

## GENERAL RULES AND REGULATIONS

### Definitions.

The following terms have the meanings listed herein unless defined otherwise within a specific rule or schedule.

**Acknowledged Confirmations.** The Pipeline's confirmation of a Transportation Customer's specified quantity of gas for a specified Gas Day for delivery at specified Company Receipt Point(s).

**Allowance** (also referred to as Construction Allowance). The dollar credit which may be available to an Applicant or customer to offset the cost of construction of new Distribution Facilities. The amount of the allowance will vary by customer and type of equipment to be installed.

**AMR.** Automated meter reading, or automated meter reading device.

**Annual Sales WACOG.** The Company's annual weighted average commodity cost of gas, as determined in the Company's most recent Purchased Gas Cost Adjustment (PGA) Filing, and set forth in **SCHEDULE P** and **SCHEDULE 203** of this Tariff. Sometimes referred to as the Commodity Component.

**Applicant.** A person, business, or agency requesting the Company to supply natural gas service to a specific location, including those whose gas supplies will be provided from sources other than the Company. An applicant may also be an existing customer requesting additional Distribution Facilities.

**Authorized Supplier/Agent.** A third party agent authorized by an end-use Transportation Customer to nominate and transport Natural Gas to the Company's system on a Customer's behalf.

**Btu.** See British Thermal Unit.

**Balancing.** The process of equalizing receipts and deliveries of gas for a Transportation Customer.

**Balancing Period.** A period of time in which a Transportation Customer must eliminate or bring into allowed tolerance levels an Imbalance situation.

**Base Distribution Rate.** The non-commodity component of a sales service billing rate, before application of any temporary adjustments.

**British Thermal Unit (Btu).** A measure of energy. 100,000 Btu is equivalent to one Therm.

**Business Day.** A business day is Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m. Pacific Standard Time (PST) except where such day falls on a holiday.

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# NORTHWEST NATURAL GAS COMPANY

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Fourth Revision of Sheet 00.2

Cancels Third Revision of Sheet 00.2

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## GENERAL RULES AND REGULATIONS (continued)

### Definitions (continued):

**Change in Responsible Party.** Any merger, consolidation, sale of assets or other similar transaction or series of transactions involving Customer, other than any such transaction or transactions following which the Customer or its shareholder(s), member(s) or owner(s) continue to own a majority of the combined voting power of the outstanding securities of the corporation or other entity surviving or succeeding to the business of the Customer.

**Commercial Customer Class.** Customers that use natural gas for space or water heating in an office or retail space, or where natural gas is used in equipment that primarily supports a commercial trade or other commercial purpose. For example, providing services, wholesale or retail trade, restaurants, agriculture, forestry, fisheries, transportation, communications, utilities, finance, insurance, real estate, clubs and hotels. Customers not included directly in other definitions will be classified in this category.

**Commission.** The Washington Utilities and Transportation Commission (WUTC) holding responsibility for state regulation of utility service in the state of Washington.

**Commodity Component.** The component of the billing rate that a Sales Service Customer pays for the physical natural gas supply procured by the Company under any of the Rate Schedules that provide for Sales Service. The Commodity Component is either Annual Sales WACOG or Winter Sales WACOG, adjusted for Revenue Sensitive Effects, (see Schedule P and **SCHEDULE 203**), or, where applicable, Monthly Incremental Cost of Gas.

**Company.** Northwest Natural Gas Company (NNG) acting through its duly authorized officers, employees or representatives within the scope of their respective duties.

**Construction Allowance.** See Allowance.

**Construction Contribution.** The amount an Applicant or customer will be required to pay toward the cost of construction of Distribution Facilities before service will be provided. A construction contribution is required when the cost of construction exceeds the Applicant's Allowance, or when an Applicant or customer requests special or additional facilities.

**Curtailement.** A condition when service to lower priority Sales Service Customers is fully or partially interrupted so that higher priority Sales Service Customers may be served under circumstances when there is a limited gas supply, when there is capacity limitation on the Company's system, or when Force Majeure conditions exist. Transportation customers may be curtailed when there is a capacity limitation on the Company's system or when Force Majeure conditions exist.

**Curtailement Discount.** A billing credit offered to Firm Service Customers whose gas service is curtailed for reasons other than Force Majeure.

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## GENERAL RULES AND REGULATIONS (continued)

### Definitions (continued):

**Curtailement Order.** The term used to refer to the Company's notification to Customers of a Curtailement condition. Only one Curtailement Order can be in effect at any one time.

