-02180	2,500	2,500
112	OREGON SCIENCE TEACHERS ASSOCIATION	426-02180	2,500	2,500
113	COASTAL COMMUNITIES CULTURAL CENTER	426-02180	2,500	2,500
114	PORTLAND LEADERSHIP FOUNDATION	426-02180	2,500	2,500
115	VOLUNTEERS OF AMERICA OREGON	426-02180	2,500	2,500
116	HISPANIC SCHOLARSHIP FUND	426-02180	2,450	2,450
117	CLACKAMAS COUNTY MEALS	426-02180	2,400	2,400
118	PLANNED PARENTHOOD	426-02180	2,180	2,180
119	FREE GEEK	426-02180	2,150	2,150
120	NEIGHBORHOOD HOUSE	426-02180	2,120	2,120
121	THE STREET TRUST COMMUNITY FUND	426-02180	2,050	2,050
122	CHESS FOR SUCCESS	426-02180	2,004	2,004
123	FOOD FOR LANE COUNTY	426-02180	2,000	2,000
124	OFF THE SIDELINE	426-02180	2,000	2,000
125	PORTLAND BACKPACK	426-02180	2,000	2,000
126	SERENDIPITY CENTER INC	426-02180	2,000	2,000
127	EUGENE FAMILY YMCA	426-02180	2,000	2,000
128	SPONSORS INC	426-02180	2,000	2,000
129	Add: Donations Less than \$2k	426-02185	127,583	123,927
136				
137	<b>Donations and Memberships to Charitable Organizations Total:</b>	426-02180	806,219	773,713
138				
139	<b>TOTAL DONATIONS</b>		806,219	773,713

<b>Name of Respondent</b>	<b>This Report is:</b> (1) x An Original (2) o A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			December 31, 2020

### State of Oregon - Officers' Salaries

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration, or finance), and any other person who performs similar policy-making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent and date change in incumbency was made.
3. Utilities which are required to file similar data with the Securities and Exchange Commission, may substitute a copy of Item 4, Regulation S-K, identified as this schedule page. The substituted page(s) should be conformed to the size of this page.

Line No.	Title  (a)	Name of Officer  (b)	SALARY FOR YEAR	
			Total (c)	OREGON (d)
See the salary information for 2020 excerpted from the Summary Compensation Table on page 54 of the 2020 Northwest Natural Holding Company Proxy (Item 4, Regulation S-K requirement) filed on April 15, 2021 below.				
	NAME AND PRINCIPAL POSITION		TOTAL SALARY	
1	David H. Anderson President and Chief Executive Officer		\$743,333	
2	Frank H. Burkhartsmeyer Senior Vice President and Chief Financial Officer		\$453,500	
3	MardiLyn Saathoff Senior Vice President, Regulation and General Counsel		\$397,250	
4	Kimberly A. Heiting, Senior Vice President, Operations and Chief Marketing Officer		\$335,833	
5	Justin Palfreyman, Vice President, Strategy and Business Development Officer		\$313,000	



<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**STATE OF OREGON - DONATIONS OR PAYMENTS FOR SERVICES RENDERED BY PERSONS  
OTHER THAN EMPLOYEES AND CHARGED TO OREGON OPERATING ACCOUNTS**

1. Report for each service rendered (including materials furnished incidental to the service which are impracticable of (separation)by recipient and in total the aggregate of all payments made during the year where the aggregate of such payments to a recipient was \$25,000 or more including fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payments for services, traffic settlements, amounts paid for construction or maintenance of plant to persons other than affiliates to any one corporation, institution, association, firm partnership, committee, or person (not an employee of the respondent). Indicate by an asterisk in column (c) each item that includes payments for materials furnished incidental to the services performed. Payments to a recipient by two or more companies within a single system under a cost sharing or other joint arrangement shall be considered a single item for reporting in this schedule and shall be shown in the report of the principal company in the joint arrangement(as measured by gross operating revenues) with references thereto in the reports of the other system companies in the joint arrangement.

2. If more convenient, this schedule may be filled out for a group of companies considered as one system and shown only in the report of the principal company in the system, with references thereto in the reports of the other companies.

