

NORTHWEST NATURAL GAS COMPANY
WN U-6 Sixth Revision of Sheet iii
Cancels Fifth Revision of Sheet iii

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GENERAL RULES AND REGULATIONS

Definitions.

The following terms have the meanings listed herein unless defined otherwise within a specific rule or schedule.

Acknowledged Confirmations. The Pipeline's confirmation of a Transportation Customer's specified quantity of gas for a specified Gas Day for delivery at specified Company Receipt Point(s).

Allowance (also referred to as Construction Allowance). The dollar credit which may be available to an Applicant or customer to offset the cost of construction of new Distribution Facilities. The amount of the allowance will vary by customer and type of equipment to be installed.

AMR. Automated meter reading, or automated meter reading device.

Annual Sales WACOG. The Company's annual weighted average commodity cost of gas, as determined in the Company's most recent Purchased Gas Cost Adjustment (PGA) Filing, and set forth in **SCHEDULE P** and **SCHEDULE 203** of this Tariff. Sometimes referred to as the Commodity Component.

Applicant. A person, business, or agency who applies for utility service with the Company, or who reapplies for utility service at the same or a different location after a voluntary termination of service, or who applies for service any time after service has been disconnected under **General Rule 5** of this Tariff. An applicant may also be an existing customer who requests that the Company make changes to or install additional Distribution Facilities.

Authorized Supplier/Agent. A third party agent authorized by an end-use Transportation Customer to nominate and transport Natural Gas to the Company's system on a Customer's behalf.

Btu. See British Thermal Unit.

Balancing. The process of equalizing receipts and deliveries of gas for a Transportation Customer.

Balancing Period. A period of time in which a Transportation Customer must eliminate or bring into allowed tolerance levels an Imbalance situation.

Base Distribution Rate. The non-commodity component of a sales service billing rate, before application of any temporary adjustments.

British Thermal Unit (Btu). The standard unit for measuring a quantity of thermal energy. One Btu equals the amount of thermal energy required to raise the temperature of one pound of water one degree Fahrenheit and is exactly defined as equal to 1,055.05585262 joules. 100,000 Btu is equivalent to one Therm.

Business Day. A business day is Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m. Pacific Standard Time (PST) except where such day falls on a holiday.

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GENERAL RULES AND REGULATIONS
(continued)

Rule 2. Establishment and Re-establishment of Credit.

RESIDENTIAL SERVICE:

I. General

The Company will not approve a Residential application for service until the Applicant(s) has established satisfactory credit or otherwise provided sufficient security, as described in this **General Rule 2**. For purposes of this General Rule, sufficient security is either (a) a cash deposit, or (b) a written surety agreement from a qualifying person, the specifics of which are set forth in **General Rule 3** of this Tariff.

The establishment or re-establishment of credit or the Company's acceptance of other security under this General Rule shall not relieve a Residential Applicant or Customer from complying with the Rules and Regulations established by the Commission, including but not limited to, the prompt payment of bills and the disconnection of service for nonpayment.

For purposes of establishing credit, a builder, contractor, property developer, or property manager shall be considered a Non-Residential Applicant on any application made for gas service to real property for which they are responsible through their business activities, whether the property to which the application for service applies is classified as Residential or Non-Residential.

A Residential Applicant that is required to pay a deposit, or that provides a surety agreement in lieu of a deposit, will be deemed to have established credit when they have maintained an active account with the Company for one Year, and during such Year: (a) did not receive more than two final notices of disconnection (also known as a 5-day notice), and (b) was not disconnected for non-payment, theft, diversion of service, or for tampering with utility facilities. If there are multiple active accounts for the same Customer, all such accounts must meet the above requirements.

II. Establishment of Credit.

If a Residential Applicant has one or more existing active or inactive gas service accounts with the Company for the same class of service, then the account history of all such accounts may be considered in the establishment of credit for any new application.

In the event that there are multiple active accounts but no single account has been active for a consecutive 12-month period, then the requirement for 12-months of continuous service may be met by combining the non-duplicative active months across all accounts (i.e. account #1 was active January-May; Account #2 was active April through December). If the consecutive 12-month period cannot be met (i.e. the accounts were all activated at the same time and were active less than 12 months and for the same calendar months), then a deposit as set forth in **General Rule 3** may be required. In the alternative, a Residential Applicant may secure the account by providing the Company a written surety agreement that meets the conditions set forth in **General Rule 3**.

