



## **INTERSTATE AND INTRASTATE STORAGE SERVICE OPERATING PROCEDURES**

### **Effective April 1, 2019**

This document sets forth the NW Natural (NWN, also known as “Owner” in the Operating Statement and “Company” in Rate Schedule 80) operating procedures that apply to the storage of customer-owned gas at NWN’s Mist storage facility and the associated transportation of gas to and from Mist on NWN’s distribution system facilities (Operating Procedures). The Operating Procedures are applicable to both interstate storage service at Mist pursuant to Section 284.224 of the Federal Energy Regulatory Commission’s (FERC) rules and regulations (Interstate Storage Service) and intrastate storage service at Mist pursuant to Rate Schedule 80 (Intrastate Storage Service). Customers should refer to the currently effective FERC approved Mist Storage Service Operating Statement (Operating Statement) and NWN’s Oregon Public Utility Commission (OPUC) approved Tariff Rate Schedule 80 Firm Storage Service (Rate Schedule 80) for specific information regarding the general terms and conditions for the storage of customer-owned gas at Mist (and associated transportation), and to their respective service agreement entered into with NWN (Service Agreement) for applicable rates and other storage service details.

These Operating Procedures are not a tariffed document, but may be referenced and incorporated by NWN’s currently effective Operating Statement or Rate Schedule 80. The requirements and procedures documented herein are subject to change by NWN, but at all times shall be consistent with the Operating Statement and Rate Schedule 80. Capitalized terms that are not otherwise defined herein shall have the meaning specified in the Operating Statement with respect to Interstate Storage Service, and in Rate Schedule 80 with respect to Intrastate Storage Service.

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

To be eligible to receive Interstate Storage Service or Intrastate Storage Service at Mist, a party (Customer) must:

1. Have an executed and currently-effective Service Agreement for Interstate Storage Service or Intrastate Storage Service with NWN.
2. Provide NWN with the names, telephone numbers and e-mail addresses of contact personnel authorized to initiate or revise Customer’s nominations. At least one contact should be available 24 hours a day, 7 days a week.

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

1. All Customer nominations must be submitted to the Gas Acquisition and Pipeline Services (GAPS) group within NWN's Gas Supply Department. Email is preferred, but a verbal nomination request will be accepted if it is followed-up with an email within a reasonable amount of time. Emailed nominations must be sent to the following address: [nominations@nwnatural.com](mailto:nominations@nwnatural.com).

For each daily nomination request, Customer or Customer's agent must provide NWN with the following information:

- a) Date of injection or withdrawal (gas day) and whether Customer desires to inject or withdraw;
- b) Receipt/delivery point number as specified by NWN;
- c) Downstream contract as specified by NWN;
- d) Net Dekatherms (Dth) requested at the delivery point;
- e) Contact name and contact phone number; and,
- f) Any other data required by upstream pipelines.

NWN will acknowledge receipt of nomination request by email reply.

**Changes to existing nominations during the course of the gas day should be clearly marked on the nomination form.**

2. All nomination requests must be received by NWN at least one hour prior to the Northwest Pipeline nomination deadlines.
3. All nominations should match Customer's anticipated storage activity as closely as possible on a daily basis.
4. NWN will notify Customer of its confirmation of the nomination in advance of the applicable upstream pipeline's next effective nomination deadline based on when Customer's nomination was received by NWN. At all times, NWN's provision of storage services will be subject to NWN system operating conditions, and NWN's storage service scheduling priority provisions per the Operating Statement or Rate Schedule 80, as applicable, regarding the applicable level of service being scheduled. Unless otherwise agreed or as limited by system operating constraints, all confirmed volumes will be delivered by Customer, or redelivered by NWN, at a uniform hourly rate of confirmed quantity divided by twenty-four (24). Variance from the uniform hourly rate will be allowed by NWN if NWN determines that it would not be detrimental to the operation of NWN's storage and related transportation facilities or adversely affect NWN's other customers. NWN must receive confirmation from Customer's upstream transporter prior to commencing any receipts or deliveries for Customer.
5. On any day, NWN is not obligated to receive or deliver on a firm basis more than the MDIQ or MDWQ specified in the Customer's firm Storage Service Agreement. On any day, NWN is not obligated to receive from or deliver to Customer any minimum quantity for "Interruptible" Interstate Storage Service. Should operating conditions allow for as-available or authorized overrun nomination requests, they will be scheduled on the next available nomination cycle. Please refer to the following scheduling priorities for firm, as-available, interruptible (available under Interstate Storage Service only) and authorized overrun nominations:

Service Priorities

Scheduling Process

**Firm**

*(Highest Priority)*

NWN review of storage accounts.

Customer nominations are confirmed for the next available processing cycle.

Firm service has priority over all other classes of service. In most cases, firm service has scheduling priority ahead of previously scheduled lower classes of service, i.e., firm service has intraday bumping rights. However, firm service nominations received outside of the timely or evening cycles may be prorated based on prior confirmation of other firm Customer as-available MDWQ requests, and such nominations will not bump previously scheduled interruptible service after the ID2 cycle.