Line No.	NAME OF RECIPIENT (a)	NATURE OF SERVICE (b)	AMOUNT OF PAYMENT (c)
	SEE FERC ANNUAL REPORT PAGE 357		

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

In order to help us with production of our Oregon Utility Statistics publication, please indicate:

Oregon Production Statistics (Therms)

Gas Produced	—
Gas Purchased	672,967,967
Total Receipts	672,967,967

Gas Sales	683,185,500
Gas Used by Company	4,842,120
Gas Delivered to LNG and Storage - Net	(15,744,730)
Losses & billing Delay	685,077
Total Disbursements	672,967,967

Oregon Revenue by Service Class

Residential	\$ 395,199,247
Commercial & Industrial	
Firm	189,895,181
Interruptible	17,360,240
Transportation	17,650,893
Gas Storage Services	19,465,512
Total	\$ 639,571,073

Gas Sold in Therms (Oregon)

Residential	382,726,116
Commercial & Industrial	
Firm	251,195,705
Interruptible	47,659,087
Transportation	363,228,891
Total	1,044,809,799

Average Number of Oregon Customers

Residential	616,999
Commercial & Industrial	
Firm	62,586
Interruptible	108
Transportation	296
Total	679,989

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

## Distribution of Salaries and Wages

### Oregon Jurisdiction

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals and Other Accounts, and enter such amounts in the appropriate lines and columns provided. Salaries and wages billed to the Respondent by an affiliated company must be assigned to the particular operating function(s) relating to the expenses.

In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 75.01, 75.02, etc.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production				
4	Transmission				
5	Distribution	SEE FERC ANNUAL REPORT			
6	Customer Accounts	PAGES 354-355			
7	Customer Service and Informational				
8	Sales				
9	Administrative and General				
10	TOTAL Operation (Total of lines 3 thru 9)				
11	Maintenance				
12	Production				
13	Transmission				
14	Distribution				
15	Administrative and General				
16	TOTAL Maintenance (Total of lines 12 thru 15)				
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)				
19	Transmission (Total of lines 4 and 13)				
20	Distribution (Total of lines 5 and 14)				
21	Customer Accounts (line 6)				
22	Customer Service and Informational (line 7)				
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)				
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)				
26	Gas				
27	Operation				
28	Production - Manufactured Gas				
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply				
31	Storage, LNG Terminating and Processing				
32	Transmission				
33	Distribution				
34	Customer Accounts				
35	Customer Service and Informational				
36	Sales				
37	Administrative and General				
38	TOTAL Operation (Total of lines 28 thru 37)				
39	Maintenance				
40	Production - Manufactured Gas				

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41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminating and Processing				
44	Transmission				
45	Distribution				
46	Administrative and General				
47	TOTAL Maintenance (Total of lines 40 thru 46)				
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)				
51	Production - Natural Gas (Including Expl. and Dev.)(Il. 29 and 41)	SEE FERC ANNUAL REPORT			
52	Other Gas Supply (Total of lines 30 and 42)	PAGES 354-355			
53	Storage, LNG Terminating and Processing (Total of Il. 31 and 43)				
54	Transmission (Total of lines 32 and 44)				
55	Distribution (Total of lines 33 and 45)				
56	Customer Accounts (Total of line 34)				
57	Customer Service and Informational (Total of line 35)				
58	Sales (Total of line 36)				
59	Administrative and General (Total of lines 37 and 46)				
60	Total Operation and Maintenance (Total of lines 50 thru 59)				
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)				
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant				
67	Gas Plant				
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)				
70	Plant Removal (By Utility Departments)				
71	Electric Plant				
72	Gas Plant				
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)				
75					
76	TOTAL Other Accounts				
77	TOTAL SALARIES AND WAGES				

**NORTHWEST NATURAL GAS COMPANY**

**Washington Supplement to FERC Form 2**

**December 31, 2020**

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**ANNUAL REPORT  
WASHINGTON SUPPLEMENT TO FERC FORM 2  
for  
MULTI-STATE GAS COMPANIES**

**INDEX**

<u>PAGE</u>	<u>TITLE</u>	<u>NOTES</u>
1	Statistics	WA Data only
N/A	Statement of Income for the Year	No WA breakout - see FERC pages 114 - 116
200 - 201	Summary of Utility Plant	WA Data only
204 - 209	Gas Plant in Service	WA Data only
216	CWIP	WA Data only
N/A	Construction Overheads	No WA breakout - see FERC pages 218 - 219
219	Accumulated Provision for Depreciation of Gas Utility Plant	WA Data only
N/A	Gas Stored	No WA breakout - see FERC page 220
N/A	Reconciliation-Reported Net Income with Taxable Income for Federal Income Taxes	No WA breakout - see FERC page 261
N/A	Accumulated Deferred Income Taxes, Account 283	No WA breakout - see FERC pages 276 - 277
300 - 301	Gas Operating Revenues	WA Data only
308	Other Gas Revenues	WA Data only
N/A	Gas Operation and Maintenance Expenses	No WA breakout - see FERC pages 317 - 325
N/A	Miscellaneous General Expense	No WA breakout - see FERC page 335
336 - 337	Depreciation, Depletion and Amortization of Gas Plant	WA Data only (same as page 219)
N/A	Income Deductions and Interest Charges	No WA breakout - see FERC page 340
N/A	Regulatory Commission Expenses	No WA breakout - see FERC pages 350 - 351
N/A	Distribution of Salaries and Wages	No WA breakout - see FERC pages 354 - 355
N/A	Charges for Outside Professional and Other Consultative Services	No WA breakout - see FERC page 357
520	Gas Account - Natural Gas	WA Data only
526	Salaries by Class	No WA breakout - full company data provided