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GENERAL RULES AND REGULATIONS
(continued)

Rule 2. Establishment and Re-establishment of Credit (continued).

RESIDENTIAL SERVICE:

II. Establishment of Credit. (continued)

- (A) This provision (A) applies to an Applicant that previously held a Residential gas service account(s) with the Company within the prior 24 months, whether such account(s) is currently active or inactive.

An Applicant under this provision will be deemed to have established credit if all of the below listed conditions are met.

- a. Applicant was a responsible person on a gas service account and received twelve (12) consecutive months of service from the Company within the Company's Oregon or Washington service territory during the prior 24 months; and
- b. During the prior 12 consecutive months of service, Applicant did not have service disconnected for non-payment, for theft or diversion of service, or for tampering with utility facilities; and
- c. During the prior 12 consecutive months of service, Applicant did not receive more than two (2) disconnect notices; and
- d. Applicant does not have any unpaid past-due amounts owing to the Company.

If one or more of the conditions cannot be met, the Applicant must pay a deposit in accordance with **General Rule 3**. In the alternative, an Applicant may secure the account by providing the Company a written surety agreement that meets the conditions set forth in **General Rule 3**.

- (B) This provision (B) applies to an Applicant that has no prior account history with the Company within the prior 24 months.

An Applicant under this provision may establish credit through one of the two methods described below.

1. Applicant was a responsible person on an energy utility service account from another energy utility within the Company's Oregon or Washington service territory; and
 - a. During the prior 12 months, Applicant did not have service disconnected for non-payment, for theft or diversion of service, or for tampering with utility facilities; and
 - b. During the prior 12 months, Applicant did not receive more than two (2) disconnection notices; and
 - c. the Company can verify prior utility service either by contact with the former utility or through an authorized letter provided by the former utility on the utility letterhead that states the dates service was provided to Applicant and that the Applicant voluntarily terminated service and timely paid for all services rendered; and
 - d. Applicant does not owe an account balance to the Company or another Washington energy utility that was not paid in full when service was terminated.

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GENERAL RULES AND REGULATIONS
(continued)

Rule 2. Establishment and Re-establishment of Credit (continued).

RESIDENTIAL SERVICE:

II. Establishment of Credit. (continued)

2. Applicant provides proof of ability to pay by providing one of the following:
 - a. Proof of employment during the 12 consecutive months prior to the date of application with not more than two different employers, along with a telephone number(s) to verify employment; or
 - b. If not employed, a statement or other documentation from an income provider or an authorized representative that the Company can verify, stating that the Applicant receives a regular source of income. For purposes of this provision, a regular source of income shall mean income that is recurring at fixed intervals with no predetermined termination date from a legal trust, pension, or other similar fund, and that at least averages on a monthly basis not less than three (3) times the estimated average monthly bill at the service address; and
 - c. Applicant does not have any past-due unpaid amounts owing to the Company.

If the Applicant cannot establish credit by either method, the Applicant must pay a deposit. In the alternative, the Applicant may secure the account by providing the Company a written surety agreement. See the conditions set forth in **General Rule 3**.

The Company must receive any required documentation under this Section II within five (5) Business Days from the date of application. If such documentation is not received by such date, a deposit may be assessed on the first regular monthly bill.

NON-RESIDENTIAL SERVICE:

I. General

The Company will not approve a Non-Residential application for service until the Applicant(s) has established satisfactory credit or otherwise provided sufficient security, as set forth in this **General Rule 2**.

The establishment or re-establishment of credit or the Company's acceptance of other security under this General Rule shall not relieve a Non-Residential Applicant or Customer from complying with the Rules and Regulations established by the Commission, including but not limited to, the prompt payment of bills and the Disconnection of Service for nonpayment.

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GENERAL RULES AND REGULATIONS
(continued)

Rule 2. Establishment and Re-establishment of Credit (continued).