**Customer Transfer Point.** The primary meter located at the Delivery Point; generally the meter at the interconnection between the Company's Distribution Facilities and Customer's House Line. Title and risk of loss to the gas shall pass from the Company to Customer at this point.

**Customer.** A person, business, or agency in whose name a service is rendered, as evidenced by the signature on an application, Special Contract, Service Agreement or Service Election Form on file with the Company. In the absence of a signed instrument, a Customer shall be identified by the receipt and payment of bills regularly issued in that name.

**Customer Charge.** A monthly charge designed to recover a portion of the fixed costs associated with serving Customers that is not directly related to gas usage or otherwise collected.

**Customer-Owned Gas.** Natural Gas procured by the Customer that is transported by the Company for Customer's own use. Title to Customer-Owned Gas is held by the Customer at all times, and Customer-Owned Gas is not a part of the Company's system supplies.

**Dekatherm (Dth).** A unit of heating value equivalent to 1,000,000 Btus. 1,000,000 Btus equals ten (10) therms, or, one dekatherm.

**Delivery Point.** The point at which gas leaves the Company's system and passes through the custody transfer meter installation at customer's facility.

**Distribution Capacity Charge.** A charge applicable to Firm Service Type Customers under Rate Schedules 42 and 43 that relates to the cost of providing firm service on the Company's Distribution System.

**Distribution Facilities.** Any combination of meters, regulators, valves, service piping, main piping, and associated equipment required to provide service to a customer or applicant.

**Distribution System.** The compilation of all of the Company's Distribution Facilities upon which Company and Customer-procured gas supplies are transported from the Receipt Point to the Delivery Point.

**Domestic.** Of or relating to the household.

**Dth.** See dekatherm.

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GENERAL RULES AND REGULATIONS  
(continued)

**Definitions (continued):**

**Entitlement.** A condition whereby a Transportation customer is restricted to use no more than, or is required to use the amount of customer's Acknowledged Nominations on a specified Gas Day, or during a specified Entitlement period. Entitlement may be declared by the Company upon receiving notice of Entitlement from the Pipeline, or due to operational difficulties on Company's system. See also Overrun Entitlement, and Underrun Entitlement.

**Essential Human Needs Customers.** Customers whose use of natural gas is required to provide primary space heat to areas where residents sleep or receive life-essential medical care, or to fuel essential functions related to providing life-essential medical care, including back-up electric generation required for the purpose of operating equipment necessary to support or sustain human life, and that absent the availability of natural gas, an immediate danger to the lives of persons that rely upon such Customer would exist.

**Excess Flow Valve (EFV).** A device installed in a natural gas service line pursuant to DOT 49 CFR Part 192, designed to limit the flow of gas in the event that the flow in the service line exceeds a pre-determined level.

**Extraordinary Conditions.** Conditions at the Applicant or Customer site or leading to the Applicant or Customer site which impact the company's costs to construct Distribution Facilities.

**Firm Sales Service.** Sales Service which the Company provides on a firm basis. The Company will exercise reasonable diligence and care to supply and deliver continuous service; provided, however, Company does not guarantee such continuity of service or sufficiency of quantity. See Interruptible Sales Service.

**Firm Transportation Service.** Transportation Service which the Company provides on a firm basis. Customer must secure firm or interruptible pipeline delivery service to the Receipt Point. The Company will exercise reasonable diligence and care to ensure continuous delivery of Customer-procured gas supply from the Receipt Point to the Delivery Point, but Company does not guarantee such continuity of service. See Interruptible Transportation Service.

**Force Majeure.** Unavoidable accident or casualty, extraordinary action of the elements, strikes, interruptions caused by government action or authority, litigation, or any cause beyond the reasonable control of the party claiming Force Majeure which could not have been prevented by the exercise of due diligence, or which could not otherwise reasonably be foreseen and guarded against. Force Majeure usually does not include required maintenance of Customer's facilities, plant closures, economic conditions, or variations in agricultural crop production.

**Gas Day.** A 24-hour period beginning daily at 7:00 a.m. Pacific Clock Time (PCT). The Company's gas day coincides with the Gas Day established by the Pipeline, and may change from time to time, upon approval of the Federal Energy Regulatory Commission (FERC).

**Gas Facilities Reimbursement Agreement.** A written agreement between the Company and an Applicant or Customer to provide Distribution Facilities under **SCHEDULE E**.

**House line.** The piping which extends from the custody transfer meter installation to gas-fired equipment, and which shall belong to and be installed and maintained by customer.