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b>	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2020

DATA REQUEST FOR STATISTICS REPORT					
Line No.	Title of Account	Total Company Operations		Washington Operations	
		Current Year	Prior Year	Current Year	Prior Year
1	GAS SERVICE REVENUES				
2					
3	RESIDENTIAL SALES	442,933,967	430,902,294	51,280,792	47,875,316
4	COMMERCIAL SALES	189,814,477	211,327,451	18,981,614	18,698,583
5	INDUSTRIAL SALES	38,030,790	37,220,492	2,472,822	2,317,452
6	OTHER SALES		—	—	—
7	SALES FOR RESALE		—	—	—
8	TRANSPORTATION OF GAS OF OTHERS	39,387,478	34,334,159	2,271,072	2,334,991
9	OTHER OPERATING REVENUES	19,700,899	(5,811,608)	(2,271,435)	(3,461,094)
10					
11	TOTAL GAS SERVICE REVENUES	729,867,611	707,972,788	72,734,865	67,765,248
12					
13	THERMS OF GAS SOLD-TRANSPORTED				
14					
15	RESIDENTIAL SALES	435,705,162	458,377,666	52,610,361	54,937,412
16	COMMERCIAL SALES	243,185,487	277,637,186	22,004,646	24,300,634
17	INDUSTRIAL SALES	83,126,904	84,232,836	4,217,045	4,450,526
18	OTHER SALES (UNBILLED)	(1,813,202)	(1,837,678)	(208,610)	(47,697)
19	SALES FOR RESALE				
20	TRANSPORTATION OF GAS OF OTHERS	382,692,436	396,743,596	19,463,545	20,867,217
21					
22	TOTAL THERMS OF GAS SOLD-TRANSPORTED	1,142,896,787	1,215,153,606	98,086,987	104,508,092
23					
24	AVERAGE NUMBER OF GAS CUSTOMERS PER MONTH				
25					
26	RESIDENTIAL SALES	698,563	685,564	81,564	78,764
27	COMMERCIAL SALES	69,244	69,269	7,263	7,243
28	INDUSTRIAL SALES	770	794	57	59
29	OTHER SALES				
30	SALES FOR RESALE				
31	TRANSPORTATION OF GAS OF OTHERS	328	347	32	36
32					
33					
34	TRANS. & DISTRN. MAINS - FEET (END OF YEAR)	78,610,191	77,969,695	10,432,933	10,276,902
35	NO. OF METERS IN SERV. & HELD IN RESERVE (AVE.)	853,519	844,188	89,846	87,213
36	AVERAGE B.T.U. CONTENT PER CU. FT.	1,058.2	1,054.9	1,063.3	1,053.4

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Line No.	Item (a)	Total (b)
1	UTILITY PLANT	
2	In Service	
3	Plant in Service (Classified)	250,147,727
4	Property Under Capital Leases	
5	Plant Purchased or Sold	
6	Completed Construction not Classified	74,099,188
7	Experimental Plant Unclassified	—
8	TOTAL Utility Plant (Total of lines 3 thru 7)	324,246,915
9	Leased to Others	—
10	Held for Future Use	—
11	Construction Work in Progress	3,420,144
12	Acquisition Adjustments	—
13	TOTAL Utility Plant (Total of lines 8 thru 12)	327,667,059
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	127,329,418
15	Net Utility Plant (Enter Total of line 13 less 14)	200,337,641
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	130,332,098
19	Amortization and Depl. of Producing Natural Gas Land and Land Rights	
20	Amortization. of Underground Storage Land and Land Rights	
21	Amortization. of Other Utility Plant	1,898,828
22	Salvage Work In Progress	
23	Less Removal Work In Progress	4,901,508
24	TOTAL In Service (Total of lines 18 thru 22 less line 23)	127,329,418
25	Leased to Others	
26	Depreciation	—
27	Amortization and Depletion	—
28	TOTAL Leased to Others (Total of lines 26 and 27)	—
29	Held for Future Use	
30	Depreciation	—
31	Amortization	—
32	TOTAL Held for Future Use (Total of lines 30 and 31)	—
33	Abandonment of Leases (Natural Gas)	—
34	Amortization of Plant Acquisition Adjustment	—
35	TOTAL Accumulated Provisions (Should agree with line 14 above) (Total of lines 24, 28, 32, 33, and 34)	127,329,418