**As-Available**

This level of service is only available to firm Customers so that they may nominate up to the full the MDWQ specified in their Service Agreements when a Customer's Working Gas inventory falls below fifty percent (50%) of its Maximum Storage Capacity. The MDWQ amounts that are subject to this priority level represent the difference between the full MDWQ specified in the Service Agreement and the Firm MDWQ amount that NWN can provide due to Customer's Working Gas level being below 50% as specified in the Table 1 in a Customer's Firm Service Agreement.

NWN will determine if additional capability exists to provide a firm Customer with the full MDWQ on any day it is nominated. NWN will

pro-rate requests in this level of service if needed based on customer MDWQ allocation percentages.

Once scheduled, volumes in this priority level can be bumped or reduced only by subsequently received firm service requests, but it will not be bumped by subsequently received as-available service requests.

Nominations for this withdrawal of volumes in this priority level can bump previously scheduled interruptible and authorized overrun service requests.

### **Interruptible**

Interruptible injection or withdrawal nominations under Interstate Storage Service may be requested for any cycle by a Customer, but will be subject to NWN's determination of its ability to provide the requested service.

NWN will notify the requesting Customer with a confirmation of any amount it is able to confirm. Interruptible storage service may be bumped in a later nomination cycle by a firm Customer's request or a firm Customer's request for the withdrawal of as-available volumes.

### **Authorized Overrun**


*(Lowest Priority)*

Only available to firm Customers requesting injections or withdrawals in excess of MDIQ/MDWQ specified in their Service Agreement.

Has no bumping rights and can be bumped by all higher priority levels of storage service.

6. Multiple Firm intraday nomination requests received by NWN at the same time may be pro-rated by NWN using the NAESB elapsed pro-rata methodology. Once confirmed and authorized by NWN, nominations by firm Customers during a gas day will not be bumped or reduced in full or in part by NWN due to a subsequent intraday firm nomination unless a Customer is changing its own prior nomination through an intraday nomination request. Firm Customer nomination requests, however, will have priority over previously received and scheduled interruptible Interstate Storage Service and authorized overrun quantity nominations.
7. Bumping: interruptible Interstate Storage Service and authorized overrun quantity confirmations are subject to bumping by higher priority levels of service. Such nominations are subject to a reduction to zero flow in the evening cycle, or to the elapsed pro-rata of the confirmed volume using the elapsed pro-rata methodology in the ID1 and/or ID2 cycles. Bumping in the ID3 or any subsequent cycle will occur to the maximum amount that can be accommodated by the applicable upstream transporting pipelines. Authorized overrun service will be bumped prior to interruptible Interstate Storage Service.
8. In the event that NWN has curtailed lower priorities of service and still must limit firm storage service initial injections or withdrawal requests or previously scheduled and confirmed injection or withdrawals for reasons allowed in its Operating Statement or Rate Schedule 80, as applicable, such firm injections or withdrawals will be pro-rated based on each firm Customer's MDIQ or Firm MDWQ as applicable using NAESB elapsed pro rata methodology. If firm Customers must be pro-rated and any firm Customer has not made a timely nomination to schedule its pro-rata share on any such gas day, then the firm Customers that have made timely nomination requests shall, to the extent practicable, be given the ability to inject or withdrawal in amounts greater than their allocated pro-rata share, not to exceed such Customer's MDIQ and firm MDWQ amounts set forth in their Service Agreements. These additional amounts will be identified by NWN and will be subject to bumping in later cycles except post ID3 by firm Customers then electing to receive their portion of the pro-rata share determined for them for that Gas Day. If there is available pro-rata space in the post ID3 cycle, NWN would schedule requests for that space for firm Customers.
9. In the event that bumping or restrictions are required, NWN will notify Customers of their revised confirmed amounts via email, instant message and/or phone call.
10. In the absence of a nomination, no changes or actions will be taken with regard to the Customer's account(s).

11. NWN's Gas Supply Department will send storage account information to Customers at month-end.
12. Storage service Customers may view a graph showing the historical total Mist working gas inventory on the web at <https://www.nwnatural.com/Business/TransportationAndStorage/StorageServices/MistInventoryGraph> . This graph is updated on a weekly basis but NWN makes no guaranty or warranty to any party as to the accuracy of its data or that such graph can be relied on to predict future Mist activity.
13. Questions should be directed to NWN as follows:
  - a) **New/Existing Contracts**  
Scott Johnson  
office: 503-721-2469  
mobile: 360-635-3325  
email: [scott.johnson@nwnatural.com](mailto:scott.johnson@nwnatural.com)
  - b) **Nominations**  
office: 503-226-4211, ext. 5170  
email: [nominations@nwnatural.com](mailto:nominations@nwnatural.com)
  - c) **Gas Control**  
office: 503-224-3532 (available 24 hours/day, 7 days/week)
  - d) **General questions**  
Randy Friedman, Senior Director, Gas Supply  
office: 503-721-2475  
email: [randy.friedman@nwnatural.com](mailto:randy.friedman@nwnatural.com)

By:   
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Randolph S. Friedman  
Senior Director, Gas Supply  
NW Natural