**Base Contract for Sale and Purchase of Natural Gas**

This Base Contract is entered into and effective as of the following date: \_\_\_\_\_\_\_\_\_\_\_\_, 202[\_]

The parties to this Base Contract are the following:

|  |  |  |
| --- | --- | --- |
| **PARTY A****Northwest Natural Gas Company**  | ***PARTY NAME*** | **PARTY B****[\_\_\_\_\_\_\_\_\_\_\_\_]** |
| **Northwest Natural Gas Company** **250 SW Taylor Street****Portland, OR 97204** | ***ADDRESS*** |  |
|  | ***BUSINESS WEBSITE*** |  |
|  | ***CONTRACT NUMBER*** |  |
|  | ***D-U-N-S® NUMBER*** |  |
| X US FEDERAL:  OTHER:  | ***TAX ID NUMBERS*** | X US FEDERAL:  OTHER:  |
| **Oregon**  | ***JURISDICTION OF ORGANIZATION*** | **[Delaware]** |
| X Corporation LLC Limited Partnership Partnership LLP Other:  | ***COMPANY TYPE*** |  Corporation LLC Limited Partnership Partnership LLP Other:  |
|  | ***GUARANTOR*** ***(IF APPLICABLE)*** |  |
| **CONTACT INFORMATION** |
| ***ATTN:*** ***TEL#: FAX#:*** ***EMAIL:***  | * ***COMMERCIAL***
 | ***ATTN:*** ***TEL#:* *FAX#:*** ***EMAIL:***  |
| ***ATTN:*** ***TEL#: FAX#:*** ***EMAIL:***  | * ***SCHEDULING***
 | ***ATTN:*** ***TEL#:* *FAX#:*** ***EMAIL:***  |
| ***ATTN:*** ***TEL#:* *FAX#:*** ***EMAIL:***  | * ***CONTRACT AND LEGAL NOTICES***
 | ***ATTN:*** ***TEL#: FAX#: N/A*** ***EMAIL:***  |
| ***ATTN:*** ***TEL#: FAX#:*** ***EMAIL:***  | * ***CREDIT***
 | ***ATTN:*** ***TEL#:* *FAX#:*** ***EMAIL:***  |
| ***ATTN:*** ***TEL#: FAX#:*** ***EMAIL:***  | * ***TRANSACTION***

***CONFIRMATIONS*** | ***ATTN:*** ***TEL#:* *FAX#:*** ***EMAIL:***  |
| **ACCOUNTING INFORMATION** |
| ***ATTN:*** ***TEL#: FAX#:*** ***EMAIL:***  | * ***INVOICES***
* ***PAYMENTS***
* ***SETTLEMENTS***
 | ***ATTN:*** ***TEL#:* *FAX#:*** ***EMAIL:***  |
| ***BANK:*** ***ABA:* *ACCT:*** ***OTHER DETAILS:***  | ***WIRE TRANSFER NUMBERS*** ***(IF APPLICABLE)*** | ***BANK:*** ***ABA:***  ***ACCT:*** ***OTHER DETAILS:***  |
| ***BANK:*** ***ABA:* *ACCT:*** ***OTHER DETAILS:***  | ***ACH NUMBERS******(IF APPLICABLE)*** | ***BANK:*** ***ABA:***  ***ACCT:*** ***OTHER DETAILS:***  |
| ***ATTN:*** ***ADDRESS*:**  | ***CHECKS******(IF APPLICABLE)*** | ***ATTN:*** ***ADDRESS*:**  |