<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)				
Electric (c)	Gas (d)	Other (Specify) (e)	Common (f)	Line No.
				1
				2
	250,147,727			3
				4
				5
	74,099,188			6
	—			7
	324,246,915			8
	—			9
	—			10
	3,420,144			11
	—			12
	327,667,059			13
	127,329,418			14
	200,337,641			15
				16
				17
	130,332,098			18
				19
				20
	1,898,828			21
				22
	4,901,508			23
	127,329,418			24
				25
	—			26
	—			27
	—			28
				29
	—			30
	—			31
	—			32
	—			33
	—			34
	127,329,418			35

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**Gas Plant in Service (Accounts 101, 102, 103, and 106)**

1. Report below the original cost of gas plant in service according to the prescribed accounts.
2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold, Account 103, Experimental Gas Plant Unclassified, and Account 106, Completed Construction Not Classified-Gas.
3. Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.
4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.
6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits to primary account classifications.
7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.
8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

**SEE FOLLOWING PAGES**

## ACCOUNT SUMMARY BY FUNCTIONAL CLASS

NW Natural

Period Beginning: January 2020

Period Ending: December 2020

Functional Class		Beginning					Ending
FERC Plant Account		Balance	Additions	Retirements	Transfers	Adjustments	Balance*
UTILITY							
Intangible Plant							
301	ORGANIZATION	322	—	—	—	—	322
302	FRANCHISES & CONSENTS	125	—	—	—	—	125
303.1	COMPUTER SOFTWARE	76,427	—	—	—	—	76,427
303.2	CUSTOMER INFORMATION SYSTEM	1,859,863	—	—	—	—	1,859,863
303.3	INDUSTRIAL & COMMERCIAL BIL	—	—	—	—	—	—
303.4	CRMS	—	—	—	—	—	—
303.5	POWERPLANT SOFTWARE	—	—	—	—	—	—
Intangible Plant Subtotal*		1,936,737	—	—	—	—	1,936,737
Transmission Plant							
367	MAINS	1,115,001	633	—	—	—	1,115,634
Transmission Plant Subtotal*		1,115,001	633	—	—	—	1,115,634
Distribution Plant							
374.1	LAND	10,389	—	—	—	—	10,389
374.2	LAND RIGHTS	27,679	—	—	—	—	27,679
375	STRUCTURES & IMPROVEMENTS	1,387,008	—	—	—	—	1,387,008
376.11	MAINS < 4"	89,155,034	2,462,554	(76)	—	—	91,617,512
376.12	MAINS 4" & >	101,620,726	2,099,688	—	—	—	103,720,414
378	MEASURING & REG EQUIP - GENER	3,560,241	12,770	—	—	—	3,573,011
379	MEASURING & REG EQUIP - GATE	2,276,452	82,716	—	—	—	2,359,168
380	SERVICES	80,138,173	6,253,013	(922)	—	—	86,390,265
381	METERS	12,084,669	1,107,719	(450,020)	—	—	12,742,368
381.2	ERT (ENCODER RECEIVER TRANS	7,044,721	407,049	(472,240)	—	—	6,979,530
382	METER INSTALLATIONS	6,720,815	499,319	(832,865)	—	—	6,387,269
382.2	ERT INSTALLATION (ENCODER	917,968	—	(23,712)	—	—	894,255
383	HOUSE REGULATORS	147,333	—	—	—	—	147,333
386	OTHER PROPERTY ON CUSTOMERS P	—	—	—	—	—	—
387.2	CALORIMETERS @ GATE STATIONS	26,630	—	—	—	—	26,630
Distribution Plant Subtotal*		305,117,836	12,924,827	(1,779,834)	—	—	316,262,829

\* May not foot due to rounding.

