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**RATE SCHEDULE 90  
FIRM STORAGE SERVICE WITH NO-NOTICE WITHDRAWAL**

**AVAILABLE:**

To eligible Non-Residential Customers desiring to store Customer-Owned Gas, provided that firm storage capacity designated for this service exists and the Customer has met all of the applicable prerequisites to service under this Rate Schedule as described herein.

The Firm Storage Service offered under this Rate Schedule will be provided by the Company using Non-Core Mist Storage.

Gas stored under this Rate Schedule must be intended for consumption by a Customer at a location within the Company's service territory in Oregon capable of receiving the service from Non-Core Mist Storage and meet the other service requirements in the Prerequisites to Service section herein.

**SERVICE DESCRIPTION:**

The Firm Storage Service to be provided under this Rate Schedule consists of bundled storage and related transportation of Customer-Owned Gas from the designated Receipt Point(s) to Non-Core Mist Storage, and a no-notice withdrawal service from Non-Core Mist Storage to the Customer's designated Storage Delivery Point(s), subject to excused interruption by the Company due to force majeure or for maintenance as provided herein.

Non-Core Mist Storage consists of a set of underground storage reservoirs, associated gathering lines, a compressor station(s), a high pressure pipeline(s), and other related facilities and equipment.

Subject to the Company having available Non-Core Mist Storage capacity and associated sufficient pipeline transportation to provide the Firm Storage Service described herein, the Company will offer Firm Storage Service for Customer-Owned Gas with No-Notice Withdrawal to Customers that meet the prerequisites to service on a non-discriminatory basis. An Agreement for Firm Storage Service shall be for a term as set forth in the Customer's Service Agreement. The Firm Storage Service's Maximum Storage Capacity (MSC), Maximum Daily Injection Quantity (MDIQ), and Maximum Daily Withdrawal Quantity (MDWQ) will not be subject to curtailment, interruption, or discontinuance except as provided herein or in the Customer's Service Agreement.

**GENERAL TERMS:**

Service under this Rate Schedule is governed by the terms and conditions of the General Rules and Regulations contained in the Tariff of which this Rate Schedule is a part (the "Tariff"), any other schedules that by their terms or by the terms of this Rate Schedule apply to service under this Rate Schedule, by the terms of the Customer's Rate Schedule 90 Service Agreement ("Service Agreement"), and by all orders, rules and regulations prescribed by regulatory authorities, as amended from time to time. In the event of inconsistent terms, the terms in this Rate Schedule and the Customer's Service Agreement shall prevail over the Tariff. In the event of inconsistent terms, the terms in the Customer's Service Agreement shall prevail over this Rate Schedule 90.

(continue to Sheet 90-2)

Issued May 5, 2014  
NWN OPUC Advice No. 14-7

Effective with service on  
and after October 15, 2014

---

**RATE SCHEDULE 90  
FIRM STORAGE SERVICE WITH NO-NOTICE WITHDRAWAL  
(continued)**

**NOTICES:**

All notices and communications to the Company shall be made pursuant to **General Rule 5** of the Tariff or as otherwise specified by the Company. Customer's notice information shall be set forth in the Service Agreement.

**PREREQUISITES TO SERVICE:**

The availability of Firm Storage Service under this Rate Schedule is subject to the following prerequisites:

1. A Non-Residential Customer requesting Firm Storage Service for Customer-Owned Gas under this Rate Schedule is required to have a site that is connected to or is economically capable without adverse impact to existing Customers, as determined by NW Natural, of being connected to Non-Core Mist Storage for service to the Customer's meter/Storage Delivery Point(s).
2. The Firm Storage Service request is deemed to be valid by the Company (See the Requests for Service section below);
3. The Company has determined that there is adequate firm storage capacity from Non-Core Mist Storage, including for firm injection and firm no-notice withdrawals and pipeline delivery capacity capable of receiving and delivering Customer-Owned Gas to and from Non-Core Mist Storage at levels sufficient to accommodate the Firm Storage Service request;
4. The Requesting Party has met the Company's creditworthiness standards provided herein;
5. Unless a Storage Account transfer or title transfer takes place as provided for herein, the Gas to be stored under this Rate Schedule will be redelivered and consumed within the Company's service territory in Oregon; and
6. The Requesting Party has executed a Rate Schedule 90 Service Agreement with the Company.

**DEFINITIONS:**

Except as otherwise provided for below, the terms used in this Rate Schedule are defined in the Definitions section of the Tariff.

**Base Gas** means the quantity of Gas owned by Company and not available for withdrawal by any Customer.

(continue to Sheet 90-3)

Issued May 5, 2014  
NWN OPUC Advice No. 14-7

Effective with service on  
and after October 15, 2014

---

**RATE SCHEDULE 90  
FIRM STORAGE SERVICE WITH NO-NOTICE WITHDRAWAL  
(continued)**

**DEFINITIONS: (continued)**

**Maximum Daily Injection Quantity (MDIQ)** means the maximum quantity of Gas, specified in the Service Agreement, which Customer is entitled to inject into Non-Core Mist Storage on any Gas Day.