**Base Contract for Sale and Purchase of Natural Gas**

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

|  |  |  |  |
| --- | --- | --- | --- |
| **Section 1.2**Transaction Procedure |  Oral (default) OR Written(but in either case as modified by the attached special provisions)X Not applicable | **Section 10.2**Additional Events of Default |  No Additional Events of Default (default)  Indebtedness Cross Default Party A:  Party B: X Transactional Cross Default Specified Transactions:Additional Events of Default are as defined in applicable Transaction Confirmation  |
| **Section 2.7**Confirm Deadline |  2 Business Days after receipt (default) OR  Business Days after receiptX Not applicable |
| **Section 2.8**Confirming Party |  Seller (default)  BuyerOR Party BX Not applicable |
| **Section 3.2** Performance Obligation | X Cover Standard (default) OR Spot Price Standard | **Section 10.3.1**Early Termination Damages | X Early Termination DamagesApply (default)OR Early Termination DamagesDo Not Apply |
| ***Note: The following Spot Price Publication applies to both of the immediately preceding.*** | **Section 10.3.2**Other Agreement Setoffs |  Other Agreement Setoffs Apply (default) Bilateral (default) Triangular (as modified by the attached Special Provisions)ORX Other Agreement Setoffs Do Not Apply |
| **Section 2.31**Spot PricePublication | X Gas Daily Midpoint (default) OR  |
| **Section 6**Taxes | X Buyer Pays At and After Delivery Point (default) OR Seller Pays Before and At Delivery Point  |
| **Section 7.2**Payment Date | X **25th Day** of Month following Month of delivery (default)OR Day of Month following Month of delivery | **Section 15.5**Choice Of Law | Oregon |
| **Section 7.2**Method of Payment | X Wire transfer (default)  Automated Clearinghouse Credit (ACH) Check | **Section 15.10**Confidentiality | X Confidentiality applies (default) OR Confidentiality does not apply |
| **Section 7.7**Netting |  Netting applies (default) ORx Netting does not apply |
|  **Special Provisions: See attached Special Provisions to the NAESB Standard 6.3.1, September 5, 2006 Base Contract for Sale and Purchase of Natural Gas, dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 202[\_].** |

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

|  |  |  |
| --- | --- | --- |
| **Northwest Natural Gas Company**  | ***PARTY NAME*** | **[\_\_\_\_\_\_\_\_\_\_\_]** |
| ­By: ­  | ***SIGNATURE*** | ­By: ­  |
|  | ***PRINTED NAME*** |  |
|  | ***TITLE*** |  |

**Special Provisions to the NAESB Standard 6.3.1, September 5, 2006
Base Contract for Sale and Purchase of Natural Gas**

Northwest Natural Gas Company, an Oregon corporation (“Party A”) and [\_\_\_\_\_\_\_], a [\_\_\_\_\_\_\_], [\_\_\_\_\_\_\_] (“Party B”) hereby agree, effective as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 202[\_], to the following Special Provisions (“Special Provisions”) to the NAESB Standard 6.3.1, September 5, 2006 Base Contract for Sale and Purchase of Natural Gas (“**Base Contract**”), which hereby modify and amend the Base Contract.

1. purpose and procedures
	1. Section 1.1 is amended by deleting it in its entirety and replacing it with the following:

“These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm basis. “Buyer” refers to Party A and “Seller” refers to Party B. With respect to the intended purchase and sale transactions for Gas from the Facility (and elsewhere, as permitted herein), the entire agreement between the parties shall be the Contract as defined in Section 2.9, which the parties agree and acknowledge shall constitute a single, integrated agreement governing each such transaction. Such transactions under the Contract are entered into by the parties in reliance on this agreement and acknowledgement, and the parties would not otherwise enter into any transaction hereunder.”

* 1. Section 1.2 is deleted in its entirety and replaced with “[Reserved]”.
	2. Section 1.3 is deleted in its entirety and replaced with “[Reserved]”.
	3. Section 1.4 is deleted in its entirety and replaced with “[Reserved]”.
1. definitions
	1. Section 2.1 is amended by adding the following to the end of the sentence:

“or such other events of default as may be identified on the applicable Transaction Confirmation (subject to applicable notice and cure provisions, if any).”

* 1. Section 2.3 is deleted in its entirety and replaced with “[Reserved]”.
	2. Section 2.6 is amended as follows:

At the end of the sentence add the phrase: "and the Friday immediately following the U.S. Thanksgiving holiday".

* 1. Section 2.7 is deleted in its entirety and replaced with “[Reserved]”.
	2. Section 2.8 is deleted in its entirety and replaced with “[Reserved]”.
	3. Section 2.9 is amended by deleting it in its entirety and replacing it with the following:

“’Contract’ shall mean the legally binding relationship established by (i) this Base Contract as amended by these Special Provisions and (ii) the applicable Transaction Confirmation (including any exhibits attached thereto); all of which shall form a single integrated agreement between the parties.”

* 1. Section 2.20 is amended by adding the words “hydrogen or” after the word “mean”, and adding the following at the end of the definition:

“, such mixture as designated by project, source, location, production source, quality, Environmental Attributes or other attributes in the applicable Transaction Confirmation.”