## ACCOUNT SUMMARY BY FUNCTIONAL CLASS

NW Natural

Period Beginning: January 2020

Period Ending: December 2020

Functional Class		Beginning					Ending
FERC Plant Account		Balance	Additions	Retirements	Transfers	Adjustments	Balance*
UTILITY							
General Plant							
389	LAND	1,158,650	—	—	—	—	1,158,650
390	STRUCTURES & IMPROVEMENTS	1,594,703	—	—	—	—	1,594,703
390.1	SOURCE CONTROL PLANT	719,899	36,738	—	—	—	756,637
391.1	OFFICE FURNITURE & EQUIPMEN	16,522	—	—	—	—	16,522
391.4	CUSTOMER INFORMATION SYSTEM	—	—	—	—	—	—
392	TRANSPORTATION EQUIPMENT	456,796	—	—	—	—	456,796
394	TOOLS - SHOP AND GARAGE EQUIPMENT	173,291	—	—	—	—	173,291
396	POWER OPERATED EQUIPMENT	186,090	—	(10,441)	—	—	175,649
397.1	MOBILE	416,827	(688)	—	—	—	416,139
397.3	TELEMETERING - OTHER	178,600	—	—	—	—	178,600
397.5	TELEPHONE EQUIPMENT	—	—	—	—	—	—
398.4	INSTALLED IN LEASED BUILDINGS	4,727	—	—	—	—	4,727
General Plant Subtotal*		4,906,105	36,050	(10,441)	—	—	4,931,714
Washington Utility Property Grand Total*		313,075,679	12,961,510	(1,790,275)	—	—	324,246,914

\* May not foot due to rounding.

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

Construction Work in Progress - Gas (Account 107)			
1. Report below descriptions and balances at end of year of projects in process of construction (Account 107)			
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).			
3. Minor projects (less than \$1,000,000) may be grouped.			
Line No.	Description of Project (a)	Construction Work in Progress - Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Mains and Service Jobs	3,420,144	2,356,465
2			
3			
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30			
31			
32			
33			
34			
35	Total	3,420,144	2,356,465

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

<p align="center"><b>Accumulated Provision for Depreciation of Gas Utility Plant (Account 108)</b></p> <p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, page 204-209, column (d), excluding retirements of nondepreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p> <p>5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g., 7.01, 7.02, etc.</p> <p align="center"><b>SEE FOLLOWING PAGES</b></p>
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RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS  
NW NATURAL

Period Beginning: January 2020  
Period Ending: December 2020

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve*
<b>UTILITY</b>								
<b>Intangible Plant</b>								
301 ORGANIZATION	—	—	—	—	—	—	—	—
302 FRANCHISES & CONSENTS	—	—	—	—	—	—	—	—
303.1 COMPUTER SOFTWARE	5,948	5,182	—	—	—	—	—	11,130
303.2 CUSTOMER INFORMATION SYSTEM	1,863,073	—	—	—	—	—	—	1,863,073
303.3 INDUSTRIAL & COMMERCIAL BIL	—	—	—	—	—	—	—	—
303.4 CRMS	—	—	—	—	—	—	—	—
303.5 POWERPLANT SOFTWARE	—	—	—	—	—	—	—	—
Intangible Plant Subtotal*	1,869,021	5,182	—	—	—	—	—	1,874,203
<b>Transmission Plant</b>								
367 MAINS	191,559	20,970	—	—	—	—	—	212,530
Transmission Plant Subtotal*	191,559	20,970	—	—	—	—	—	212,530
<b>Distribution Plant</b>								
374.1 LAND	—	—	—	—	—	—	—	—
374.2 LAND RIGHTS	24,470	155	—	—	—	—	—	24,625
375 STRUCTURES & IMPROVEMENTS	62,180	20,342	—	—	—	—	—	82,523
376.11 MAINS < 4"	41,979,170	2,323,451	(76)	(357)	—	—	—	44,302,188
376.12 MAINS 4" & >	31,549,355	2,415,927	—	—	—	—	—	33,965,282
378 MEASURING & REG EQUIP - GENER	1,023,600	78,465	—	—	—	—	—	1,102,065
379 MEASURING & REG EQUIP - GATE	835,583	51,167	—	—	—	—	—	886,750
380 SERVICES	37,209,212	2,376,112	(922)	(1,990)	—	—	—	39,582,413
381 METERS	3,002,805	281,152	(450,020)	—	—	—	—	2,833,937
381.2 ERT (ENCODER RECEIVER TRANS	4,803,374	417,695	(472,240)	—	—	—	—	4,748,829
382 METER INSTALLATIONS	1,396,569	307,172	(832,865)	—	—	—	—	870,876
382.2 ERT INSTALLATION (ENCODER	744,352	35,426	(23,712)	—	—	—	—	756,065
383 HOUSE REGULATORS	17,416	4,302	—	—	—	—	—	21,718
386 OTHER PROPERTY ON CUSTOMERS P	—	—	—	—	—	—	—	—
387.2 CALORIMETERS @ GATE STATIONS	26,630	—	—	—	—	—	—	26,630
Distribution Plant Subtotal*	122,674,717	8,311,366	(1,779,834)	(2,348)	—	—	—	129,203,902

\* May not foot due to rounding.