**Maximum Daily Withdrawal Quantity (MDWQ)** means the maximum quantity of Gas, specified in the Service Agreement, which Customer is entitled to withdraw from Non-Core Mist Storage on any Gas Day.

**Maximum Storage Capacity (MSC)** means the maximum quantity of Gas which Customer is entitled to store at Non-Core Mist Storage at any given time.

**No-Notice Withdrawal Service** means that a Customer is authorized to make intra-daily withdrawals from Non-Core Mist Storage as provided for herein and in the Service Agreement and at the delivery pressure set forth in the Customer's Service Agreement without advance notice to the Company. Unless otherwise provided for in Customer's Service Agreement, if the Customer requires a delivery pressure greater than that specified in the Service Agreement, Customer must provide the Company with not less than four-hour (4) advance notice of planned withdrawals.

**Non-Core Mist Storage** refers to those storage facilities developed at Mist after 2008 that are separate and go beyond the 520,000 Dth/d of full build-out Mist capacity at Miller Station and its related facilities that were developed for use or recall by core customers. Non-Core Mist Storage consists of underground storage reservoirs, associated gathering lines, a compressor station, a high pressure pipeline, and other related facilities and equipment.

**Requesting Party** means a person that makes a request to the Company for new or additional Storage Service under this Rate Schedule that meets the prerequisites for service.

**Storage Account** means, for accounting purposes, the account maintained by the Company into which Customer nominates Gas for injection or from which Customer withdraws Gas under a Service Agreement. The Storage Account may not have a negative gas inventory balance.

**Storage Delivery Point(s)** means the Company's meter at a Customer's site that is connected to Non-Core Mist Storage as specified in Customer's Service Agreement.

**Firm Storage Service** means intrastate firm natural gas storage and related transportation service from the Receipt Point for injection into Non-Core Mist Storage, and no-notice withdrawal service from Non-Core Mist Storage to the Storage Delivery Point(s) within the Company's service territory in Oregon.

**Transporter** means any upstream third party which provides transportation services required to effectuate delivery of the gas to the Receipt Point for injection in Non-Core Mist Storage under this Rate Schedule.

**Working Gas** means the actual quantity of working gas in storage for Customer's Storage Account at the beginning of any given Gas Day.

(continue to Sheet 90-4)

Issued May 5, 2014  
NWN OPUC Advice No. 14-7

Effective with service on  
and after October 15, 2014

---

**RATE SCHEDULE 90  
FIRM STORAGE SERVICE WITH NO-NOTICE WITHDRAWAL  
(continued)**

**REQUESTS FOR SERVICE:**

A Requesting Party desiring Firm Storage Service under this Rate Schedule may make an oral or written request to the Company. The request shall include, at a minimum:

1. The exact legal name of the Requesting Party;
2. The proposed MDIQ, MDWQ and MSC;
3. The proposed term of service;
4. The proposed Storage Delivery Point(s); and
5. Other necessary information, if any.

A Firm Storage Service request shall not be valid and the Company shall not be required to grant any Firm Storage Service request if:

- (i) the Company determines, based on its credit analysis, that the Requesting Party does not meet the Company's creditworthiness standards provided for herein;
- (ii) the Requesting Party does not meet the prerequisites to service set forth in this Rate Schedule;
- (iii) the service requested would require the additional construction, modification, or expansion of some or all of the Non-Core Mist Storage facilities and the Company determined that such construction, modification, or expansion is not economically feasible, or that such construction, modification, or expansion may otherwise adversely impact service to existing Firm Storage Service customers;
- (iv) the service requested would not comply with this Rate Schedule;
- (v) the Company lacks adequate injection/withdrawal or transportation capacity to provide the requested service; or
- (vi) the Requesting Party and the Company are unable to reach agreement on the terms and conditions of the Rate Schedule 90 Service Agreement.

The Company shall consider a valid request, and will contact the Requesting Party regarding whether it can provide the requested Firm Storage Service. If the Company is able to accommodate the request, the Company will provide the details according to which Company is willing to provide such service. If the Company can provide some, but not all of the requested Firm Storage Service, the Company will advise the Requesting Party of the maximum quantities that the Company would be able to accommodate.

The Company shall tender a Service Agreement to the Requesting Party upon Company's acceptance of such party's request for Firm Storage Service. The Service Agreement shall be invalid unless signed by the Requesting Party and returned to the Company within thirty (30) days after the Company tenders such Service Agreement for execution.

(continue to Sheet 90-5)

Issued May 5, 2014  
NWN OPUC Advice No. 14-7

Effective with service on  
and after October 15, 2014

---

**RATE SCHEDULE 90**  
**FIRM STORAGE SERVICE WITH NO-NOTICE WITHDRAWAL**  
(continued)

**RATES AND CHARGES:***Storage Charge.*

A monthly charge as set forth in the Customer's Service Agreement, shall apply for each Dekatherm (Dth) of Customer's MSC Working Gas capacity during the specified Term or Term extension, as applicable.

*Fuel Charge.*

Customers shall be assessed a fuel charge as provided for in the Customer's Service Agreement.

*Other Applicable Charges.*

Any other applicable charges as provided for in the Tariff may be set forth in the Customer's Service Agreement or monthly invoice, as appropriate.