NON-RESIDENTIAL SERVICE:

I. General

If the principals of a corporation, partnership or other Non-Residential enterprise are substantially the same as those of another corporation, partnership or Non-Residential enterprise that either is or has at one time received Natural Gas service from the Company, then they will be deemed to be the same corporation, partnership or Non-Residential enterprise for the purposes of establishing or re-establishing credit standing under this **General Rule 2**. In order to be considered substantially the same as those of another corporation, partnership or Non-Residential enterprise, seventy-five percent (75%) of the business ownership must be the same. Where there are only two principals, both principals must be the same in order to be considered substantially the same corporation, partnership, or Non-Residential enterprise.

For purposes of establishing or re-establishing credit, a builder, contractor, property developer, or property manager shall be considered a Non-Residential Applicant on any application made for gas service to real property for which they are responsible through their business activities, whether the property is classified as Residential or Non-Residential.

A Non-Residential Applicant or Customer that is required to pay a deposit will be deemed to have established or re-established credit when they have maintained an active account with the Company for one Year and during such Year: (a) did not receive more than two final notices of disconnection (also known as a 5-day notice), and (b) was not disconnected for non-payment, theft, diversion of service, or for tampering with utility facilities. If there are multiple active accounts for the same Customer, all such accounts must meet the above requirements.

II. Establishment of Credit.

This section applies to all Non-Residential Applicants, and to any Non-Residential Customer that is required to re-establish credit as set forth in Section III of this **General Rule 2**.

If any Non-Residential Applicant or Customer has multiple active or inactive gas service accounts with the Company for the same class of service, then the account history of all such accounts may be considered in the establishment or re-establishment of credit. If the estimated monthly bill for service under any new application is higher by 50% or more than the average monthly bill of the Applicant's other accounts for the same class of service, then a deposit may be required, irrespective of the credit standing on such Applicant's other gas service accounts.

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GENERAL RULES AND REGULATIONS
(continued)

Rule 2. Establishment and Re-establishment of Credit (continued).

NON-RESIDENTIAL SERVICE: (continued)

II. Establishment of Credit.

An Applicant with multiple active accounts where no single account has been active for a consecutive 12-month period, may meet the requirement for 12-months of continuous service by combining the non-duplicative active months across all accounts (i.e. account #1 was active January-May; Account #2 was active April through December). If the consecutive 12-month period cannot be met (i.e. the accounts were all activated less than 12 months and for the same calendar months), then a deposit as set forth in **General Rule 3** may be required.

A Non-Residential Applicant or Customer must meet all of the following conditions to establish or re-establish credit:

The Applicant:

- a. Is licensed to do business in the state of Washington and has kept current over the past twelve (12) consecutive months on all real estate mortgages or lease agreements, commercial loans, utility bills and trade accounts; and
- b. The Applicant has not been involved in a solvency proceeding, including but not limited to bankruptcy, receivership, liquidation, bulk sale, or financial reorganization, naming the Applicant or any principals of the corporation, partnership, or Non-Residential entity as a debtor party to the filing at any time during the prior thirty-six (36) consecutive months;
- c. Immediately prior to the date of application, Applicant received twelve (12) consecutive months of service with the Company or another energy utility; and
 - i. Received no more than two final disconnection notices during such 12-month period; and
 - ii. Did not have service disconnected for non-payment, theft, diversion of service, or for tampering with utility facilities during such 12-month period; and
 - iii. Does not owe a past due amount.

If any one of the above conditions cannot be met, the Non-Residential Applicant or Customer must pay a deposit, and the Company may require the Applicant to provide other security, as set forth in **General Rule 3**.

The Company may also require additional credit or financial information deemed necessary in its judgment to determine credit worthiness. Customer will have five (5) Business Days from the date of the Company's request to provide the Company with such information.

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GENERAL RULES AND REGULATIONS
(continued)

Rule 2. Establishment and Re-establishment of Credit (continued).

NON-RESIDENTIAL SERVICE: (continued)

III. Re-establishment of Credit.

Any Non-Residential Customer may be required to re-establish credit under this **General Rule 2** when the conditions of service or the basis upon which credit was originally established has changed, including:

- (a) A change in the type of business in use at the service address;
- (b) A business name change;
- (c) A change in responsible party(ies);
- (d) A change in ownership;
- (e) The expiration or termination of Customer's Washington business license;
- (f) Customer was found to have established credit standing based on false or incomplete information;
- (g) Customer has been approved by the Company to select a different Service Type that results in an expected change to the average annual bill for such Customer of 50% or more; or
- (h) Other circumstances which the Company can be reasonably certain may result in Customer's inability to regularly and timely pay for services rendered by the Company or that otherwise may have the potential to have an adverse effect on rates for other ratepayers of the Company.