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## GENERAL RULES AND REGULATIONS

(continued)

### Definitions (continued):

**Imbalance.** The difference between Acknowledged Confirmations and the volume of gas actually used by or delivered to a Transportation Customer within a Balancing Period. A positive imbalance exists when the volume of transportation gas confirmed for a Customer's account is greater than the volume of gas used. A negative imbalance exists when the volume of transportation gas confirmed for Customer's Account is less than the volume of gas used.

**Industrial Customers.** Customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, including mining and manufacturing.

**Infill/Exfill Potential Analysis.** An analysis which gives economic and financial consideration to the potential for customer growth along and/or beyond a Main Extension in conjunction with a bona fide Applicant's request for service.

**Intermittent Loads.** Loads which, in the opinion of the Company, are subject to discontinued use for an unpredictable interval of time, which are served under **SCHEDULE 1**.

**Interruptible Customers.** Customers receiving gas deliveries under a rate schedule or contract that allows for interruptions of service under certain conditions.

**Interruptible Transportation Service.** Transportation Service which the Company provides on an interruptible basis. Customer must secure firm or interruptible pipeline delivery service to the Receipt Point. Interruptible Transportation Service is subject to Curtailment or Entitlement, or both.

**Main.** Piping and associated fittings that serves, or is expected to serve, as a common source of supply for more than one Service Line.

**Main Extension.** Piping and associated facilities required to extend service from the Company's existing Main facilities into an area not previously supplied to serve an Applicant.

**Marketer/Supplier.** A third party agent(s) authorized by an end-use Transportation Customer to Nominate and transport Natural Gas to the Company's system on the Customer's behalf.

**Mantle.** A hood made of some refractory material which, when placed over a flame, gives light by incandescence, and which is used as a billing determinant under **SCHEDULE 19**.

**Maximum Daily Delivery Volume (MDDV).** Company's maximum daily responsibility to customer. MDDV will be based on the known actual use, or estimated use, of customer's equipment to be served, as mutually agreed between Company and customer, and specified in customer's service agreement.

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GENERAL RULES AND REGULATIONS

(continued)

Definitions (continued):

**Maximum Hourly Delivery Volume (MHDV).** Company's maximum hourly responsibility to Customer. MHDV will be based on the capacity of Customer's equipment to be served, as mutually agreed between Company and customer, and specified in Customer's service agreement.

**Monthly Incremental Cost of Gas.** The Commodity Component that shall be paid by a Customer that makes a Service Type Selection change from Firm Transportation Service or Interruptible Transportation Service to Firm Sales Service or Interruptible Sales Service at times where the Company's Annual Sales WACOG or Winter Sales WACOG choices are not available.

**Natural Gas.** A naturally occurring non-toxic mixture of hydrocarbon and non-hydrocarbon gasses found in porous geologic formations beneath the earth's surface.

**Nomination.** A request for delivery of a physical quantity of gas under a specific purchase, sale or Transportation Agreement for a given Gas Day or period.

**Non-Residential Customer.** Any Commercial or Industrial Customer.

**Orifice Meter.** A meter used for measuring large volumes of gas of uniform characteristics whereby the flow of gas is measured by recording the pressure differential across the pipe restriction.

**Overrun Entitlement.** A condition whereby a Transportation Service Customer is restricted to use no more than a percentage of such Customer's Acknowledged Confirmations on a specified Gas Day.

**Pipeline.** Northwest Pipeline Corporation, Coos County Pipeline, Kelso Beaver Pipeline, or other pipeline that interconnects with Company's Distribution System as applicable. Northwest Pipeline Corporation shall be the source for all Nomination, Confirmed Nomination, Entitlement, and Gas Day information if such information is not provided by the interconnecting pipeline. (C)  
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**Pipeline Capacity Charge.** A charge applicable to Sales Service Customers served under Rate Schedules 41 and 42 that is designed to recover the cost of the delivery of natural gas from an interstate pipeline to the Company's Receipt Point.

**Preemption.** A condition wherein Transportation Customers are required to make their gas available to the Company, for a price, to the extent the Company determines that it is necessary to maintain service to Customers with higher service priorities.

**Premise.** The site upon which customer facilities are located and to which Natural Gas service is provided.

**Purchased Gas Adjustment (PGA) Filing.** The regulatory document filed with the Commission that supports the Company's request for rate changes under Schedule P, and for other changes to rates as the Commission may allow.

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GENERAL RULES AND REGULATIONS  
(continued)

**Definitions (continued):**

**Qualifying Valid State or Federal Identification.** Includes but is not necessarily limited to: (a) Passport; (b) U.S. Visa; (c) Military identification; (d) Immigration and Naturalization Service (INS) identification; (e) Washington Tribal Identification; (f) Washington Driver's License; (g) Washington Department of Motor Vehicles (DMV) Identification. Any identification having an expired date will not be considered valid. Other forms of state or federal identification may be allowed in accordance with Company policy and procedures.