**INJECTIONS AND WITHDRAWALS:**

*Maximum Storage Capacity.* The MSC shall be set forth in the Customer's Service Agreement.

*Injections.* Subject to Force Majeure, or as otherwise provided for herein, Customer will be allowed to nominate to inject Customer-Owned Gas into Non-Core Mist Storage on each Gas Day on a firm basis in an amount that is confirmed by the Company up to Customer's MDIQ, as set forth in the Customer's Service Agreement, so long as injection of such quantities does not cause Customer to exceed its MSC. On any Gas Day, Company is not obligated to receive more than the MDIQ in the Service Agreement.

*Withdrawals.* Subject to Force Majeure, or as otherwise provided for herein, Customer will be allowed to withdraw Customer-Owned Gas from Non-Core Mist Storage on each Gas Day on a firm, no-notice basis in an amount up to Customer's MDWQ set forth in Customer's Service Agreement as modified by the Firm Withdrawal Profile table attached to Customer's Service Agreement, if applicable, and subject to the maximum hourly flow rate specified in this Rate Schedule, and so long as the withdrawal of such quantities does not cause Customer to incur a negative Working Gas balance. The Company will provide Customer with access to information regarding Customer's Working Gas levels so that Customer may determine where it stands in relation to the allowed withdrawal levels per the Firm Withdrawal Profile table in Customer's Service Agreement. Customer is responsible for monitoring such status and for taking necessary actions to stay within such allowed MDWQ withdrawal levels. In the event that Customer's withdrawal of gas beyond the withdrawal levels in Customer's Service Agreement threaten the operational integrity of Non-Core Mist Storage, then the Company may take further action as the Company deems necessary to restrict Customer's use of gas as necessary to maintain Non-Core Mist Storage operational integrity.

(continue to Sheet 90-6)

Issued May 5, 2014  
NWN OPUC Advice No. 14-7

Effective with service on  
and after October 15, 2014

---

**RATE SCHEDULE 90**  
**FIRM STORAGE SERVICE WITH NO-NOTICE WITHDRAWAL**  
(continued)

**STORAGE ACCOUNT VOLUME TRANSFERS TO AN INTERSTATE STORAGE ACCOUNT:**

Customer will be allowed to transfer Working Gas amounts between its Storage Account under this Rate Schedule and a storage account that such same Customer may have for interstate storage service with the Company upon prior notice to the Company, but such transfer shall not impact any amounts due and owing under each applicable service agreement prior to the date of the transfer, and invoice account balances may not be transferred under this provision. A Customer's ability to make such account transfers will not modify the MSC, MDIQ, or MDWQ amounts specified in the Customer's Service Agreement applicable to this Rate Schedule.

The Company will document the change in volume to Customer's Storage Account balance under this Rate Schedule, and also to the interstate Storage Account. No temporary release of all or any portion of a Customer's Firm Storage Service quantities may be made by Customer taking Firm Storage Service under this Rate Schedule.

Any Storage Account transfers shall be deemed to occur at the Non-Core Mist Storage location specified in Customer's Service Agreement. There shall be no charge for such Storage Account transfers.

**STORAGE BALANCE AT SERVICE AGREEMENT EXPIRATION OR TERMINATION:**

Customer shall be responsible for the withdrawal of all of its positive Firm Storage Service balance in its Storage Account: (i) on or before sixty (60) days after the date upon which any applicable Service Agreement expires by its own terms; or (ii) on or before thirty (30) days after the date of termination; provided that during such grace periods following expiration or termination, Customer shall pay Company the Storage Charge specified in the Customer's Service Agreement for extended Firm Storage Service.

Such withdrawals shall be made at mutually agreed upon withdrawal rates subject to Non-Core Mist Storage operating conditions. If Customer fails to remove its positive storage balance by the end of such grace period and Customer does not enter into a new Firm Storage Service Agreement, then Company shall purchase from Customer the Gas in Customer's Storage Account, free and clear of any adverse claims, at a price determined as follows in the following order of priority: (i) a price equal to eighty percent (80%) of the Company's monthly WACOG applicable to the month in which the buy-out occurs; or (ii) If the Company is no longer providing commodity services to its customers and thus a WACOG does not exist, then at a price equal to eighty percent (80%) of the lowest price found listed as between the following monthly index prices for the applicable month in which the buy-out occurs for the following points: AECO/NIT, Sumas, and NWP-Rockies; or (iii) if none of the above points has a public index for the applicable month, the Company and Customer shall negotiate in good faith to determine a mutually agreeable price consistent with the above intent; provided, however, that if Customer's failure to remove the Gas during such grace period is due to the Company's inability to provide the service up to the applicable firm MDWQ, then Customer shall be entitled to additional time at no additional charge to complete the withdrawal equal to the number of days Customer was prevented from withdrawing.