When a Non-Residential Customer is required to re-establish credit, the Customer must then meet all of the conditions set forth in Section II of this **General Rule 2** based on the most recent 12 months of service with the Company. If any one of these conditions cannot be met, Customer may be required to pay a deposit, pay an additional deposit, and/or provide other security as set forth in **General Rule 3**. The Company may also require additional credit or financial information deemed necessary by the Company to determine credit worthiness. Customer will have five (5) Business Days from the date of the Company's request to provide the Company with such information.

(continue to Sheet 3.1)

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GENERAL RULES AND REGULATIONS
(continued)

Rule 3. Deposits and other Security.

I. GENERAL.

The Company may require a deposit or other security from a Customer or Applicant for reasons described in **General Rule 2** and for other reasons set forth in this **General Rule 3**. For builders, contractors, property developers, and property managers, when a deposit or other security is required the provisions applicable to Non-Residential service shall apply.

Where a deposit or deposit installment amount is billed and due and payable along with a Customer's bill for regular monthly gas usage, the amount paid by Customer shall first be applied toward payment of the amount due for the deposit, as set forth in **General Rule 4**.

In the event an Applicant pays a deposit, in full or in part, with a check or draft for payment that is returned or not honored by the respective financial institution, the deposit will be deemed unpaid. If the payment was for a deposit paid by an Applicant as a condition of service activation, then Customer status is not met for such Applicant. The Company will attempt telephone notice to the Applicant of the failed payment, and the Applicant will have one business day in which to make a valid payment. If a valid payment is not received and the gas service is active, service may be disconnected without further notice.

In the event a Customer pays a deposit or additional deposit amount with a check or draft for payment that is returned or not honored by the respective financial institution, the Company may disconnect service for nonpayment of the deposit following notice not less than five (5) days in advance of the stated disconnection date.

In the event a Customer concurrently terminates service at a current address and applies for service at a new address within the Company's service area, any deposit held by the Company for service at the current service address, plus accrued interest, will be applied to the new service address. Nothing precludes the Company from requiring an additional deposit under the terms set forth in this **General Rule 3**. If such Customer notified the Company of the change of address subsequent to the issuance of the closing bill for service at the terminated service address, then the Customer may be required to pay a new deposit as required by these rules.

Deposits will accrue interest at a rate prescribed by order of the Commission. Interest shall be computed from the date the deposit is paid (if paid in installments, from the date of the first payment) ("deposit anniversary") to the date of refund or application of the entire deposit amount to the Customer's account, or if applicable, to the end of any one Year period. Interest will be prorated on deposits held by the Company for less than a full Year.

Except where provided otherwise in this or any other applicable Schedule of this Tariff, deposits will be held by the Company for one Year. At the end of one Year, the Company will review the account to determine if Customer has met the conditions for establishing satisfactory credit, which are described in **General Rule 2**. If a Customer has not established satisfactory credit, the deposit may be held on the account for a subsequent Year, with interest. Any interest accrued for the prior Year will be applied as a bill credit on the Customer's next regular monthly bill.

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GENERAL RULES AND REGULATIONS
(continued)

Rule 3. Deposits and Other Security (continued).

I. GENERAL. (continued)

If Customer has met the conditions for establishing satisfactory credit, the deposit plus accrued interest will be refunded or credited to Customer. If there are any other current or prior accounts for such Customer, the Company may review such accounts to determine if there is any unpaid past-due balance owing to the Company. Prior to refunding or crediting a deposit amount, the Company may first apply the refundable deposit and accrued interest, to such past due amounts. Any remaining balance shall be refunded or credited to the account for which the deposit was held.

Upon voluntary termination of service, any deposit amount held on account of a Customer shall be refunded or credited to the Customer in the manner set forth in **General Rule 20**.

