

**NORTHWEST NATURAL GAS COMPANY**

WN U-6

Seventh Revision of Sheet T.1

Cancels Sixth Revision of Sheet T.1

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**SCHEDULE T  
CUSTOMER-OWNED  
NATURAL GAS TRANSPORTATION SERVICE**

**SERVICE AVAILABILITY:**

Service under this Schedule is available on the Company's Distribution System to Non-Residential Customers in all territory served by the Company under the Tariff of which this Schedule is a part, provided that Customer has an approved Service Type Selection for Transportation Service under one of the following Rate Schedules: 41, 42, or 43.

**TERM OF SERVICE:**

The minimum term for the Transportation of Customer-Owned Gas supplies is as set forth in the applicable Rate Schedule under which the Customer shall pay for Transportation Service. Upon termination of Transportation Service, any Imbalances in gas receipts and deliveries will be cleared in accordance with the Imbalance buy-out provisions of this Schedule.

**PREREQUISITES TO SERVICE:**

1. A Customer must have a valid Service Election under the Rate Schedule under which Customer shall pay for Transportation Service.
2. A Customer must have the capability to receive notices via automatic electronic means acceptable by the Company. Customer must provide any utility, electric power, or other services or devices that the Company deems necessary to support Advanced Automated Meter Reading (AAMR) technology for the transmission of metered data to the Company for billing purposes. All installations must comply with the Company's specifications, must be in place and activated not less than 45 days prior to the effective date of service, and must remain continuously active at all times. The Company may require the installation of telemetry equipment at the Customer's Premise and installation may be required prior to receiving gas service. (C)
3. Customer must have secured the purchase and delivery of gas supplies, which may include supplies secured from an Authorized Supplier/Agent of their choosing. For Transportation Service elections made during the Annual Election Period to be effective November 1, Customer must complete and return the Company's Transportation Service: Supplier/Agent Authorization Form ("Authorized Agent Form") and name such Authorized Supplier/Agent by October 1. For out-of-cycle transfers to Transportation Service, or where there is a change in an Authorized Supplier/Agent, Customer must complete and return the Authorized Agent Form not less than five (5) Business Days prior to the effective date of the change. (D)
4. The Company must receive the Customer's Authorized Supplier/Agent Form before the Company will accept any nominations on behalf of the Customer.

(continue to Sheet T.2)

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# NORTHWEST NATURAL GAS COMPANY

WN U-6

Eighth Revision of Sheet T.2

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## SCHEDULE T CUSTOMER-OWNED NATURAL GAS TRANSPORTATION SERVICE (continued)

### **SERVICE DESCRIPTION:**

Service under this Schedule applies to the Transportation of Customer-Owned Gas supplies under applicable Rate Schedules or Special Contracts. Service under this Schedule does not include the use of Company's gas supplies, and does not apply to gas produced or stored within Company's service territory and/or transported by an intrastate pipeline or gathering system connected to Company's system. Customer-Owned Gas supplies must meet the gas quality specifications set forth in **Rule 11** of this Tariff.

The delivery sequence that will apply to combinations of Firm and Interruptible Sales and Transportation Service through a single Delivery Point is specified in the applicable Rate Schedule. .

The Transportation of Customer-Owned Gas is governed by the terms of this Schedule T, the applicable Rate Schedule, the Company's Nomination, Balancing and other operating procedures, as modified from time to time, the Customer's Service Type Selection as approved by the Company, 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. Any modifications to these documents will be made available to Customers as soon as practicable as they occur.

The Receipt Point for Customer-Owned Gas supplies shall be designated by the Company. If reasonably feasible, Company will accommodate a Customer's request to use a Receipt Point other than that designated by the Company. Transportation Customers shall hold the Company harmless from any damage caused by failure of Customer-Owned gas supplies to arrive at the Company's Receipt Point.

Customer-Owned Gas transported under this Schedule T is subject to Entitlement, Curtailment and Pre-emption.

(continue to Sheet T.3)

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SCHEDULE T  
CUSTOMER-OWNED  
NATURAL GAS TRANSPORTATION SERVICE  
(continued)

**SUPPLY NOMINATIONS AND DELIVERIES:**

Customer must provide to the Company, in writing, the name(s) and telephone numbers of its authorized Marketer/supplier/agent(s) that will have authority to Nominate Natural Gas supplies on Company's distribution system for delivery on Customer's behalf.

Nominations of Customer-Owned Gas will be made in accordance with the Company's Nominations procedures. Acknowledged Confirmations, as received by the Company from the Pipeline, determines the volume of gas to be credited to Customer's account.