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW NATURAL**

Period Beginning: January 2020  
Period Ending: December 2020

Functional Class FERC Plant Account	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/(Gain)	Ending Reserve*
<b>UTILITY</b>								
<b>General Plant</b>								
389 LAND	—	—	—	—	—	—	—	—
390 STRUCTURES & IMPROVEMENTS	129,918	36,200	—	—	—	—	—	166,118
390.1 SOURCE CONTROL PLANT	178,636	15,690	—	—	—	—	—	194,325
391.1 OFFICE FURNITURE & EQUIPMEN	23,970	826	—	—	—	—	—	24,796
391.4 CUSTOMER INFORMATION SYSTEM	—	—	—	—	—	—	—	—
392 TRANSPORTATION EQUIPMENT	340,618	34,808	—	—	—	—	—	375,426
394 TOOLS AND EQUIPMENT	48,301	9,474	—	—	—	—	—	57,774
396 POWER OPERATED EQUIPMENT	89,368	7,890	(10,441)	—	—	—	—	86,817
397.1 MOBILE	1,985	2,831	—	—	—	—	—	4,817
397.3 TELEMETERING - OTHER	13,579	11,913	—	—	—	—	—	25,492
397.5 TELEPHONE EQUIPMENT	—	—	—	—	—	—	—	—
398.4 INSTALLED IN LEASED BUILDINGS	4,727	—	—	—	—	—	—	4,727
General Plant Subtotal	831,102	119,631	(10,441)	—	—	—	—	940,292
Washington Utility Property Grand Total*	125,566,399	8,457,150	(1,790,275)	(2,348)	—	—	—	132,230,926

**TOTAL SUMMARY ALL UTILITY DEPRECIATION RESERVES 12/31/2020**

<b>UTILITY</b>		
108010	(1,856,983)	
108011	133,650,272	
108012	363,123	
108013	(12,303)	
108014	—	
108015	86,817	
108100	—	
108102	—	
SUBTOTAL*	132,230,927	
<b>ADD:</b>		
108001 REMOVAL WORK IN PROCESS	4,901,508	
TOTAL UTILITY DEPRECIATION*	127,329,418	

\* May not foot due to rounding.



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<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### GAS OPERATING REVENUES (Account 400)

1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480 - 495.

Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay	Revenues for Transition Costs and Take-or-Pay	Revenues for GRI and ACA	Revenues for GRI and ACA
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	480 Residential Sales				
2	481 Commercial and Industrial Sales				
3	482 Other Sales to Public Authorities				
4	483 Sales for Resale				
5	484 Interdepartmental Sales				
6	485 Intracompany Transfers				
7	487 Forfeited Discounts				
8	488 Miscellaneous Service Revenues				
9	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
10	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities				
11	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
12	489.4 Revenues from Storing Gas of Others				
13	490 Sales of Prod. Ext. from Natural Gas				
14	491 Revenues from Natural Gas Proc. by				
15	492 Incidental Gasoline and Oil Sales				
16	493 Rent from Gas Property				
17	494 Interdepartmental Rents				
18	495 Other Gas Revenues				
19	Subtotal:				
20	496 (Less) Provision for Rate Refunds				
21	TOTAL:				

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### GAS OPERATING REVENUES (Account 400) (Continued)

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.  
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.  
6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)	Line No.
51,280,792	47,875,316	51,280,792	47,875,316	5,250,015	5,490,422	1
21,454,436	21,016,035	21,454,436	21,016,035	2,612,330	2,873,665	2
—	—	—	—	—	—	3
—	—	—	—	—	—	4
—	—	—	—	—	—	5
—	—	—	—			6
91,185	90,571	91,185	90,571			7
48,808	100,129	48,808	100,129			8
—	—	—	—	—	—	9
—	—	—	—	—	—	10
2,271,072	2,334,991	2,271,072	2,334,991	1,946,355	2,086,722	11
—	—	—	—	—	—	12
—	—	—	—			13
—	—	—	—			14
—	—	—	—			15
—	6,997	—	6,997			16
—	—	—	—			17
(2,411,428)	(3,658,791)	(2,411,428)	(3,658,791)			18
72,734,865	67,765,248	72,734,865	67,765,248			19
—	—	—	—			20
72,734,865	67,765,248	72,734,865	67,765,248			21

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

### OTHER GAS REVENUES (ACCOUNT 495)

Report below transactions of \$250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below \$250,000 in one amount and provide the number of items.