* 1. Section 2.21 is amended by adding the following at the end of the definition:

“and which entity has submitted a guaranty in a form reasonably acceptable to the party that is the beneficiary thereunder.”

* 1. Section 2.31 is amended by deleting it in its entirety and replacing it with the following:

“’Spot Price’ as referred to in Section 3.2 shall mean

 (a) with respect to the higher heating value of the Gas, the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided:

 (i) if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices, or

 (ii) if no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (a) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (b) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day; and

(b) with respect to the Environmental Attributes associated with the Gas:

 (i) the thirty (30) day daily average index price for any Environmental Attributes for which there is an index, or, if there is no such index, then

 (ii) a reasonable commercial value of the Environmental Attributes taking into consideration quotations from leading dealers, similar sales or purchases and any other bona fide third-party offers, any other information reasonably available, without limitation, quotations (either firm or indicative) of relevant rates, prices, spreads or other relevant market data for the relevant markets all adjusted for the length of the term and potential differences in quality of the applicable Environmental Attributes.

* 1. Section 2.32 is amended by deleting it in its entirety and replacing it with the following:

“’Transaction Confirmation’ shall mean the applicable Transaction Confirmation executed by the parties hereto and incorporating the terms of this Base Contract.”

* 1. Section 2.34 is deleted in its entirety and replaced with “[Reserved]”.
	2. The following is added as a new Section 2.36:

"Claims" means all third party claims or actions, threatened or filed, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, including consequential, incidental, punitive, exemplary or indirect damages, expenses, reasonable attorneys' fees and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination or expiration of this Contract.

* 1. The following is added as a new Section 2.37:

 “Costs” means (a) losses associated with transportation, gathering, and/or storage costs incurred by the Non-Defaulting Party which cannot be avoided through its reasonable efforts; and (b) reasonable attorneys’ fees and court costs, if any, reasonably incurred by the Non-Defaulting Party in connection with enforcing its rights in respect of the Terminated Transactions ((a) through, and including, (b) to the extent same would not have been incurred but for the default giving rise thereto).

* 1. The following is added as a new Section 2.38:

"Environmental Attributes" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, associated with the environmental benefits attributable to or resulting from the production, delivery, or use of Gas sold pursuant to this Contract. Environmental Attributes include but are not limited to: (1) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4) and other greenhouse gases; (3) "Green Attributes" within the meaning of any state regulatory rules or reporting requirements; (4) displacement or avoidance of any amount of conventional gas or fossil energy generation resources; (5) the reporting rights to these avoided emissions; and (6) any renewable fuel attributes and any credits generated under any Applicable Program. Environmental Attributes do not include any tax credits, reductions or incentives provided for by Governmental Authorities. Environmental Attributes do not include Seller’s right to advertise or otherwise claim that it produces and markets hydrogen, renewable natural gas and biogas provided that such claims are consistent with Federal Trade Commission regulations “Guides for the Use of Environmental Marketing Claims” and other Applicable Law.

* 1. The following is added as a new Section 2.39:

“Facility” means the Facility identified on the applicable Transaction Confirmation.

* 1. The following is added as a new Section 2.40:

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision of any of them, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

* 1. The following is added as new Section 2.41:

 “Applicable Program” has the meaning set forth in the applicable Transaction Confirmation.

* 1. The following is added as new Section 2.42:

“Applicable Law” means any statute, law, treaty, rule, regulation, regulatory staff guidance, ordinance, code, permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, including any of the foregoing that are enacted, amended, or issued after the Effective Date, and which becomes effective after the Effective Date; or any binding interpretation of the foregoing.

1. performance obligation
	1. Section 3.2 is amended by deleting it in its entirety and replacing it with the following:

“In addition to other remedies of the parties available under this Contract, at law or in equity (but without duplication), in the event of a breach of a Firm obligation to deliver or receive Gas, the non-breaching party will be entitled to recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer, utilizing the Cover Standard for replacement Gas (and, if separate from the Gas, Environmental Attributes) and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s) excluding any quantity for which no replacement is available; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas (and, if separate from the Gas, Environmental Attributes), adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas and, if separate from the Gas, Environmental Attributes or Seller has used commercially reasonable efforts to sell the Gas and, if separate from the Gas, Environmental Attributes, in either event to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity of Gas or, if separate from the Gas, Environmental Attributes, then in addition to (i) or (ii) above, as applicable, with respect to the Gas and, if separate from the Gas, Environmental Attributes not replaced or sold, there shall be an amount paid by the breaching party to the other party equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for the reasonable costs of such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas and, if separate from the Gas, Environmental Attributes, not replaced or sold. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable within five (5) Business Days after presentation of the performing party’s itemized invoice, which shall set forth the basis upon which such amount was calculated with sufficient particularity for the party receiving same to confirm such amount’s accuracy and reasonableness.”