Company shall have the right to adjust a Customer's daily Nominations when, in Company's judgment, such action is necessary to bring into balance its system Nominations as a receiving party on the Pipeline system, or otherwise to maintain operational control or maintain the integrity of the Company's distribution system.

Customer shall be deemed to be in control and possession of gas purchased by Customer until it has been accepted by the Company at the Receipt Point. Company shall be deemed to be in control or possession of gas purchased by Customer until the equivalent terms are delivered to Customer at the Delivery Point.

The Company accepts gas purchased by Customer at the Receipt Point subject to Customer's warranty that at the time of the Company's receipt, Customer has good title to all gas received, free and clear from all liens, encumbrances and claims. Customer shall indemnify and hold Company harmless should a third party make any claims regarding Customer's title to gas transported under this schedule.

When combinations of sales and Transportation services through a single Delivery Point are applicable, the following delivery sequence will apply during the Gas Day.

- (1) Firm sales gas up to Customer's firm sales MDDV will be first through the meter; then
- (2) Firm Transportation gas up to Customer's firm transportation MDDV, or Acknowledged Confirmation level, whichever is less; then
- (3) Interruptible sales gas up to Customer's interruptible sales MDDV; then
- (4) Interruptible Transportation gas up to Customer's interruptible Transportation MDDV, or Acknowledged Confirmation level, whichever is less.

The mix between services cannot be changed for the duration of a Gas Day after initial Nominations for that day are transmitted to the Pipeline.

(continue to Sheet T-4)

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**Issued by: NORTHWEST NATURAL GAS COMPANY**

220 N.W. Second Avenue  
Portland, Oregon 97209-3991

**NORTHWEST NATURAL GAS COMPANY**

WN U-6

Fifth Revision of Sheet T.4

Cancels Fourth Revision of Sheet T.4

SCHEDULE T  
CUSTOMER-OWNED  
NATURAL GAS TRANSPORTATION SERVICE  
(continued)

**BALANCING OF RECEIPTS AND DELIVERIES:**

Balancing of receipts and deliveries shall be accomplished on a daily basis to the extent possible. Cumulative Imbalances in receipts and deliveries will be carried over to the next Billing Month. If a Customer's cumulative Imbalance in any Billing Month during the period August through February is more than three percent (3%) above or below total Confirmed Nominations for that Billing Month, or if a Customer's cumulative imbalance in any Billing Month during the period March through July is more than five percent (5%) above or below total Confirmed Nominations for that Billing Month, such Customer will be notified by the fifteenth (15<sup>th</sup>) day of the following Billing Month that the Imbalance exceeds the allowed tolerance, and such Customer will receive a minimum of forty-five (45) non-restricted days ("Balancing Period"), which may or may not be consecutive, from the date of notification by the Company to eliminate the Imbalance. A non-restricted day is any day where there is no Entitlement, Curtailment, or Pre-emption Order in effect.

If a Customer's cumulative Imbalance comes within the applicable tolerance range as stated above, or if the balance is less than ten (10) therms, or the Imbalance has moved from negative to positive, or from positive to negative at the end of a Billing Month within a Balancing Period, that Balancing Period will end.

If by the end of the Balancing Period an Imbalance is not eliminated in a manner described above, Customer will be required to choose one of the two options below:

(C)

Option 1. Pay a Balancing charge of \$1.00 per Therm on all Imbalance Therms in excess of the applicable tolerance range identified above, with all Imbalance Therms to carry over to the next Balancing Period. The Imbalance charge will be billed on the Customer's next monthly bill and will be due and payable in addition to Customer's normal charges.

(C)  
(C)

Option 2. Buy out the Imbalance. If the Imbalance is negative, Customer may buy out the entire negative Imbalance volume by paying the Company a price per Therm that is the greater of: (a) the highest Monthly Incremental Cost of Gas calculated in accordance with Schedule 250 over the previous three (3) month period, or (b) 150% of the Company's current Annual Sales WACOG. If the Imbalance is positive, the Company will pay the Customer on all positive Imbalance volumes a price per Therm that is the lesser of: (a) the lowest Monthly Incremental Cost of Gas calculated in accordance with Schedule 250 over the previous three (3) month period, or (b) 50% of the Company's current Annual Sales WACOG.

Customer must notify the Company in writing of its intent to exercise Option 2 not later than the fifteenth (15<sup>th</sup>) day of the Billing Month in which imbalance charges would be assessed. If a Customer exercises Option 2 in the month following the end of a Balancing Period, such Customer's cumulative Imbalance will be eliminated, but such Customer will be responsible for the payment of any Balancing charge assessed for the prior period.

