



## **GAS TRANSPORTATION OPERATING PROCEDURES**

### **Effective January 23, 2019**

This document sets forth NW Natural's (NWN's) Gas Transportation Operating Procedures. This is not a tariffed document. Any discussion herein regarding Customer-Owned Natural Gas Transportation Service under Schedule T in Oregon and Washington is for reference and informational purposes only. Customers should refer to the applicable Schedule T for state-specific information regarding transportation of customer-owned natural gas. To the extent the terms of these procedures conflict with any of the terms of NWN's tariff, the tariff will govern. For specific up-to-date tariff information, please visit NWN's website: [www.nwnatural.com](http://www.nwnatural.com).

### **I. DEFINITIONS**

Advanced Automated Meter Reading (AAMR) Therms are defined as gas flow measured by NWN's advanced automated meter reading system and provided to the customer prior to the monthly bill. AAMR Therms are available to the customer and the customer's agent via e-mail and at [www.nwnatural.com](http://www.nwnatural.com). AAMR Therms will normally equal Billing Therms.

Balancing Nominations are nominations that vary from the customer's anticipated daily consumption. All nominations that vary by what NWN deems a substantial amount will be considered Balancing Nominations and must receive prior approval by NWN. Balancing Nominations may be refused, at NWN's sole discretion, if conditions warrant.

Billing Therms are defined as the therms consumed by the customer, and the therms by which the monthly bill is rendered. Billing Therms will normally equal AAMR Therms.

Daily Entitlement is a condition whereby a transportation customer is restricted to use only their Final Confirmed Nomination during the Gas Day.

Dekatherm (Dth) is the industry standard energy unit for measuring U.S. interstate pipeline deliveries. One Dekatherm equals 10 therms, or one million Btu (MMBtu).

Final Confirmed Nomination is the gas quantity, expressed in Dth, confirmed as delivered by Northwest Pipeline (NWP) for the customer's account and posted as the customer's month-to-date information within the secure Gas Transportation Customer area of the Business section of [www.nwnatural.com](http://www.nwnatural.com).

Gas Day is defined as a period between 7:00 AM Pacific Clock Time (PCT) and 7:00 AM PCT the following day. This 24-hour period remains constant with the exception of those days involving a change between Standard and Daylight Savings Time.

On-Site Meter Therms are defined as therms calculated by the customer, using the absolute difference between a beginning and ending meter index read, multiplied by the appropriate conversion factors.

Open System Status occurs when NWN transportation gas customers are not subject to daily Balancing.

Pacific Clock Time (PCT) is the effective time in the Pacific Time Zone. When changing between Standard and Daylight Savings time, there will be one Gas Day (second Sunday in March) with only 23 hours, and one Gas Day (first Sunday in November) with 25 hours.

Preliminary Confirmed Nomination is the gas quantity, expressed in Dth, shown as being confirmed prior to the posting of Final Confirmed Nomination.

Telemetry Therms are defined as gas flow data gathered by NWN's Gas Management System. Telemetry Therms, where available, may be provided by e-mail once a day, or as frequently as every hour, as chosen by the customer.

Note: All other definitions not set forth above are contained in the Definitions section of NWN's tariffed General Rules and Regulations.

## **II. NOMINATION OF NON-UTILITY SUPPLIES**

This section explains the procedures necessary for daily gas nominations and is subject to change without notice as conditions warrant.

### **A. Eligibility Requirements:**

1. For specific information regarding eligibility requirements, see the "Prerequisites to Service" section of the applicable Schedule T, Customer-Owned Natural Gas Transportation Service.
2. System Status and Confirmed Nominations and balancing information are available at [www.nwnatural.com](http://www.nwnatural.com).