* 1. Section 3.3 is deleted in its entirety and replaced with “[Reserved]”.
	2. Section 3.4 is deleted in its entirety and replaced with “[Reserved]”.
1. billing, payment, and audit
	1. The following is added as a new Section 7.8:

“7.8 Billing Documentation. On or about the tenth (10th) day of each month beginning with the second (2nd) month of the first (1st) Contract Year, and every month thereafter, and continuing through and including the first (1st) month following the end of the Delivery Period, Seller will provide to Buyer (i) records of Delivery Point Gas meter data, (ii) reasonable access to any records, including invoices or settlement data from the Transporter necessary to verify the accuracy or amount of delivered Gas, and (c) an invoice, in substantially the format specified by Buyer.”

1. title, warranty, and INDEMNITY
	1. Section 8.2 is amended by adding an “(a)” after the word “that” in the first line, deleting the second sentence and adding the following at the end of the Section:

"and (b) its sale to Buyer is in compliance with all Applicable Law. EXCEPT AS PROVIDED OTHERWISE IN THIS CONTRACT, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.”

* 1. Section 8.3 is amended by deleting it in its entirety and replacing it with the following:

"8.3 Indemnities.

(a) Indemnity by Seller. Seller will defend, indemnify, and hold Buyer and its officers, employees, and agents harmless from and against, any and all Claims arising out of the performance by Seller of this Base Contract but only in proportion to and to the extent such Claims are caused by or result from the negligent or intentional acts or omissions of Seller, its officers, employees or agents or the breach of this Contract.

(b) Indemnity by Buyer. Buyer will defend, indemnify, and hold Seller and its respective officers, employees, and agents harmless from and against, any and all Claims arising out of the performance by Buyer of this Base Contract but only in proportion to and to the extent such Claims are caused by or result from the negligent or intentional acts or omissions of Buyer, its officers, employees or agents, or the breach of this Contract.

(c) No Dedication. Without limitation of each party's obligations under Sections 8.3(a) and 8.3(b) herein, nothing in this Contract will be construed to create any duty to, any standard of care with reference to, or any liability to any person or entity not a party to this Contract. No undertaking by one party to the other party under any provision of this Contract will constitute the dedication of that party's system or any portion thereof to the other party or the public, nor affect the status of Buyer or Seller as an independent individual or entity.

(d) Defense of Claims.

(1) Notice. Each party shall promptly notify the other party in writing of any Claim in respect of which it is or may be entitled to indemnification under Section 8.3 hereof. Such notice shall be given as soon as reasonably practicable after the relevant party becomes aware of the Claim, provided that failure to give prompt notice of any Claim shall not release, waive or otherwise affect the indemnifying party’s obligations with respect thereto except to the extent the indemnifying party is adversely affected in its ability to defend against such Claim or is otherwise prejudiced thereby.

(2) Defense. The indemnifying party shall be entitled, at its option and expense and with counsel of its selection, to assume and control the defense of such Claim, subject to the prior approval of the indemnified person; provided that such indemnifying party:

(i) gives prompt notice of its intention to do so to the indemnified person;

(ii) acknowledges its obligation to indemnify the indemnified person for all losses arising out of such Claim; and

(iii) reimburses the indemnified person for the reasonable costs and expenses incurred by the indemnified person prior to the assumption by the indemnifying party of such defense.

(3) Right of an Indemnified Person to Defend. Unless and until the indemnifying party acknowledges in writing its obligation to indemnify the indemnified person and assumes control of the defense of a Claim in accordance with Section 8.3(d) hereof, the indemnified person shall have the right, but not the obligation, to contest, defend and litigate, with counsel of its own selection, any Claim by any third party alleged or asserted against such person in respect of, resulting from, related to or arising out of any matter for which it is entitled to be indemnified hereunder, and the reasonable costs and expense thereof shall be subject to the indemnification obligations of the indemnifying party hereunder.