Line No.	Description of Transaction (a)	Amount (b)
1	Washington Amortizations	130,210
2	Unbilled Revenue	224,744
3	Washington GREAT Program	(283,016)
4	Washington Energy Efficiency Deferrals	(2,522,817)
5	Other Miscellaneous Items (Misc Gas Revenues - 3 items)	39,451
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28		
29		
30	<b>Total</b>	(2,411,428)

<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

**Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)**

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.
2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.
3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of the provisions and the plant items to which related.

**See following pages**

**RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS**  
**NW NATURAL**

Period Beginning: January 2020

Period Ending: December 2020

Functional Class	Beginning			Cost of	Salvage and	Transfers and		Ending
FERC Plant Account	Reserve	Provision	Retirements	Removal	Other Credits	Adjustments	Loss/(Gain)	Reserve*
<b>UTILITY</b>								
<b>Intangible Plant</b>								
301 ORGANIZATION	—	—	—	—	—	—	—	—
302 FRANCHISES & CONSENTS	—	—	—	—	—	—	—	—
303.1 COMPUTER SOFTWARE	5,948	5,182	—	—	—	—	—	11,130
303.2 CUSTOMER INFORMATION SYSTEM	1,863,073	—	—	—	—	—	—	1,863,073
303.3 INDUSTRIAL & COMMERCIAL BIL	—	—	—	—	—	—	—	—
303.4 CRMS	—	—	—	—	—	—	—	—
303.5 POWERPLANT SOFTWARE	—	—	—	—	—	—	—	—
Intangible Plant Subtotal*	1,869,021	5,182	—	—	—	—	—	1,874,203
<b>Transmission Plant</b>								
367 MAINS	191,559	20,970	—	—	—	—	—	212,530
Transmission Plant Subtotal*	191,559	20,970	—	—	—	—	—	212,530
<b>Distribution Plant</b>								
374.1 LAND	—	—	—	—	—	—	—	—
374.2 LAND RIGHTS	24,470	155	—	—	—	—	—	24,625
375 STRUCTURES & IMPROVEMENTS	62,180	20,342	—	—	—	—	—	82,523
376.11 MAINS < 4"	41,979,170	2,323,451	(76)	(357)	—	—	—	44,302,188
376.12 MAINS 4" & >	31,549,355	2,415,927	—	—	—	—	—	33,965,282
378 MEASURING & REG EQUIP - GENER	1,023,600	78,465	—	—	—	—	—	1,102,065
379 MEASURING & REG EQUIP - GATE	835,583	51,167	—	—	—	—	—	886,750
380 SERVICES	37,209,212	2,376,112	(922)	(1,990)	—	—	—	39,582,413
381 METERS	3,002,805	281,152	(450,020)	—	—	—	—	2,833,937
381.2 ERT (ENCODER RECEIVER TRANS	4,803,374	417,695	(472,240)	—	—	—	—	4,748,829
382 METER INSTALLATIONS	1,396,569	307,172	(832,865)	—	—	—	—	870,876
382.2 ERT INSTALLATION (ENCODER	744,352	35,426	(23,712)	—	—	—	—	756,065
383 HOUSE REGULATORS	17,416	4,302	—	—	—	—	—	21,718
386 OTHER PROPERTY ON CUSTOMERS P	—	—	—	—	—	—	—	—
387.2 CALORIMETERS @ GATE STATIONS	26,630	—	—	—	—	—	—	26,630
Distribution Plant Subtotal*	122,674,717	8,311,366	(1,779,834)	(2,348)	—	—	—	129,203,902

\* May not foot due to rounding.

RESERVE BALANCES AND ACTIVITY BY FUNCTIONAL CLASS  
NW NATURAL

Period Beginning: January 2020

Period Ending: December 2020

Functional Class		Beginning			Cost of	Salvage and	Transfers and	Ending	
FERC Plant Account		Reserve	Provision	Retirements	Removal	Other Credits	Adjustments	Loss/(Gain)	Reserve*
UTILITY									
General Plant									
389	LAND	—	—	—	—	—	—	—	—
390	STRUCTURES & IMPROVEMENTS	129,918	36,200	—	—	—	—	—	166,118
390.1	SOURCE CONTROL PLANT	178,636	15,690	—	—	—	—	—	194,325
391.1	OFFICE FURNITURE & EQUIPMEN	23,970	826	—	—	—	—	—	24,796
391.4	CUSTOMER INFORMATION SYSTEM	—	—	—	—	—	—	—	—
392	TRANSPORTATION EQUIPMENT	340,618	34,808	—	—	—	—	—	375,426
394	TOOLS AND EQUIPMENT	48,301	9,474	—	—	—	—	—	57,774
396	POWER OPERATED EQUIPMENT	89,368	7,890	(10,441)	—	—	—	—	86,817
397.1	MOBILE	1,985	2,831	—	—	—	—	—	4,817
397.3	TELEMETERING - OTHER	13,579	11,913	—	—	—	—	—	25,492
397.5	TELEPHONE EQUIPMENT	—	—	—	—	—	—	—	—
398.4	INSTALLED IN LEASED BUILDINGS	4,727	—	—	—	—	—	—	4,727
General Plant Subtotal		831,102	119,631	(10,441)	—	—	—	—	940,292
Washington Utility Property Grand Total*		125,566,399	8,457,150	(1,790,275)	(2,348)	—	—	—	132,230,926