### **B. Daily Nomination Procedures:**

1. All Nominations must be submitted by the customer or the customer's agent directly to Northwest Pipeline (NWP) in accordance with NWP's nomination timelines. NWN must receive a summary report from each customer or customer's agent if the daily nominated total is different than the previous day. Any intra-day nomination changes after the TMLY cycle must be sent to NWN one hour prior to each cycle's nomination deadline on NWP. All changes including the summary report can be sent to NWN via e-mail. NWN will also accept POST-ID nominations within the month of the original gas flow to the extent that they are greater than 10 Dth individually, requested within a week of the Gas Day they are realigning, and are realignment nominations that do not adjust the total Final Confirmed Nominations for a marketer on a given Gas Day.
2. All Nominations should match anticipated usage as closely as possible on a daily basis. To clear out imbalances the customer, or customer's agent, needs to coordinate a balancing schedule with NWN personnel. If it is determined that system integrity will be compromised, Balancing Nominations will be refused, resulting in the most recent acceptable Nominations being carried forward. A customer who directly, or through their marketer or agent, fails to comply with this requirement will be subject to selective Entitlement for overruns or underruns, as applicable.
3. If, in NWN's sole judgment, a customer's transportation gas imbalance becomes excessive, NWN reserves the right to apply Overrun Entitlements or Underrun Entitlements to that specific customer.
4. Questions should be directed to NWN as follows:
  - a) AAMR Therm or billing Therm data: (503) 721-2512
  - b) Nominations: (503) 226-4211, extensions 2469, 4609, 4636, 5887 or 5170
  - c) Gas Control: (503) 226-4211, ext. 4613 (answered 24 hrs. a day)
  - d) Senior Director, Gas Supply: (503) 721-2475

### **III. TRANSPORTATION GAS BALANCING**

This section sets forth NWN's balancing procedures applicable to transportation customers. These balancing procedures are subject to change by NWN without notice, as circumstances warrant.

#### **A. Daily Imbalance:**

Billing Therms shall be used for determining the customer's daily Imbalance. Customer status will be posted in a secure area of [www.nwnatural.com](http://www.nwnatural.com) for System Status events that require daily Balancing. (See Section IV. CUSTOMER NOTIFICATION below.) When this occurs, a customer may use AAMR Therms, On-Site Meter Therms, and/or Telemetry Therms (if available) as a guide to operate within the daily Balancing constraints. If Billing Therms indicate an Overrun Entitlement or Underrun Entitlement, the customer shall pay overrun/underrun charges as specified in the applicable Schedule T. Any Entitlement event that coincides with a variance between AAMR Therms and Billing Therms may be reviewed on an individual basis at the customer's request.

##### **1. Entitlements:**

NWN, at its sole discretion, will determine when it is appropriate to declare an Entitlement for individual or all customers on its system. Entitlements may be declared for either overruns or underruns at any of four levels: Stage 1 (3%), Stage 1A (5%, late notice), Stage 2 (8%), and Stage 3 (13%).

##### **2. Daily Overrun/Underrun Charge:**

Daily overrun/underrun charges are specified in the Curtailment and Entitlement section of Schedule T.

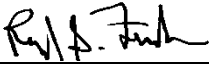
#### **B. Cumulative Balancing of Receipts and Deliveries:**

For specific information regarding cumulative Imbalance calculations and the periods and methods allowed for eliminating cumulative Imbalances, see the "Balancing of Receipts and Deliveries" section of the applicable Schedule T, Customer-Owned Natural Gas Transportation Service.

In the event that an Entitlement condition has spanned three or more weeks, such that a Customer is unable to bring its Imbalance into allowed tolerance within the 45-day Balancing Period, the Company may allow the Customer, on the Customer's request, to receive up to one additional Billing Month to correct the Imbalance. All Customer requests are to be reviewed and approved by the Manager of Major Account Services and/or the Assistant Director or Senior Director of Gas Supply.

#### IV. CUSTOMER NOTIFICATION

1. NWN will post System Status information in the “Business” section of [www.nwnatural.com](http://www.nwnatural.com), under Transportation and Storage, System Status.
2. NWN will provide a month-to-date summary of Confirmed Nominations and AAMR Therms within the secure Gas Transportation section. It shall be the customer’s responsibility to monitor System Status notices and the information that NWN provides at [www.nwnatural.com](http://www.nwnatural.com). **NWN will use reasonable efforts to post customer and System Status information at [www.nwnatural.com](http://www.nwnatural.com). It is the customer’s responsibility to contact NWN at (503) 226-4211, ext. 5170, if they experience difficulties with this service.**
3. During periods when NWN’s System Status is “OPEN,” daily Confirmed Nominations will be posted for the previous Gas Day’s “Cycle: FINAL” and for the current Gas Day’s “Cycle: Evening”. During periods where NWN’s System Status is restricted or customers are subject to Entitlements, NWN will post Preliminary Confirmed Nominations for the “Cycle: TIMELY”. In these cases, Preliminary Confirmed Nominations will be updated the next morning with any “Cycle: Evening” changes.

By:   
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