(4) Settlement of Claims. No party shall be entitled to settle or compromise any such Claim without the prior written consent of the indemnifying party, provided that after agreeing in writing to indemnify the indemnified person, the indemnifying party may settle or compromise any claim without the approval of the indemnified person, provided that such settlement (i) does not require the indemnified person to make any payment, admit any wrong doing or perform any obligation and (ii) includes a full unconditional release of the indemnified party.

(5) Independent Counsel. Following the acknowledgment of the indemnification obligation and the assumption of the defense by the indemnifying party, the indemnified person shall have the right to employ its own counsel and such counsel may participate in such Claim, but the fees and expenses of such counsel shall be at the expense of such indemnified person, when and as incurred, unless:

(i) the employment of counsel by such indemnified person has been authorized in writing by the indemnifying party;

(ii) the indemnified person shall have reasonably concluded that there may be a conflict of interest between the indemnifying party and the indemnified person in the conduct of the defense of such action;

(iii) the indemnifying party shall not in fact have employed independent counsel reasonably satisfactory to the indemnified person to assume the defense of such action and shall have been so notified by the indemnified person; or

(iv) the indemnified person shall have reasonably concluded and specifically notified the indemnifying party either that there may be specific defenses available to it that are different from or additional to those available to the indemnifying party or that such Claim involves or could have a material adverse effect upon it beyond the scope hereof.

If clause (ii), (iii) or (iv) of the preceding sentence shall be applicable, then counsel for the indemnified person shall have the right to direct the defense of such Claim on behalf of the indemnified person and the reasonable fees and disbursements of such counsel shall constitute legal or other expenses hereunder."

1. NOTICES
	1. Section 9.1 is amended by deleting “Transaction Confirmations,”.
	2. Section 9.3 is amended by deleting it in its entirety and replacing it with the following:

“Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party’s receipt of its facsimile machine’s confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. in the receiving party’s time zone on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five (5) Business Days after mailing.”

1. financial responsibility
	1. Section 10.2 is amended by adding the following to the end of the section:

“Remedies are cumulative, and the exercise of, or failure to exercise, one or more of them by a party shall not limit or preclude the exercise of, or constitute a waiver of, other remedies by such party.”

* 1. Section 10.3.1 is amended by deleting it in its entirety and replacing it with the following:

“(a) As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not yet invoiced or due) by each party with respect to all Gas and associated Environmental Attributes delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions). Notwithstanding the foregoing, in no event shall the Non-Defaulting Party owe any amounts to the Defaulting Party on account of any Terminated Transaction, whatever the difference between Market Value and Contract Value. If the determination pursuant to clauses (x) and (y) above of the difference between the Market Values and Contract Values of all the Terminated Transactions does not result in an amount being owed to the Non-Defaulting Party, it shall be deemed that such difference is zero.

(b) For purposes of this Section 10.3.1, “Contract Value” means the amount of Gas and associated Environmental Attributes remaining to be delivered or purchased under this transaction multiplied by the Contract Price, and “Market Value” means the amount of Gas and associated Environmental Attributes remaining to be delivered or purchased under this transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets (either firm or indicative), similar sales or purchases and any other bona fide third-party offers, any other relevant information available to the Non-Defaulting Party, either internally or supplied to it by one or more third parties, including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data for the relevant markets all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of this transaction to which parties are not bound as of the Early Termination Date (including but not limited to “evergreen provisions”) shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of this transaction shall not be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner. The parties understand and appreciate that utilizing good faith and commercially reasonable efforts, the Non-Defaulting Party should obtain quotes or other reliable third party information authorized under the terms of this Contract for the purposes of calculating the Net Settlement Amounts, and that to the extent such information is received from such third parties such information is to be preferred and utilized over internal information and valuations.

(c) The Non-Defaulting Party shall also aggregate the Costs that the Non-Defaulting Party incurs in liquidating and accelerating each Terminated Transaction, or otherwise settling obligations arising from the cancellation and termination of each Terminated Transaction, including brokerage fees, commissions, and other similar transaction costs and expenses reasonably incurred by the Non-Defaulting Party including costs associated with hedging its obligations, transaction costs associated with obtaining replacement suppliers or markets (e.g. brokerage fees, or other such payments), additional transportation costs, and like costs incurred in moving the replacement Gas to or from the Delivery Point, and reasonable attorneys’ fees and other reasonable litigation costs incurred in connection with enforcing its rights under this Contract (collectively "Costs") and such Costs shall be due to the Non-Defaulting Party.