The Company's acceptance of a deposit or other security shall not relieve an Applicant or Customer from complying with the Rules and Regulations established by the Commission, including but not limited to the prompt payment of bills and the disconnection of service for non-payment.

II. RESIDENTIAL.

A deposit may be required from a Residential Applicant or Customer as a condition of new or continued service as set forth in **General Rule 2**. A deposit may be required from a Residential Applicant or Customer if: (a) at any time during the prior twelve (12) months more than two (2) final disconnection notices were issued to Customer; or (b) the Company finds that there is a prior customer living at the residence who owes a past-due bill to the company for service at that address.

The total deposit for any one Residential Applicant or Customer account will not exceed one-sixth of the estimated annual billing at the service address.

Deposits will be refunded or credited to Customers as set forth in this General Rule. Except as provided otherwise in this or any other applicable Schedule of this Tariff, deposits are typically due prior to or at the time that service is activated, or reactivated. At the Company's discretion, a deposit or additional deposit amount may be billed with the first monthly bill following the date of notice that a deposit is required.

A deposit or additional deposit may be required from a Residential Customer following the Company's receipt of notification that such Customer is named as a debtor party to a bankruptcy filing. Such a deposit shall be separate and apart from any additional surety amount ordered by the bankruptcy court.

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GENERAL RULES AND REGULATIONS
(continued)

Rule 3. Deposits and Other Security (continued).

II. RESIDENTIAL (continued)

The Company may also require an additional deposit amount when there is a change in rate schedule, a change in billing rates, or a change in usage at the same or a different service address. An adjustment for usage may occur when (i) historical usage was based on a different occupant at the premise and is not reflective of the current Customer's usage; (ii) Customer adds or removes gas-fired equipment at the premise; or (iii) the average monthly usage at a new service address is different from the prior premise upon which the deposit was based. The Company will provide written notice to the Customer of such action at the time that the additional deposit amount is billed.

A Residential Customer that is required to pay an additional deposit amount must pay the deposit in full, or make deposit payment arrangements, within five (5) Business Days from the date of notice that the additional deposit is required. If a deposit installment arrangement is already in place, the existing installment payments will be adjusted for the additional deposit amount. In no event will two installment payments be required for the same account within a single bill period.

Any Applicant or Customer may pay a deposit or additional deposit amount in three (3) consecutive installments. If a deposit is paid in installments, the first payment equal to the greater of \$30.00 or one-third of the total deposit amount shall be immediately due. The remaining payments shall be due and payable with each of the Customer's next two regular monthly bills following the initial payment date. Except for the last payment, installment payments will not be less than \$30.00.

Failure to pay a deposit or to abide by the terms of a deposit installment plan is cause for Disconnection of Service. Service may be disconnected after written notice is issued not less than five (5) calendar days prior to the date of the scheduled disconnection, except that if the deposit is deemed unpaid because the payment was returned or not honored by the respective financial institution, notice of disconnection will be made as set forth in **General Rule 6**. Before service will be restored, the full deposit amount, plus one-half of any past due amount for gas service, plus the applicable reconnection fee and late payment fee, shall first be paid. The balance of the past due amount shall be paid within thirty (30) days of the date service is restored. An existing Time Payment Plan may continue upon payment of all past-due installments, along with the full deposit and other applicable fees.

Surety Agreements.

In lieu of paying a deposit, a Residential Applicant or Customer may obtain a written surety agreement from a qualifying third person ("the Surety"). The Surety must be a current Customer of the Company who meets all of the conditions of provision (A) as set forth in **General Rule 2**. The Surety will have the right to receive and discuss with the Company the account of the benefiting Customer, and will be sent a duplicate of any notices of disconnection (5-day notice) issued on the benefiting Customer's account.

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GENERAL RULES AND REGULATIONS
(continued)

Rule 3. Deposits and Other Security (continued).

II. RESIDENTIAL (continued)
Surety Agreements.

The surety agreement must secure payment in an amount equal to two months' average usage at the benefiting Customer's service address. Nothing precludes the Surety from voluntarily paying more than this amount if the surety agreement is invoked.

The Company must receive a signed surety agreement before service will be activated or reactivated. If the gas service is active, the Applicant or Customer will have five (5) Business Days in which to submit the signed surety agreement, Gas Service will be disconnected without further notice if the signed surety agreement or other acceptable security is not received.