**Receipt Point.** The point at which gas enters Company's system from the Pipeline's interconnect.

**Residential Customer Class.** Single-family dwellings, separately metered apartments, condominiums or townhouses, and centrally metered multiple dwellings or apartments.

**Sales Service.** Gas Service to Customers that use Company procured gas supplies. This term does not include service to Customers that purchase Company procured gas supplies upstream of the Company's distribution system.

**Schedule C03.** Refers to Rate Schedule 3, Commercial Firm Sales Service.

**Schedule C41SF.** Refers to Rate Schedule 41, Commercial Firm Sales Service.

**Schedule C41TF.** Refers to Rate Schedule 41, Commercial Firm Transportation Service.

**Schedule C41SI.** Refers to Rate Schedule 41, Commercial Interruptible Sales Service.

**Schedule I41SF.** Refers to Rate Schedule 41, Industrial Firm Sales Service.

**Schedule I41TF.** Refers to Rate Schedule 41, Industrial Firm Transportation Service.

**Schedule I41SI.** Refers to Rate Schedule 41, Industrial Interruptible Sales Service.

**Schedule C42SF.** Refers to Rate Schedule 42 Commercial Firm Sales Service.

**Schedule C42TF.** Refers to Rate Schedule 42 Commercial Firm Transportation Service.

**Schedule C42SI.** Refers to Rate Schedule 42 Commercial Interruptible Sales Service.

**Schedule C42TI.** Refers to Rate Schedule 42 Commercial Interruptible Transportation Service.

**Schedule I42SF.** Refers to Rate Schedule 42 Industrial Firm Sales Service.

**Schedule I42TF.** Refers to Rate Schedule 42 Industrial Firm Transportation Service.

**Schedule I42SI.** Refers to Rate Schedule 42 Industrial Interruptible Sales Service.

**Schedule I42TI.** Refers to Rate Schedule 42 Industrial Interruptible Transportation Service.

**Schedule 43TF.** Refers to Rate Schedule 43 Firm Transportation Service.

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GENERAL RULES AND REGULATIONS

(continued)

**Definitions (continued):**

**Schedule 43TI.** Refers to Rate Schedule 43 Interruptible Transportation Service.

**Service Installation Agreement.** A written agreement between Company and Applicant as provided under Schedule E.

**Service Line.** The piping which runs from the Main to the Delivery Point at the service site.

**Standby Service.** Service to equipment that is available in lieu of or as a supplement to the usual source of supply; or service to equipment that is used for the protection of equipment or commodity during cold weather.

**Storage Charge.** A charge applicable to Firm Sales Service Customers served under Rate Schedule 42 designed to recover the cost of storage facilities used to support Firm Sales Service on the Company's Distribution System.

**Tariff.** The published volume of schedules and general terms and conditions under which Natural Gas service will be provided.

**Temporary Adjustment.** The net amount by which the rates under a given Rate Schedule are to be adjusted on a temporary basis. Temporary Adjustments include amounts set forth in Schedule 201, and any other Schedules as may be approved by the Commission.

**Termination of Service.** The ending of the service relationship between a Customer and the Company effectuated by closing the Customer's service account at a specific Premise, by the Disconnection of Service at a Customer's Premise, or both.

**Therm.** A unit of heating value equivalent to 100,000 Btu. The amount of heat energy in approximately 100 cubic feet of Natural Gas. One therm equals 29.3 kilowatt hours of electricity at 100% conversion efficiency.

**Transportation.** The movement of customer-owned natural gas from the Pipeline Receipt Point through the Company's transmission and distribution system to a customer's Delivery Point(s).

**Transportation Service.** Service to Customers that use Customer procured gas supplies.

**Underrun Entitlement.** A condition whereby a Transportation Service Customer is required to use the gas previously nominated and received on such Customer's behalf on a specified Gas Day.

**Weighted Average Cost of Gas (WACOG).** See Annual Sales WACOG and Winter Sales WACOG. Sometimes referred to as the Commodity Component.

**Winter Sales WACOG.** The Company's weighted average commodity cost of gas for the winter period (November through March), as determined in the Company's most recent Purchased Gas Cost Adjustment (PGA) Filing, and set forth in Schedule P and Schedule 203 of this Tariff. Sometimes referred to as the Commodity Component.

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**Year.** A period of twelve (12) consecutive billing months.

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