(d) The purpose of calculating the Market Value with respect to a Terminated Transaction shall be the determination of the amount that would be incurred or realized by the Non-Defaulting Party to replace or to provide the economic equivalent of the remaining payments or deliveries of Gas and associated Environmental Attributes in respect of the Terminated Transaction.

(e) In calculating early termination damages, the Non-Defaulting Party may take into account its Costs incurred as a result of terminating transactions.

* 1. Section 10.5 is amended by deleting it in its entirety and replacing it with the following:

“Each party further represents and warrants to the other party that (i) this Contract and all transactions governed by the Contract constitute "forward contracts" and/or "swap agreements" within the meaning of the United States Bankruptcy Code (the "Code"); (ii) it is a "forward contract merchant" within the meaning of the Code with respect to any transactions that constitute "forward contracts"; (iii) it is a "swap participant" within the meaning of the Code with respect to any transactions that constitute "swap agreements"; (iv) the Contract is a "master netting agreement” for purposes of the Code; (v) it is a "master netting agreement participant" for purposes of the Code; (vi) all payments made or to be made on its behalf pursuant to the Contract, including the application by a party of any collateral or security to any amounts due and owing to such party, constitute "settlement payments" within the meaning of the Code; (vii) all transfers of collateral or security by it or on its behalf under the Contract constitute "margin payments" within the meaning of the Code; and (viii) its rights under Section 10, "Financial Responsibility", of the Contract constitute a "contractual right to liquidate, terminate or accelerate" or "contractual right to liquidate, terminate, accelerate, or offset under a master netting agreement and across contracts" the transactions within the meaning of the Code. Each party further agrees that the other party is not a "utility" as such term is used in 11 U.S.C. Section 366, and each party agrees to waive and not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding involving such party. In addition, each party agrees that, for any Gas actually consumed (rather than resold) by such party, if Gas is not delivered pursuant to this Contract, the local gas distribution utility for such party is the provider of last resort and can supply such party’s Gas consumption needs.”

* 1. The following is added as a new Section 10.8:

10.8 Each obligation of a Non-Defaulting Party under Section 10.4 to pay a Net Settlement Amount to the Defaulting Party (if any) is subject to the condition precedent that no event described in Sections 10.2(i)-Iv) has occurred or is continuing for more than sixty (60) days without being stayed, vacated, or set aside in respect of the Defaulting Party.

1. force majeure
	1. Section 11.2 is amended by inserting “executive order,” immediately subsequent to “court order,” and immediately prior to “law,” and by inserting “pandemic, epidemic,” immediately subsequent to “(i)” and immediately prior to “physical events such as acts of God.”
	2. Section 11.3(ii) is amended by inserting “to use reasonable efforts” immediately subsequent to “failed” and immediately prior to “to remedy the condition.”
	3. Section 11.3(iii) is amended by deleting it in its entirety and replacing it with the following:

"(iii) economic hardship, to include, without limitation, Seller’s ability to sell Gas and/or Environmental Attributes at a higher or more advantageous price than the Contract Price or Buyer’s ability to purchase Gas and/or Environmental Attributes at a lower or more advantageous price than the Contract Price, or either party’s ability to obtain performance of the other’s obligations of any nature under the Contract on terms more favorable than described herein from any third party;"

* 1. Section 11.3(iv) shall be amended by inserting “and/or Environmental Attributes” immediately subsequent to “Gas” and immediately prior to “purchased hereunder.”
	2. Section 11.6 is deleted in its entirety.
1. TERM
	1. Section 12 is amended by deleting it in its entirety and replacing it with the following:

This Contract shall remain in effect until the expiration of the Delivery Period, as set forth in the applicable Transaction Confirmation, and may only be terminated as set forth in this Contract. The rights of either party pursuant to Section 7.6, Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of this Contract.

1. market disruption
	1. Section 14 is amended by deleting it in its entirety and replaced with “[Reserved]”.
2. miscellaneous
	1. Section 15.1 is amended by deleting it in its entirety and replacing it with the following:

"15.1. Assignment.