In the event a Customer for whom a surety agreement is in effect is disconnected for nonpayment, the Company may collect from the Surety the amount of the two months' average usage at the benefiting Customer's service address. The payment made by the Surety will be applied to the benefiting Customer's balance due.

The same surety agreement may be used to secure the Customer's account for reconnection of service following a disconnection, provided the Surety fulfilled any obligations under the surety agreement if it was invoked, and provided the Surety has not given prior notice to the Company of termination of the surety agreement.

A surety agreement may be terminated by the Surety at any time upon five (5) Business Days advance written notice to the Company.

A surety agreement may be terminated by the Company at any time upon five (5) Business Days notice to the Customer and to the Surety if the Company finds that the Surety no longer meets the qualifications described in this General Rule.

A surety agreement will automatically terminate when the benefiting Customer has established satisfactory credit as described in **General Rule 2**. If the benefiting Customer has not established satisfactory credit by the end of one Year, the surety agreement will continue to be held as security on the benefiting Customer's account provided the surety agreement is not otherwise terminated as provided in this General Rule.

In the event a surety agreement is terminated for any reason other than establishment of credit, the Customer will have five (5) Business Days in which to either pay the required deposit or make deposit payment arrangements, or obtain a written surety agreement from another qualifying Customer. Failure to provide sufficient replacement security is cause for Disconnection of Service without further notice.

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GENERAL RULES AND REGULATIONS
(continued)

Rule 3. Deposits and Other Security (continued).

III. NON-RESIDENTIAL.

A deposit may be required from a Non-Residential Applicant or Customer as a condition of new or continued service as set forth in **General Rule 2**.

A Non-Residential Customer may also be required to pay a deposit, or to pay an additional deposit, in the following circumstances:

- a) Upon the filing of an insolvency proceeding, including but not limited to bankruptcy, receivership, liquidation, bulk sale, or financial reorganization, naming the Customer or any principals of the corporation, partnership, or Non-Residential entity, as a debtor party to the filing;
- b) When Customer's bill has or is expected to increase by 50% or more due to a change in billing rates, a change in rate schedule, or a change in gas usage at the service address;
- c) When Customer is issued two or more final disconnection notices (also known as a 5-day notice) within a consecutive 12-month period; or
- d) When Customer was found by the Company to have committed theft, diversion of service, or tampering with utility facilities.

Any deposit or additional deposit collected by the Company under order of the bankruptcy court pursuant to Title 11 of the Bankruptcy Code and, in particular, 11 USC § 366, will be held separate from any deposit collected under this **General Rule 3**, and will be refunded following the final ruling of the bankruptcy court.

The Company may also require the receipt of other security, which may include, but is not limited to an irrevocable letter of credit, surety bond (performance bond) or some other form of guarantee acceptable to the Company.

Except for seasonal Applicants or Customers, the amount of the deposit for any one Non-Residential account will not exceed one-sixth of the estimated annual billing at the service address. The deposit for a seasonal Applicant or Customer for any one account will not exceed the estimated ensuing season's billing for services provided by the Company.

Deposits will be refunded or credited as set forth in Section I of this **General Rule 3**.

Deposits are typically due in full prior to or at the time that service is activated or reactivated. However, at Company's discretion, a deposit may be billed with the first monthly bill following the service activation date.

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GENERAL RULES AND REGULATIONS
(continued)

Rule 3. Deposits and Other Security (continued).

III. NON-RESIDENTIAL. (continued)

A Non-Residential Customer that is required to pay a deposit to re-establish credit or to pay an additional deposit amount as set forth in this **General Rule 3** must pay the deposit within ten (10) Business Days from the date of the notice that a deposit is required. Such notice may also serve as the notice of disconnection required under WAC 480-90-128. At the Company's discretion, the deposit may be billed with the Customer's next regular monthly bill.