(continue to Sheet 90-7)

Issued May 5, 2014  
NWN OPUC Advice No. 14-7

Effective with service on  
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**Issued by: NORTHWEST NATURAL GAS COMPANY**

*d.b.a. NW Natural*  
220 N.W. Second Avenue  
Portland, Oregon 97209-3991

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**RATE SCHEDULE 90  
FIRM STORAGE SERVICE WITH NO-NOTICE WITHDRAWAL  
(continued)**

**NOMINATIONS, SCHEDULING AND SERVICE PRIORITY:**

*Daily Injection Nomination Procedure.* All nominations for injections must be submitted as specified by the Company by email (preferred) or facsimile, using a format that is approved by the Company Concurrently with the tendering of a Service Agreement to Customer for execution the Company shall provide Customer with a Non-Core Mist Storage Service Operating Policies and Procedures document, with further details regarding nomination and scheduling of Firm Storage Service not inconsistent with this Rate Schedule, and such document may be updated from time to time. Oral nominations for injections may be accepted, however, they must be subsequently emailed to the Company within a reasonable amount of time. The receipt of the nomination request will be acknowledged by email reply.

*Required Information.* Each injection nomination request shall specify: (1) the Gas Day Customer desires to inject; (2) the applicable Customer upstream or downstream transportation agreement number; (3) Receipt Point; (4) net Dth requested at the Receipt Point; (5) contact name and phone number; and (6) any other data required by upstream transporters or the Company to complete the nomination process.

*Deadline.* All injection nomination requests must be received one (1) hour prior to the applicable NAESB nomination cycle deadlines for timely noms, evening, intraday 1 (ID1), and intraday 2 (ID2). Additionally, post ID2 nominations are available to Customers to the extent the Company and any applicable upstream transporter is able to accommodate such changes. If confirmed, any actual Gas flows on the Company's system for injections will not begin until the time specified for gas flow under the NAESB guidelines for the next available processing cycle depending on when the nomination is received. The Company may, but is not required to, waive the one (1) hour requirement if, in its sole judgment, operating conditions permit such waiver.

*Confirmation of Injection Nominations.* Customer's injection nominations will be confirmed in advance of the applicable nomination deadline. Nominations will be confirmed based on the operating ability of Non-Core Mist Storage for the Gas Day consistent with the terms in Customer's Service Agreement. Variance from a uniform hourly flow rate will be allowed by the Company unless such a variance would be detrimental to the operation of Non-Core Mist Storage as determined by the Company, in its sole discretion. The maximum hourly flow rate will be equal to 1/24<sup>th</sup> of Customer's MDIQ. Amounts in excess of the maximum hourly flow rate will be received on an interruptible, best efforts basis. Flow rates deemed harmful to equipment, reservoirs or persons will not be allowed. Additionally, Customer must provide the Company with the confirmed volumes to be received from Northwest Pipeline GP prior to commencing any injections in Non-Core Mist Storage on any Gas Day.

(continue to Sheet 90-8)

Issued May 5, 2014  
NWN OPUC Advice No. 14-7

Effective with service on  
and after October 15, 2014

---

**RATE SCHEDULE 90  
FIRM STORAGE SERVICE WITH NO-NOTICE WITHDRAWAL  
(continued)**

**NOMINATIONS, SCHEDULING AND SERVICE PRIORITY (continued):**

*Nominations For Withdrawal.* Withdrawal service under this Rate Schedule is on a no-notice basis subject to flow control that will not allow withdrawal deliveries at the Delivery Point(s) to exceed a maximum hourly flow rate equal to 1/24<sup>th</sup> of Customer's MDWQ. The withdrawal of amounts in excess of the maximum hourly flow rate may be withdrawn on an interruptible, best efforts basis upon prior notice by Customer to the Company and subject to the Company's confirmation that system operating conditions may accommodate such request. Flow rates deemed harmful to equipment, reservoirs or persons will not be allowed. Customer is not required to make nominations for withdrawals of Customer-Owned gas stored at Non-Core Mist Storage up to the applicable MDWQ; provided, however, that Customer's withdrawal MDWQ will be subject to adjustment by the maximum hourly flow rate restrictions above and the firm withdrawal profile attached to Customer's Service Agreement. The Company shall not be required to allow withdrawals and the Company may suspend withdrawal service if Customer does not have sufficient Working Gas volumes or Customer would incur a negative Storage Account balance.

*Receipt Point(s) and Storage Delivery Point(s).* The Company and Customer shall designate in the Service Agreement a list of the currently available Receipt Point(s) and Storage Delivery Point(s). The Receipt Point(s) shall be at the point(s) of interconnection between an interstate pipeline and the Company's Non-Core Mist Storage. The Storage Delivery Point(s) shall be specified in the Service Agreement and must be to a Company meter located off of Non-Core Mist Storage serving the Customer's site.

*Customer Scheduling of Transportation.*

The Customer hereunder shall be solely responsible for making all arrangements and paying for the Transportation of the gas to the Receipt Point(s) for injection into Non-Core Mist Storage.

*Other Transporter Charges.*

Customer shall be responsible for all penalties and charges assessed by an upstream Transporter which solely arise from Customer's failure to provide delivery of the Gas quantities provided pursuant to the injection nomination process in this Section.