(a) General Assignment. Except as provided in Sections 15.1(b) and (c), no party will assign this Contract or its rights hereunder without the prior written consent of the other party, which consent will not be unreasonably withheld, conditioned, or delayed so long as (i) the assignee assumes the transferring party's payment and performance obligations under this Contract, in either case in full, (ii) the assignee agrees in writing to be bound by the terms and conditions hereof, (iii) the transferring party delivers evidence reasonably satisfactory to the non-transferring party of the proposed assignee's technical and financial capability (which evidence shall include audited financial statements) to fulfill the assigning party's obligations hereunder and (iv) the transferring party delivers such tax and enforceability assurance as the other party may reasonably request. Notwithstanding the foregoing and except as provided in Section 15.1(b), consent will not be withheld for an assignment of this Contract where the assigning party remains liable for all of the assigning party’s obligations under this Contract.

(b) Assignment to Financing Providers. Either party may, without the consent of the other party, transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof as collateral in connection with any financing or other financial arrangements undertaken by such party. Upon any such collateral assignment, transfer and assumption, the transferor will remain principally liable for and shall not be relieved of or discharged from any obligations hereunder. The non-assigning party shall execute consents to assignment and other deliverables as may be reasonably required by a financing provider, including but not limited to financial statements and legal opinions, all in such form as may be reasonably required by the financing provider, provided that the assigning party shall reimburse the other party for its reasonable attorney and other reasonable fees associated therewith.

(c) Notice of Change in Control. Except in connection with public market transactions of the equity interests or capital stock of Seller or Seller's Affiliates, Seller will provide Buyer notice of any direct or indirect Change in Control of Seller (whether voluntary or by operation of law). As used herein, “Change in Control” shall mean the sale of all or substantially all the assets of a party; any merger, consolidation, or acquisition of a party with, by, or into another corporation, entity, or person; or any change in the ownership of more than fifty percent (50%) of the voting interests of a party in one or more related transactions.

(d) Unauthorized Assignment. Any assignment or purported assignment in violation of this Section 15.1 is void."

* 1. Section 15.8 is amended by deleting the second sentence.
	2. Section 15.10 is amended by adding a new paragraph to the end thereof as follows:

“For the avoidance of doubt, the restrictions set forth herein regarding confidential information subject to this Section 15.10 shall not apply with respect to any disclosure required to comply with United States federal securities laws, applicable state securities laws, or the rules or regulations of a national stock exchange, as determined in the disclosing Party’s sole discretion. In addition, nothing herein shall prevent a Party from issuing or making any public announcement, press release or statement if it is necessary to do so, in such disclosing Party’s sole discretion, in order to comply with Applicable Law or the rules and regulations of any public utility commission, stock exchange, or Governmental Authority having direct or indirect jurisdiction over such Party.”

* 1. Section 15.11 is amended by deleting “or in a Transaction Confirmation executed in writing by both parties”.
	2. The following is added as a new Section 15.13:

“15.13 Transactions Not Qualifying as a “First Sale.” To the extent, if any, that a transaction does not qualify as a "first sale" as defined by the Natural Gas Act and §§ 2 and 601 of the Natural Gas Policy Act, each party irrevocably waives its rights, including its rights under §§ 4-5 of the Natural Gas Act, unilaterally to seek or support a change to any terms and conditions of the Contract, including but not limited to the rates, charges, or classifications set forth therein. By this provision, each party expressly waives its right to seek or support, either directly or indirectly, and by whatever means, an order from the U.S. Federal Energy Regulatory Commission ("FERC") (i) to change any of the terms and conditions of the Contract agreed to by the parties; and/or (ii) to recover any refund from the other party with respect to the Contract. Each party further agrees that this waiver and covenant shall be binding upon it notwithstanding any regulatory or market changes that may occur after the date of the Contract or any transaction entered into between the parties. Absent the agreement of both parties to the proposed change, the standard of review for changes to any terms and conditions of the Contract proposed by (a) a party, to the extent that the waiver set forth in this Section 15.13 is unenforceable or ineffective as to such party due to a final determination being made under Applicable Law that precludes the party from waiving its rights to seek or support changes from the FERC to the terms and conditions of this Contract, (b) a non-party, or (c) the FERC acting sua sponte, shall solely be the "public interest" application of the "just and reasonable" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) (the Mobile-Sierra doctrine), as clarified in Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County, Washington, 554 U.S. 527 (2008) and refined in NRG Power Marketing, LLC. v. Maine Public Utilities Commission, 558 U.S. 165 (2010).”