**TOTAL SUMMARY ALL UTILITY DEPRECIATION RESERVES 12/31/2020**

**UTILITY**

108010	(1,856,983)	
108011	133,650,272	
108012	363,123	
108013	(12,303)	
108014	—	
108015	86,817	
108100	—	
108102	—	
<b>SUBTOTAL*</b>	<u>132,230,927</u>	
<b>ADD:</b>		
108001 REMOVAL WORK IN PROCESS	4,901,508	
<b>TOTAL UTILITY DEPRECIATION*</b>	<u>127,329,418</u>	

\* May not foot due to rounding.

<b>Name of Respondent</b>	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company			December 31, 2020

### GAS ACCOUNT - NATURAL GAS

- The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
- Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
- Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.
- Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
- If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose. Use copies of pages 520.
- Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market of that were not transported through any interstate portion of the reporting pipeline.
- Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on Line 3 relate.
- Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
- Indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.

Line No.	Item (a)	Ref. Page No. (b)	Total Amount of Dth (c)
1	NAME OF SYSTEM:		
2	GAS RECEIVED		
3	Gas Purchases (Accounts 800-805)		8,042,601
4	Gas of Others Received for Gathering (Account 489.1)	303	N/A
5	Gas of Others Received for Transmission (Account 489.2)	305	N/A
6	Gas of Others Received for Distribution (Account 489.3) Transportation	301	1,946,355
7	Gas of Others Received for Contract Storage (Account 489.4)	306	N/A
8	Gas of Other Received for Production/Extraction/Processing (Account 490 and 491)		N/A
9	Exchanged Gas Received from Others (Account 806)	328	N/A
10	Gas Received as Imbalances (Account 806)	328	N/A
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332	N/A
12	Other Gas Withdrawn from Storage (Explain)	512	—
13	Gas Received from Shippers as Compressor Station Fuel		—
14	Gas Received from Shippers as Lost and Unaccounted for		—
15	Other Receipts (Specify) LPG		—
16	Total Receipts (Total of lines 3 thru 14)		9,988,956
17	GAS DELIVERED		
18	Gas Sales (Accounts 480-495)		7,883,205
19	Deliveries of Gas Gathered for Others (Account 489.1)	303	N/A
20	Deliveries of Gas Transported for Others (Account 489.2)	305	N/A
21	Deliveries of Gas Distributed for Others (Account 489.3) Transportation	301	1,946,355
22	Deliveries of Contract Storage Gas (Account 489.4)	306	N/A
23	Gas of Other Delivered for Production/Extraction/Processing (Account 490 and 491)		N/A
24	Exchange Gas Delivered to Others (Account 806)	328	N/A
25	Gas Delivered as Imbalances (Account 806)	328	N/A
26	Deliveries of Gas to Others for Transportation (Account 858)	332	N/A
27	Other Gas Delivered to Storage (Explain)	512	—
28	Gas Used for Compressor Station Fuel	331	N/A
29	Other Deliveries (Specify): Unbilled	331	(20,861)
30	Total Deliveries (Total of lines 17 thru 27)		9,808,699
31	GAS LOSSES AND GAS UNACCOUNTED FOR		
32	Gas Losses and Gas Unaccounted For		180,257
33	TOTALS		
34	Total Deliveries, Gas Losses & Unaccounted for (Total of lines 30 and 32)		9,988,956



<b>Name of Respondent</b>	<b>This Report is:</b>	<b>Date of Report</b> (Mo, Da, Yr)	<b>Year of Report</b>
Northwest Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2020

EXECUTIVE COUNT BY CLASS AND TOTAL SALARIES BY CLASS			
1. Pursuant to RCW 80.04.080, report below the number of employees by class (per company definition to be provided), and the total amount of salaries and wages paid each class			
Line No.	Employee Class (a)	Number of Employees (b)	Total Salaries and Wages Paid Each Class <sup>(1)</sup> (c)
1	Officers & Exempt	549	62,123,824
2	Bargaining Unit	606	52,625,378
3			
4			
5			
Total		1,155	114,749,202
<sup>(1)</sup> Salaries and wages do not include bonuses paid.			

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