(continue to Sheet 90-9)

Issued May 5, 2014  
NWN OPUC Advice No. 14-7

Effective with service on  
and after October 15, 2014



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**RATE SCHEDULE 90  
FIRM STORAGE SERVICE WITH NO-NOTICE WITHDRAWAL  
(continued)**

**NOMINATIONS, SCHEDULING AND SERVICE PRIORITY (continued):***Service Priorities.*

(a) Once confirmed, firm injection nominations will not be reduced (“bumped”) in full or in part regardless of any other prior intraday nomination changes made pursuant to the Operating Policy and Procedures.

(b) In the event that Firm Storage Service must be curtailed hereunder due to Force Majeure or for maintenance as provided herein, such curtailment shall be on a pro-rata basis for all customers with Firm Storage Service agreements using Non-Core Mist Storage. In the event that such action must be taken, the Company will notify Customer via phone, facsimile, or electronic mail.

*Interruption Notices.* In the event that interruption or restrictions are required for injections or withdrawals, the Company will notify Customer via email, facsimile, or phone call.

*Nomination Changes.* In the absence of an injection nomination, no changes or action will be taken by the Company with regard to a Customer’s Storage Account.

*Maintenance.* The Company shall have the right to interrupt, or discontinue Firm Storage Service provided hereunder in whole or in part from time to time, without liability to Customer, in order to perform scheduled and unscheduled repair and maintenance of Company's Non-Core Mist Storage as necessary to maintain the operational capability of the facilities or to comply with regulatory requirements. The Company will endeavor to coordinate any scheduled maintenance activities to coincide, as reasonably possible, with the Customer’s site operations so as to minimize disruptions of service to Customer. In this regard, Customer agrees to provide the Company with information on its annual maintenance schedule and/or needs for service of Non-Core Mist Storage during the scheduled maintenance period and shall cooperate with the Company to minimize service disruptions. At least ninety (90) days before the end of each calendar year, the Company shall provide Customer with the scheduled maintenance plan for the coming year to facilitate the coordination with Customer’s maintenance plans. The Company shall provide Customer with reasonable advance notice of any scheduled maintenance by facsimile or email at least thirty (30) days in advance of the scheduled maintenance, unless the maintenance requires immediate attention in which case notice shall be provided by the Company to Customer as soon as practical under the circumstances. During any maintenance period, a limited amount of Firm Storage Service may be available from Non-Core Mist Storage and the Company shall provide as much information to Customer regarding the availability of the service as is known given the circumstances of the maintenance being performed. Notice of such interruptions or discontinuances shall be issued to Customer via facsimile or email. Such interruptions or discontinuances shall in no way serve to alter the obligation(s) of a Customer under any applicable Service Agreement.

(continue to Sheet 90-10)

Issued May 5, 2014  
NWN OPUC Advice No. 14-7

Effective with service on  
and after October 15, 2014

---

**RATE SCHEDULE 90**  
**FIRM STORAGE SERVICE WITH NO-NOTICE WITHDRAWAL**  
(continued)

**GAS PRESSURE, QUALITY AND MEASUREMENT:**

*Gas Pressure.* Customer shall deliver or cause to be delivered to Company all Gas at the Receipt Point(s) at such pressures sufficient for Non-Core Mist Storage operations. The Company shall redeliver Gas to Customer at the current operating pressures at the Storage Delivery Point(s) specified in Customer's Service Agreement. Pressure obligations may be modified by the terms of the Customer's Service Agreement.

*Quality.* Gas delivered by or on behalf of the Customer to the Company at the Receipt Point(s) shall conform to the third party Transporter's Gas quality standards. Gas redelivered by Company to Customer at the Storage Delivery Point(s) shall conform to the following gas quality standard: minimum 985 Btu/SCF or, if different, the then applicable Northwest Pipeline, GP minimum pipeline quality Btu content.

*Measurement.* Measurement of Gas quantities hereunder shall be performed by the Company in accordance with standard gas industry practices as set forth in the Tariff.

*Base Gas.* Company shall provide and maintain Base Gas necessary for operations of Non-Core Mist Storage.

**BILLING AND PAYMENT:**

*Monthly Statements.* The bill payment provisions in **General Rule 7** of the Tariff, to the extent applicable, shall apply to this Rate Schedule. Regarding Firm Storage Service, the statement will include: (a) the applicable rate(s); (b) the quantities being billed at such rate; and (c) any documentation sufficient to support the billed quantities.

*Payment.* Payment shall be due as set forth on the invoice. Unless otherwise agreed, Customer shall pay by Automated Clearing House (ACH) or other electronic means acceptable to the Company in immediately available funds to the Company the full amount due. If the day for payment should fall upon a Saturday, Sunday or U.S. banking holiday, then such payment shall be made on the next Business Day. If Customer fails to pay such amounts when due, a late payment charge will be assessed as prescribed under **Schedule C** of the Tariff.

(continue to Sheet 90-11)

Issued May 5, 2014  
NWN OPUC Advice No. 14-7

Effective with service on  
and after October 15, 2014

---

**RATE SCHEDULE 90**  
**FIRM STORAGE SERVICE WITH NO-NOTICE WITHDRAWAL**  
(continued)

**BILLING AND PAYMENT (continued):**

*Billing Adjustments.* If an error is discovered by either the Company or Customer, in the amount billed in any statement rendered by Company, the Company shall use its best efforts to correct any such billing error within sixty (60) Days of the discovery of such error by the Company, if the Company discovers the error, or the Company's receipt of notification of such error from Customer, if the error is discovered by the Customer. If Customer, in good faith, disputes the amount of any such statement or any part thereof, Customer shall pay the Company such amount as it concedes to be correct pending resolution of the dispute; provided, however, if Customer disputes the amount due, Customer must provide supporting documentation acceptable in industry practice to support the amount disputed. If the disputed amount is subsequently found to be correct, then Customer shall pay the Company such amount, together with any late payment charge provided for above that accrued from the original charge due date. All statements shall be considered final, and any and all objections thereto shall be deemed waived, unless made in writing within three (3) years of Customer's receipt thereof. If Customer raises any objection to a statement within such three (3) year period, and upon review, Customer is determined to be due a refund, then the Company shall refund Customer the overpaid amount plus interest at the Interest Rate specified in **General Rule 6** of the Tariff. Nothing in this section shall prevent the Company from terminating Firm Storage Service to a Customer for non-payment of the undisputed amounts per statements rendered pursuant to **General Rule 11** of the Tariff. Customer is responsible for the payment of any applicable taxes assessed by taxing authorities that may be associated with the Firm Storage Service provided under this Rate Schedule. Further, nothing in this provision shall be construed to relieve Customer of its obligation to pay any required taxes not included in the Company's rates assessed by a taxing authority on Customer, including any taxes that may later be determined by a taxing authority to have been applicable to the Firm Storage Service.

(continue to Sheet 90-12)

Issued May 5, 2014  
NWN OPUC Advice No. 14-7

Effective with service on  
and after October 15, 2014

---

**RATE SCHEDULE 90  
FIRM STORAGE SERVICE WITH NO-NOTICE WITHDRAWAL  
(continued)**

**FORCE MAJEURE:**

Except in regard to a Customer's obligation to make a payment that is due, neither the Company nor the Customer shall be liable in damages to the other if rendered unable, by reason of an event of force majeure, to perform, in whole or in part, any firm obligation set forth in any Service Agreement. For purposes of this provision, the term *Force Majeure* as used in this Rate Schedule shall include, but not be limited to: any causes or circumstances not due to the fault of the Party claiming *Force Majeure*, including, but not limited to, acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or pipelines, freeze-offs, water encroachment, unscheduled downhole repairs, loss of well control, interruptions or failures of any upstream or downstream pipelines relied upon to effectuate any service under this Rate Schedule, the binding order of any court or governmental authority having jurisdiction, and any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes shall not be considered to be a matter within the control of the party claiming suspension and shall be entirely within the discretion of the party affected, and the requirement that any event of force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of those directly or indirectly involved in such strikes or lockouts when such course is inadvisable in the discretion of the party having such difficulty. The term *Force Majeure* shall not include: (i) instances where the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (ii) economic hardship.

Upon the occurrence of an event of *Force Majeure*, the party affected shall give notice to the other party including the particulars of the event as soon as practicable, by telephone followed by written confirmation. After the occurrence, the obligations of both parties, except for unpaid financial obligations arising prior to such event, shall be suspended to the extent and for the period of such *Force Majeure* condition.

(continue to Sheet 90-13)

Issued May 5, 2014  
NWN OPUC Advice No. 14-7

Effective with service on  
and after October 15, 2014

---

**RATE SCHEDULE 90  
FIRM STORAGE SERVICE WITH NO-NOTICE WITHDRAWAL  
(continued)**

**DEFAULT:**

*Suspension or Termination for Default.* The Company may suspend Firm Storage Service or terminate any Service Agreement under this Rate Schedule if Customer fails to comply with, observe, perform, or shall default in any material respect with respect to any obligation under the Service Agreement, including, but not limited to, the failure to pay any undisputed invoices when due, except for when any failure is attributable to Company's wrongful act or failure to act. If the Company exercises its right to suspend, the Company shall give Customer notice as soon as practicable after the decision has been made to suspend Firm Storage Service hereunder. If the Company exercises its right to terminate, the Company shall give Customer written notice of the default and, Customer shall be given a period of thirty (30) calendar days from the date of such notice in which to cure the default. If such default cannot be reasonably cured within such thirty (30) day period, Customer may request and the Company, in its sole discretion, may grant Customer additional time to cure the default, provided that Customer demonstrates to the Company's satisfaction that it is making or has made substantial efforts to effect such cure and is proceeding diligently to complete such cure. Effective as of the date of termination of the Service Agreement, all outstanding amounts for any Firm Storage Services rendered by the Company prior to such date shall become immediately due and payable.

*Withdrawal of Storage Account Balance upon Termination for Default.* Customer shall be responsible for the withdrawal of all of its positive Storage Account balance on or before thirty (30) days after the termination date of Customer's Service Agreement under this default provision per the Storage Balance at Service Agreement Expiration or Termination provision of this Rate Schedule..