At the Company's discretion, a Non-Residential Applicant or Customer that cannot pay the deposit in full may be allowed to pay the deposit in three (3) consecutive installments. If paid in installments, the first payment is immediately due. The remaining amount will be billed and will be due and payable with each of the next two regular monthly bills. Failure to abide by the terms of a deposit installment plan is cause for Disconnection of Service. Service may be disconnected after written notice is issued not less than five (5) calendar days prior to the date of the scheduled disconnection, except that if a deposit is deemed unpaid because the check or draft for payment was not honored by the respective financial institution, notice of disconnection will be made as set forth in Section I of this **General Rule 3**.

Failure to pay a deposit or deposit payment, or to provide any other required security, is cause for disconnection of service. If service is disconnected, the entire deposit, plus the past due account balance, plus the applicable reconnection fee and late payment fee must be paid before service will be restored.

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GENERAL RULES AND REGULATIONS
(continued)

Rule 3. Deposits and Other Security (continued).

IV. SPECIAL DEPOSIT FOR ANTICIPATORY BREACH OR OTHER CIRCUMSTANCES (NON-RESIDENTIAL).

A deposit, bond, letter of credit, or other equivalent security may be required, in the amount of the charges for one-sixth of the estimated annual usage of a Non-Residential Customer at the service address, plus any fixed charges due upon termination of service where:

- (a) there is an anticipatory breach by a customer of a service agreement or special contract in the form of an overt communication of intention or an action which renders performance impossible or demonstrates a clear determination not to continue with performance; or
- (b) it is reasonably certain that a customer will discontinue service entirely prior to fulfilling existing tariff or other contractual obligations. Facts sufficient to establish such a reasonable certainty would include, but would not be limited to, the construction of a service connection to an alternative energy source; the installation of alternate fuel facilities; or other explicit acts, statements, or correspondence indicating an intent to discontinue service under existing tariff or contracts or otherwise to decline to comply with existing tariff or other contractual obligations.

The Company shall notify a Customer from whom a deposit has been required under this section that the Customer may dispute the requirement by appealing to the Commission as provided in WAC 480-07-910 or WAC 480-07-370. Pending resolution of the appeal, the Commission may require the Company to continue service upon such terms and conditions as the Commission finds reasonable. However, the Company may discontinue service 30 days after the date of its request for a deposit unless the Customer has provided the deposit, or the Commission has concluded its proceedings on appeal with an order that the deposit shall not be required.

(continue to Sheet 4.1)

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

NORTHWEST NATURAL GAS COMPANY

WN U-6 Fourth Revision of Sheet 20.1
Cancels Third Revision of Sheet 20.1

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GENERAL RULES AND REGULATIONS (continued)

Rule 20. Termination of Gas Service Account – By Customer.

Customers taking service under Rate Schedules 1, 2, 3, and 27 may terminate their gas service account by giving no fewer than three (3) business days notice prior to the desired Termination date. Notice may be oral or in writing. Customer shall be liable for all gas supplied to the Premise named in the application until the Termination date.

Customers taking service under Rate Schedules 41, 42, 43 or under a Special Contract may terminate their gas service account by giving written notice in accordance with the terms of the Rate Schedule or Special Contract. Where no notice period is stated, or where Customer is electing to change Rate Schedules, the notice period will be one (1) billing month in advance of the desired Termination date. A termination on less than the required notice may be cause for the Company to bill, and for the Customer to pay, the total of all fixed charges due for each Billing Month within the required notice period, and the closing bill proration of Monthly Fixed Charges as described in General Rule 4 will not apply.

Any amounts held by Company on account of a Customer for deposits, including accrued interest, or for Construction Contribution refunds payable to Customer at the time the account is terminated may first be applied to any deposit on a new account, or to any unpaid past due balance owing by Customer to Company on any other account for which the Customer is responsible, with any remaining amount applied as a credit on the closing bill of the terminating account. Any amounts owed to Company by Customer at the time the account is terminated will be reflected in the total balance due. If the closing bill reflects a credit balance, the credit amount will be refunded to Customer by check following the issuance of the closing bill. If the Customer has made a new service arrangement with the Company, such as applied for service under a new Rate Schedule, or applied for service at a new service address, any credit balance or balance due will be transferred to the account for the new service arrangement.

Closing bills will be issued as set forth in **Rule 4** of this Tariff.

The Company, in its sole discretion, may choose to leave the gas meter active following a voluntary termination of service by a Customer.

(continue to Sheet 21.1)

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