Balancing gas is not available when Entitlement, Curtailment or Pre-emption has been ordered, except, during an Entitlement, to the extent of the Threshold Percentage tolerance levels.

Imbalances incurred as a direct result of a meter error or malfunction shall be resolved on a case-by-case basis between the Company and the Customer. In such an event, Customer shall notify the Company prior to purchasing Imbalance volumes from third party suppliers. The Company shall not be responsible to Customer for any costs incurred should Customer fail to make such appropriate notification.

(continue to Sheet T-5)

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# NORTHWEST NATURAL GAS COMPANY

WN U-6

Second Revision of Sheet T.5

Cancels First Revision of Sheet T.5

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## SCHEDULE T CUSTOMER-OWNED NATURAL GAS TRANSPORTATION SERVICE (continued)

### **CURTAILMENT AND ENTITLEMENT:**

Any restrictions of service to Customer when Curtailment or Entitlement conditions exist will be made in accordance with the rules of this Tariff, and in accordance with currently effective Company policies and procedures, as circumstances dictate. Entitlement, Curtailment and Pre-emption of service may exist concurrently during any one episode. However, not more than one Entitlement, Curtailment, or Pre-emption condition will exist at any one time.

Restrictions of service under Curtailment conditions will be made in accordance with **RULES 14 AND 16**. Curtailment of Customer-Owned Gas due to Force Majeure conditions, or due to capacity limitation on the Company's system shall not be considered a Pre-emption of Customer-Owned Gas. Gas taken by a Customer due to a failure to comply with a Curtailment order will be considered unauthorized, and subject to charges set forth in **SCHEDULE C**.

Restrictions of service under Entitlement conditions will be made as follows:

Overrun Entitlement. In an Overrun Entitlement condition the following threshold percentage levels will be effective:

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|----------|---|
| Stage 1: | Three percent (3%) of Acknowledged Confirmations; or<br>if ordered within two (2) hours of the start of the Gas Day;<br>five percent (5%) of Acknowledged Confirmations |
| Stage 2: | Eight percent (8%) of Acknowledged Confirmations  |
| Stage 3: | Thirteen percent (13%) of Acknowledged Confirmations  |

The Company will specify the applicable threshold percentage in its Entitlement notice.

The overrun charge that will apply during any Overrun Entitlement episode will equal the greater of \$1.00 per Therm or 150% of the highest midpoint price for the day in question at NW Wyo. Pool, NW s. of Green River, Stanfield Ore., NW Can. Bdr. (Sumas), Kern River Opal, or El Paso Bondad supply pricing points (as reflected in the Daily Price Survey published in "Gas Daily"), converted from dollars per dekatherms to dollars per Therm by dividing by ten (10).

(continue to Sheet T-6)

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# NORTHWEST NATURAL GAS COMPANY

WN U-6

Third Revision of Sheet T.6

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## SCHEDULE T CUSTOMER-OWNED NATURAL GAS TRANSPORTATION SERVICE (continued)

### **CURTAILMENT AND ENTITLEMENT (continued):**

Underrun Entitlement. During an Underrun Entitlement condition, a Customer that is in an underrun situation will be subject to underrun charges for each instance of underrun Imbalance that occurs during any Underrun Entitlement period. The charge that will apply during any Underrun Entitlement episode will be \$1.00 per therm for any underrun imbalances.

### **PRE-EMPTION:**

Customer-Owned Gas may be Pre-empted in the event that the Company's firm gas supply and Company's peaking facilities are insufficient at any time to meet the requirements of Firm Sales Service Customers.

The Company will use reasonable efforts to obtain voluntary Pre-emption of gas by negotiation with individual Customers. If the Company cannot obtain sufficient volumes of gas from volunteers, then the Company shall select and pay individual Customers for involuntary Pre-emption of gas at a rate of \$10.00 per Therm. The selection of individual Customers for involuntary Pre-emption will be based on system needs and Company's ability to maintain operational control or system integrity. The Company will use its best efforts to avoid Pre-empting an individual Customer's gas on a repeated basis.

A Customer who fails to comply with a Pre-emption Order shall pay \$10.00 per Therm for any gas taken, and the Company shall not be obligated to pay such Customer for Pre-emption gas.

The priorities of service for Pre-emption purposes due to limited gas supply are, as follows:

- (1) Firm Service schedules (pre-empted last).
- (2) Interruptible service schedules (pre-empted first).

A Customer's priority of service within each of the above categories shall be based on economic considerations and/or other contract considerations.

### **GENERAL RULES AND REGULATIONS:**

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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