*Termination Fee.* In the event that Customer terminates the Service Agreement prior to the expiration of the applicable term, Customer shall be responsible and liable to the Company for payment of the remaining balance due under the Service Agreement to be paid as of the effective date of such termination, with interest to accrue thereafter if such payment is not made on such date. If no termination date is specified, the Company may determine such date in its sole discretion based on Customer's last use of Firm Storage Services from Non-Core Mist Storage.

*Other Rights Preserved.* The availability or exercise of the right to terminate a Service Agreement pursuant to the above provisions shall not limit the right of the Company to seek any other remedy available to it at law or in equity in the event of a Customer's default.

(continue to Sheet 90-14)

Issued May 5, 2014  
NWN OPUC Advice No. 14-7

Effective with service on  
and after October 15, 2014

---

**RATE SCHEDULE 90**  
**FIRM STORAGE SERVICE WITH NO-NOTICE WITHDRAWAL**  
(continued)

**CREDITWORTHINESS:**

If a Customer meets the following creditworthiness standards and absent the existence of any other circumstance impacting a Customer that gives rise to Company's reasonable grounds for insecurity (including, without limitation, a filing for bankruptcy), no additional security will be required by Company during the term of the Service Agreement: The creditworthiness of a Customer taking service hereunder must be evidenced by (a) a rating for long-term, senior, unsecured debt that is not supported by third party credit enhancement of at least: (i) "BBB" by Standard & Poor's Rating Group ("S&P") (or its successor); (ii) "Baa2" by Moody's Investor Services, Inc. ("Moody's") (or its successor); or (iii) for a Customer that is not rated by either S&P or Moody's, an equivalent rating as determined by Company. In the event that a split rating occurs between the rating agencies, Company will rely upon the lower of the ratings; and (ii) the contractual obligation derived from the sum of the Storage Charge, Fuel Charge and other Applicable Charges for the term of the Service Agreement, on a net present value basis, is no greater than 10% of Customer's tangible net worth. The term "tangible net worth" is defined as total assets, less total liabilities, less intangible assets, less non-controlling interest, less off-balance sheet obligations.

If at any time during the term of a Service Agreement, Customer's long-term, senior, unsecured debt rating, not supported by third party credit enhancement does not meet the S&P/Moody's creditworthiness standard set forth above, Customer does not maintain a credit rating, or if Customer is impacted by a Credit Event, that gives rise to Company's reasonable grounds for insecurity, the Company may require Customer to provide additional security as adequate assurance of performance, in an amount up to twelve (12) months of the then applicable Storage Charge, within three (3) business Days of the date of Company's written demand.

As used herein, Credit Event means as applicable to Customer: (1) if a circumstance materially impacts Customer and the Company requests Customer to demonstrate creditworthiness and Customer fails to do so in the Company's reasonable judgment; (2) files a petition or otherwise commences, authorizes, or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (3) otherwise becomes bankrupt or insolvent (however evidenced); (4) makes an assignment or other general arrangement for the benefit of creditors; (5) fails to pay its debts as they become due; or (6) defaults in a payment obligation.

If Customer fails to demonstrate creditworthiness as defined above, the Company shall have the rights and remedies set forth in this Rate Schedule. Any waiver by the Company of the exercise of its rights herein shall not preclude the Company from exercising such rights at another time during the applicable term of the Customer's Service Agreement.

(continue to Sheet 90-15)

Issued May 5, 2014  
NWN OPUC Advice No. 14-7

Effective with service on  
and after October 15, 2014

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**RATE SCHEDULE 90  
FIRM STORAGE SERVICE WITH NO-NOTICE WITHDRAWAL  
(continued)**

**AUDIT RIGHTS:**

The Company and the Customer ("Parties" or "Party") shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at such Party's own expense, the other Party's accounts and records pertaining to Firm Storage Service under this Rate Schedule, including any invoices issued hereunder. Any such audit shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to the obligations under this Rate Schedule and associated Service Agreement. Any request for an audit shall be presented to the other Party not later than thirty-six (36) months after the event as to which the audit is sought. The Parties shall preserve all records applicable to this provision for the duration of the audit period.

**DISPUTE RESOLUTION AND ARBITRATION:**

In the event that there is not agreement between the Parties regarding the Storage Charge or any portion of the adjustment formula for such Storage Charge that the Parties may provide for agreement on in the terms of the Service Agreement, or the Storage Charge for any Term extension under a provision in the Service Agreement that provides for mutual agreement on the Storage Charge for any term extension, then such disagreement shall be subject to the following dispute resolution procedure: The Parties agree to promptly negotiate on a good faith basis to resolve the dispute. If, however, the Parties cannot agree by the end of the tenth (10<sup>th</sup>) Business Day after the negotiations begin, then the Parties agree to escalate the negotiations regarding the resolution of the dispute to senior executives of the two companies. If the senior executives cannot agree on a resolution of the matter within a thirty (30) business day negotiation period, then either Party may submit the dispute to binding arbitration in Portland, Oregon in accordance with the then-existing Commercial Arbitration Rules of the American Arbitration Association ("AAA"). Such binding arbitration shall constitute the exclusive forum for resolution of any such disputes, controversies, or claims. The binding arbitration shall be conducted by a single arbitrator upon which Company and Customer agree, or, if Company and Customer cannot agree on a single arbitrator, then by a panel of three (3) arbitrators, as provided for below.

(continue to Sheet 90-16)

Issued May 5, 2014  
NWN OPUC Advice No. 14-7

Effective with service on  
and after October 15, 2014

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**RATE SCHEDULE 90  
FIRM STORAGE SERVICE WITH NO-NOTICE WITHDRAWAL  
(continued)**

**DISPUTE RESOLUTION AND ARBITRATION (continued):**

If the Parties agree upon a single arbitrator, the date of appointment of the arbitrator shall be the date upon which the arbitrator agrees to serve. In the event it is necessary to proceed with a panel of three (3) arbitrators, either Company or Customer may, at the time such controversy arises, notify the other of a name of the arbitrator such Party has selected, and the other Party shall, within ten (10) Days thereafter, select another arbitrator and notify the other Party of the name of such arbitrator. If such other Party shall fail to name a second arbitrator within ten (10) Days, then the Party who first served the notice of arbitration may, on reasonable notice to the other Party, apply to the Portland, Oregon office of the AAA for the appointment of such second arbitrator for and on behalf of the other Party, and in such case the arbitrator appointed by such association shall act as if named by the other Party. The two (2) arbitrators so selected shall, within ten (10) Days after the appointment of the second arbitrator, choose a third arbitrator, and in the event of their failure to do so within said ten (10) Days, either of the Parties hereto may in like manner, on reasonable notice to the other Party, apply to the Portland office of the AAA for the appointment of a third arbitrator and in such case the arbitrator appointed shall act as the third arbitrator. The date of appointment of the panel of three (3) arbitrators shall be the date upon which the third arbitrator agrees to serve.

The arbitrator(s) shall be qualified by education, experience, and training to pass upon the pricing controversy in dispute. The arbitrator(s) so constituted shall fix a reasonable time and place for a hearing, at which time each of the Parties hereto may submit such evidence as each Party may see fit with respect to the pricing issue. The arbitrator(s) shall render a decision on the issues before such arbitrator(s) no later than sixty (60) Days after such arbitrator(s) has(have) been appointed.

For a single arbitrator, the costs of arbitration shall be equally divided between the Parties. In the case of three (3) arbitrators, each Party shall pay the expense of the arbitrator selected by or for it, and all other costs of the arbitration shall be equally divided between the Parties. The arbitrator(s) shall not have discretion to award costs of arbitration other than as provided herein.

The action of the sole arbitrator or of a majority of the members of the panel of arbitrators, as the case may be, shall govern and their decisions in writing shall be final, non-appealable, and binding on the Parties hereto. The judgment on the arbitration award may be entered in any court having jurisdiction over the subject matter of the controversy.

(continue to Sheet 90-17)

Issued May 5, 2014  
NWN OPUC Advice No. 14-7

Effective with service on  
and after October 15, 2014



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**RATE SCHEDULE 90  
FIRM STORAGE SERVICE WITH NO-NOTICE WITHDRAWAL  
(continued)**

**PRE-IN-SERVICE INJECTIONS AND IN-SERVICE WORKING GAS INVENTORY TRANSFERS BY CUSTOMER:**

In order to make the no-notice withdrawal service available to a Customer which requests Firm Storage Service under this Rate Schedule, qualifies for Firm Storage Service under this Rate Schedule, and enters into a Service Agreement so that such no-notice withdrawal service can be provided as of the in-service date of the Non-Core Mist Storage, a certain amount of Customer-Owned Gas may need to be injected prior to the in-service date. Such pre-in-service injections will be allowed subject to the following:

Customer may make injections designated for Firm Storage Service under this Rate Schedule during a "pre-fill period." While the Company will endeavor to designate a date that provides the most flexibility and lead time possible for Customer, the pre-fill period shall be defined as a period of time to begin at a date determined by the Company when sufficient Non-Core Mist Storage infrastructure (reservoirs, wells and gathering lines) is in place to enable injections, and if applicable, without having the compressor station or the associated pipeline construction completed. Such pre-fill period start date shall be communicated to Customer as soon as such date is reasonably possible when such date is known.

Once it commences, the pre-fill period shall continue until the Company's designated in-service date of the Non-Core Mist Storage which date shall also be communicated to Customer by the Company as soon as reasonably possible when such date is determined. The charge for such preliminary injections into Non-Core Mist Storage that Customer shall be required to pay Company will be as follows: Actual fuel use at the compressor station used for the injections based on net injections to be paid in-kind to NW Natural through a deduction from Customer's injection quantity, performed on a monthly basis for the prior month's fuel use plus ½ percent of net injections for lost and unaccounted for gas. For the avoidance of doubt, Customer shall not be responsible for any charges for authorized overrun. Also, upon in-service, the pre-fill charge specified in this provision will apply to gas volumes that Customer desires to transfer from an existing interstate storage service agreement with the Company to Non-Core Mist Storage which requires physical gas movement to take place.

Issued May 5, 2014  
NWN OPUC Advice No. 14-7

Effective with service on  
and after October 15, 2014