* 1. The following is added as a new Section 15.14:

“15.14 Waiver of Right to any Jury Trial. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THE CONTRACT OR ANY TRANSACTION. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.”

* 1. The following is added as a new Section 15.15:

“15.15 Jurisdiction. EACH PARTY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE COURTS LOCATED IN PORTLAND, OREGON FOR ANY ACTION, SUIT, CLAIM OR PROCEEDING ARISING UNDER OR RELATING TO THIS BASE CONTRACT OR ANY TRANSACTION, AND EXPRESSLY WAIVES ANY OBJECTION IT MAY HAVE TO SUCH JURISDICTION OR THE CONVENIENCE OF SUCH FORUM.”

* 1. The following is added as a new Section 15.16:

“15.16 Negotiation Process in Connection with Disputes. In the event of any dispute under this Contract, the parties shall seek to resolve the dispute by negotiations between senior executives who have authority to settle the controversy. Either party may initiate this negotiation process by written Notice to the other party outlining the sending party’s position regarding the dispute (“Negotiation Notice”). The senior executives shall meet at a mutually acceptable time and place within fifteen (15) Business Days after the date of the Negotiation Notice to exchange relevant information concerning the dispute and to attempt to resolve the dispute. If a senior executive intends to be accompanied at a meeting by an attorney, the other party’s senior executive shall be given at least three (3) Business Days’ Notice of such intention and may also be accompanied by an attorney. All negotiations are confidential and shall be treated as compromise and settlement negotiations under the Federal Rules of Evidence or any similar applicable rules of evidence. Each party shall bear its own costs in connection with this Section 15.16.”

* 1. The following is added as a new Section 15.17:

“15.17 Contract Not to be Construed Against One Party or Another Based on Manner Drafted. This Contract shall be considered for all purposes as prepared through the joint efforts of the parties and shall not be construed against one party or the other as a result of the manner in which this Contract was negotiated, prepared, drafted or executed.”

* 1. The following is added as a new Section 15.18:

“15.18 Relationship Between Parties. Each party will be deemed to represent to the other party each time a transaction is entered into that: (a) it is acting for its own account, and it has made its own independent decisions to enter that transaction and as to whether that transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisors as it has deemed necessary; (b) it is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that transaction; it being understood that information and explanations related to the terms and conditions of a transaction shall not be considered investment advice or a recommendation to enter into that transaction; (c) no communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of that transaction; (d) it is capable of assessing the merits (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that transaction; (e) it is capable of assuming, and assumes, the risks of that transaction; and (f) the other party is not acting as a fiduciary for, or an advisor to, it in respect of that transaction.

* 1. The following is added as a new Section 15.19:

15.19 Rules of Construction. Initially capitalized terms used in this Contract shall have the meanings set forth in this Contract. The terms “herein,” “herewith,” “hereof,” and the like are references to this Contract, taken as a whole. The term “includes,” “including,” and the like shall be deemed followed by “for example and without limitation”. References to a “Section,” “subsection,” “clause,” “Article” or “Exhibit” shall mean a Section, subsection, clause, Article or Exhibit of this Contract, as the case may be, unless in any such case the context requires otherwise. All references to a given agreement, instrument or other document, or to any law, standard or code, shall be a reference to such agreement, instrument or other document, or to such law, standard or code, as modified, amended, supplemented and/or restated from time to time. Reference to a person or party includes its successors and permitted assigns. The singular shall include the plural and the masculine shall include the feminine and neuter, and vice versa. References to “dollar” or “$” are to US dollars.

* 1. The following is added as a new Section 15.20:

15.20 The parties do not intend to form by this Contract, any transaction(s), or any other act hereunder between themselves any agency, partnership, joint venture, or like relationship. The parties do not intend to form and explicitly deny the creation of any right in any third party not a signatory hereto, except as explicitly set forth herein.

IN WITNESS WHEREOF, the parties have executed these Special Provisions to supplement, and, where applicable, to modify and supersede, the Base Contract by and between the parties.

Northwest Natural Gas Company [\_\_\_\_\_\_\_\_\_\_\_\_]

By: By:

Name: Name:

Title: Title:

Date: Date: