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**SCHEDULE X  
DISTRIBUTION FACILITIES EXTENSIONS  
FOR APPLICANT-REQUESTED SERVICES AND MAINS**

**AVAILABLE:**

In all territory served by the Company under the Tariff of which this Schedule is a part.

**APPLICABLE:**

The terms and provisions of this Schedule apply to the installation of Distribution Facilities required to provide utility service to a bona fide Applicant, or to a builder or developer ("Builder/Developer") of real property where gas-fired equipment is committed to be installed and used in a residential dwelling(s), commercial building(s), or industrial plant(s) that is located or to be constructed on such property. Except where specifically stated otherwise, the use of the term Applicant shall be construed to include a Builder/Developer. This Schedule does not apply to Company initiated system improvements or expansions of its Distribution System.

**GENERAL CONDITIONS OF SERVICE:**

The installation of Distribution Facilities under this Schedule will be completed as soon as reasonably possible following the receipt and approval of a service application. Requests for service to Non-Residential Applicants and to any new construction planned development will require sufficient advance notice to allow for design, permits, and any other special requirements necessary to provide the requested utility service.

The Company may accept requests for service received through an equipment installer or other third party on behalf of an Applicant provided that the Applicant information is included with the service request. Any Construction Contribution paid to the Company by an equipment installer or other third party on behalf of an Applicant will be considered paid by Applicant, and any subsequent refunds of such Construction Contribution shall go to the Applicant.

Prior to the installation of any Distribution Facilities, the Company may require that an Applicant sign a Service Agreement as described in the "SERVICE AGREEMENT" provision of this Schedule.

A request for utility service on a temporary basis is subject to the terms and conditions set forth in **Rule 22**.

During the period September 1 through January 31, Residential and Commercial Applicants may request a priority installation schedule, subject to the priority installation schedule charge set forth in **Schedule C**. When the Company agrees to a priority installation schedule, the Company will expedite the service installation date for completion within five (5) working days from the date that the application of service is approved by the Company. The Company may deny a request for a priority installation if the quality or timing of the installation of other Applicants or Customers would be adversely affected.

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**SCHEDULE X  
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(continued)**

**GENERAL CONDITIONS OF SERVICE (continued):**

All Applicants must meet the credit criteria set forth in **Rule 2** before construction and activation of any Distribution Facilities, and Applicant must agree to take and pay for service in accordance with all applicable Schedules, General Rules and Regulations of this Tariff, and in accordance with the provisions and conditions of the Rate Schedule under which service will be provided by the Company.

Each Applicant is responsible for the installation and maintenance of all gas-fired appliances and House Line. All installations must conform with applicable laws, codes, and ordinances of all governmental authorities having jurisdiction. See **Rule 18** for additional information. Each Builder/Developer must also comply with the terms and conditions set forth in the "REQUIREMENTS FOR NEW CONSTRUCTION AND PLANNED DEVELOPMENTS" provision of this Schedule.

An Applicant must install and use the equipment associated with the Construction Allowance afforded to the Applicant within ninety (90) days from the date that the meter is installed at the site, or by such other date specifically agreed to by the Company. Failure to comply with this provision shall be cause for the Company to demand payment from the initial Applicant in the amount of the actual construction costs, less any Construction Contribution paid. If the actual equipment installed warrants a different Construction Allowance then the Construction Contribution will be recalculated. Any overpayment of \$75 or less will be credited to the Customer's gas utility account. A refund check will be issued for any overpayment in excess of \$75. If the recalculation results in a shortfall, the amount of the shortfall shall be immediately due and payable to the Company. Failure to pay such amount is cause for Disconnection of Service or for refusal of service under **Rule 1** and **Rule 11** of this Tariff.

**LOCATION OF FACILITIES:**

The Company reserves the right to designate the location of all Distribution Facilities required to serve an Applicant. In this designation, the Company will consider the distance along the shortest most practical, available and acceptable route that is clear of obstructions from the Main to the meter location.

All installations shall be made in accordance with **Rule 20** of this Tariff, and with the Company's Standard Practices and Procedures.

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**SCHEDULE X**  
**DISTRIBUTION FACILITIES EXTENSIONS**  
**FOR APPLICANT-REQUESTED SERVICES AND MAINS**  
(continued)

**CONSTRUCTION COSTS:**

Construction costs include all costs associated with the extension of the Company's Distribution Facilities. All costs applicable to this Schedule will be reviewed annually and updated as needed.

Construction costs for Service Line installations are based upon the Company's historical system average costs, except the Company may use a site-specific cost estimate if extraordinary construction conditions exist at the site. For purposes of this provision, extraordinary construction conditions include, but are not necessarily limited to:

- a) Extreme rocky conditions along the main or Service Line route.
- b) The connection must be made from a high pressure main.
- c) The Service Line is more than 700 feet in length.
- d) The installation requires a railroad, bridge, or other non-standard crossing permit.

In all cases, Main Extension costs will be based upon a site-specific cost estimate.

Where there is more than one Applicant for an installation that includes a Main Extension, the costs will be distributed equally among each of the Applicants, or in such other manner determined by the Applicants.

**REQUIREMENTS FOR NEW CONSTRUCTION AND PLANNED DEVELOPMENT INSTALLATIONS:**

This provision is applicable to any new construction installation or planned development project where the installation of Class B (less than or equal to 60 psig) Main is required, and where there are no existing buildings, roads, or other hard surfaces along the construction route.

For purposes of this provision, planned developments include but are not limited to, residential single-family subdivisions, residential multi-family developments, mixed-use developments, commercial and industrial parks, and any other similar project.

Except as otherwise provided in this provision, the Applicant must provide an open utility pathway for all Main located within the permitted area, and must install conduit in the utility pathway for all Service Line installations within the permitted area. The pathway and conduit must be installed in accordance with all applicable Company procedures, standards, and practices. The Company's installation requirements and installation procedures are available on the Company's website.

The Company will provide:

- (a) Any necessary Main installations in existing public rights-of-way and outside of the permitted project area;
- (b) Conduit for crossings; and
- (c) If there are no other proposed utility crossings, tie-in installation for gas-only road crossings in existing public rights-of-way outside of the permitted area.

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**SCHEDULE X  
DISTRIBUTION FACILITIES EXTENSIONS  
FOR APPLICANT-REQUESTED SERVICES AND MAINS**  
(continued)

**REQUIREMENTS FOR NEW CONSTRUCTION AND PLANNED DEVELOPMENT  
INSTALLATIONS (continued):**

The following installation schedule guidelines will apply:

|  | <b>MAIN*</b>   | <b>SERVICE(S)</b>   |
|--|--|---|
| Applicant Notification to Company          | <u>No less than 7 Business Days</u> prior to start of pathway excavation     | On the date that the conduit is installed   |
| Company Installs Pipe                      | <u>No more than 7 Business Days</u> after confirmation that pathway is ready | <u>No more than 7 Business Days</u> from the date of notice that the conduit is installed |
| Estimated time from Notice to Installation | <u>No less than 14 Business Days</u> from Notice to Company                  | <u>No more than 7 Business Days</u> from the date of notice that the conduit is installed |

\* Within the permitted area

Exceptions may be accommodated where extenuating circumstances arise. In such event, the Company and the Applicant will develop a mutually acceptable modified installation schedule.

For Main installations, an Applicant must promptly notify the Company of any known delays in the scheduled installation date. If the Company does not receive notice of a construction delay prior to dispatching a crew to the site, the wasted trip fee specified in **Schedule C** will apply.

In the event the Company fails to meet a scheduled Main installation date through no fault of the Applicant, the Applicant is not obligated to hold the utility pathway open, and the Company will be responsible for all costs associated with re-opening the utility pathway or constructing a new utility pathway (whichever shall apply).

The Company will construct the utility pathway for an Applicant, at the Applicant's expense, under the following circumstances:

1. When the Company determines that an Applicant-provided pathway is not required.
2. When, prior to commencement of construction, the Applicant requests that the Company provide the pathway. All costs associated with construction of the pathway must be received by the Company prior to commencement of construction.
3. When, after commencement of construction, for whatever reason, the Applicant is unable to provide the pathway and Applicant requests that the Company perform the work.

The Company will charge an Applicant to construct the utility pathway under conditions 2 and 3 above. The costs associated with the Company's construction of the utility pathway under this provision are incremental and separate from any other construction costs applicable to the installation, and must be paid in full to the Company prior to construction.

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(continued)**

**REQUIREMENTS FOR NEW CONSTRUCTION AND PLANNED DEVELOPMENT INSTALLATIONS (continued):**

The installation schedule for a Company provided utility pathway will be determined between the Company and the Applicant. If the Company fails to meet the agreed installation schedule, the Company will pay to the Applicant the service guarantee credit specified in **Schedule C**.

**CONSTRUCTION ALLOWANCE:**

The Construction Allowance is based upon the Customer classification. The customer classifications are:

- (1) Residential (Single-Family or Multi-Family Dwellings), and
- (2) Non-Residential (Commercial and Industrial) and Planned Developments.

An Applicant is subject to the conditions set forth in the "GENERAL CONDITIONS OF SERVICE" provision of this Schedule if the Applicant fails to install the equipment associated with the Construction Allowance afforded to the Applicant under this Schedule.

The Construction Allowances for each Customer classification follow:

Residential

The Construction Allowance per residential dwelling is based upon the gas-fired appliances to be installed, as set forth in the table below:

| Category | Description  | Notes | Construction Allowance (per Premise) |
|----------|--|-------|--------------------------------------|
| A        | Primary Natural Gas space heating (does not apply to centralized space heating that serves multiple units)   | 1     | \$2,875                              |
| B        | Primary Natural Gas water heat (does not apply to centralized water heating that serves multiple units)<br>Natural Gas heating fireplace for primary space heating<br>Natural Gas wall heat for primary space heating  | 2     | \$2,100                              |
| C        | Range, Cook top, Clothes dryer   | 3     | \$ 850                               |
| D        | Gas barbecue, log lighter, gas log, tiki torch, Bunsen burner, pool, spa, or hot tub water heaters, standby space heating equipment including but not limited to natural gas back-up to electric heat pumps; non-primary space or water heat equipment; equipment installed in a detached garage, shop, or outbuilding | 4     | \$0                                  |

- [1] Alone or in combination with any additional Category A-D gas-fired appliances.
- [2] Alone or in combination with any additional Category B-D gas-fired appliances.
- [3] Alone or in combination with any additional Category C-D gas-fired appliances.
- [4] Alone or in combination with any additional Category D gas-fired appliances.

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(continued)**

**CONSTRUCTION ALLOWANCE (continued):**

The Construction Allowances shown above will apply to individually metered multi-family units. When a multi-family installation includes centralized gas-fired space or water heating equipment, or where the use of gas-fired equipment will be in place for laundry facilities, swimming pools, spas, or common building spaces, then the Non-Residential Construction Allowance will apply. In certain circumstances, both the Residential and Non-Residential Construction Allowances may apply to a multi-family Applicant.

**Non-Residential and Planned Developments**

The Company will perform an investment analysis for each installation to determine the amount of any Construction Allowance. At a minimum, the Construction Allowance will equal 5.0 times the annual margin revenue that is estimated to be generated from the operation of natural gas-fired equipment to be installed at the service address.

The Company will estimate therm usage associated with the operation of gas-fired equipment based on structure characteristics, the type and frequency of use of the gas-fired equipment, and the nameplate rating of the gas-fired equipment to be installed.

**CONSTRUCTION CONTRIBUTION:**

If the Construction Allowance applicable to an Applicant is less than the construction cost, then a Construction Contribution will be required.

The Company will not schedule any installation until the required Construction Contribution is paid. Each Construction Contribution payment will be adjusted for the applicable tax amount then in effect. The tax amount may change from time to time without prior notice.

Where a site-specific cost estimate was used to determine an Applicant's Construction Contribution, actual construction costs for such installation will be reviewed by the Company as soon as all costs have been accounted for. If actual construction costs are less than the site-specific cost estimate, then a refund of the cost difference will be issued to the Applicant. Any such refund is subject to the terms and conditions set forth in **Rule 11** and **Rule 16**.

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(continued)**

**SERVICE AGREEMENTS:**

A Service Agreement may be required, at the sole discretion of the Company, in the following circumstances:

1. Whenever a Main Extension is required.
2. For service to Planned Developments.
3. When the cost of construction is greater than \$50,000.
4. When the Company's investment analysis requires a guarantee of margin revenue as a condition of the investment.

**REFUNDS OF CONSTRUCTION CONTRIBUTIONS:**

When the installation requires a Main Extension, any Construction Contribution paid may be subject to refund. A refund opportunity exists only when a new Service Line installation is added along the Main Extension within thirty-six (36) months from the date that the Main Extension was installed.

The Company will review Main Extension activity at the end of the thirty-six (36) month period to determine whether a refund of a Construction Contribution is due. The Company will perform a refund calculation prior to the end of the refund period upon specific request from the original contributor.

To determine the amount available for refund, the construction cost and the Construction Allowance will be updated. The construction cost will equal the actual construction cost of the original installation plus the cost of the subsequent connection. The Construction Allowance will equal the original Construction Allowance plus the Construction Allowance afforded the subsequent Applicant. If the resulting Construction Contribution is less than the Construction Contribution paid by the original contributor, then a refund equal to such difference will be issued to the original contributor. Example Calculation for a single original contributor:

| Cost     | Allowance | Contribution | Description  |
|----------|-----------|--------------|--|
| \$ 6,900 |           |              | Cost of original Main Extension with 1 Service Line  |
|          | \$ 2,875  |              | Less Original Construction Allowance   |
|          |           | \$ 4,025     | Original Construction Contribution Paid  |
| \$ 2,042 |           |              | Add cost of new connection to Main Extension   |
| \$ 8,942 |           |              | Updated cost of Main Extension and 2 Service Lines   |
|          | \$ 5,750  |              | Less Construction Allowance on 2 Service Lines   |
|          | \$ 3,192  |              | Revised Construction Allowance (updated cost less updated Construction Allowance)          |
|          |           | \$ 833       | Refund to Original Contributor (original contribution less updated Construction Allowance) |

In no event will a refund exceed the amount of the original Construction Contribution.

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**REFUNDS OF CONSTRUCTION CONTRIBUTIONS (continued):**

All refunds are calculated on the Construction Contribution amount before the income tax effects are applied.

Any Construction Contribution amounts not refunded by the end of the 36-month period will be retained by the Company.

**SPECIAL CONDITIONS FOR INSTALLATIONS COMPLETED PRIOR TO NOVEMBER 1, 2012**

For Service Line installations completed on or before November 1, 2012, the terms and conditions for refunds of Construction Contributions under Schedule X of P.U.C. Or. 24 shall continue to apply until the end of the 3<sup>rd</sup> Year following the Service Line installation date.

**GENERAL TERMS:**

Service under this Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this Tariff, any other schedules that by their terms or by the terms of this Schedule apply to service under this Schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

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