

Official Rules

Eligibility:

NO PURCHASE NECESSARY TO ENTER OR WIN. The Smart Energy Challenge is open to legal residents of the U.S. residing in Oregon who are at least eighteen (18) years of age at the time of entry and reside in the utility service territory of NW Natural Gas Company. By participating you agree that these Official Rules and the decisions of NW Natural are final and binding in all respects. All applicable federal, state, and local laws and regulations apply. Void where prohibited. The Smart Energy Challenge is sponsored by Northwest Natural Gas Company, dba NW Natural, 220 NW Second Avenue, Portland, OR 97209 (Sponsor). Employees, officers, directors and agents of NW Natural and its affiliates, advertising, promotion and fulfillment agencies, and their immediate family members and persons living in the same household, are not eligible to participate in the Smart Energy Challenge.

Entry Period:

Entries must be received by the Sponsor between 12:00 a.m. PT on June 15, 2009, and 4:00 p.m. PT on October 15, 2009.

Entry:

There are two (2) ways to enter:

1. Beginning June 15, 2009, challenges will be published from time to time at www.SmartEnergyChallenge.com. Challenges will require a participant's name, address, e-mail address, and phone number, and will typically require a response to questions relating to climate change or energy efficiency. However, some challenges may require participants to perform and document particular actions relating to climate change or energy efficiency. Eligible participants will receive one entry by reading and accepting the Official Rules and completing a challenge. Only one entry per person per challenge will be accepted. Example: if five challenges are published, the maximum number of entries one person may receive from challenges is five. Entries can be made online at
2. www.SmartEnergyChallenge.com. Mail-in entry forms will also be available in Portable Document Format (PDF) at www.SmartEnergyChallenge.com, which can be sent in a stamped #10 envelope to: Smart Energy Challenge, NW Natural Attn: Communications, 220 NW Second Avenue, Portland, OR 97209. Challenges are open from the time posted until the end of the Entry Period.
3. All NW Natural customers enrolled in the Smart Energy program at the time the Entry Period ends will be automatically granted one entry. Smart Energy enrollment will be determined by being in the Sponsor's Smart Energy customer information system as an active account in good standing at the time of the drawing.

Incorrect, illegible, partial or late entries will not be accepted. Sponsor reserves the right to disqualify any person who submits multiple entries for the same challenge. All entries become the exclusive property of Sponsor and will not be acknowledged or returned. Proof of sending will not be deemed to be proof of receipt by Sponsor. The winner may be required to show proof of being the authorized entrant. Any submission of robotic, automatic, or programmed entries, or any entries submitted by agencies, other third parties, or through other unapproved methods are void.

Winner Selection:

One (1) Grand Prize winner will be randomly drawn from eligible entries after October 15, 2009, and on or before October 30, 2009. Three (3) Second Prize drawings will each select one (1) Second Prize winner and will take place after the first challenge has been posted and before October 15, 2009. The dates for all drawings will be announced at www.SmartEnergyChallenge.com at least one week before the drawing date. Winners of a Second Prize will not be eligible to win another Second Prize, but will still be eligible to win the Grand Prize. Winners will be notified by phone and by certified

mail within three (3) days after determination. If a winner is found not to be in compliance with these Official Rules or is otherwise ineligible, an alternate winner will be selected from among all remaining eligible entries.

Requirements of Winner:

The winner will be required to sign and return a release of liability, declaration of eligibility, and publicity consent agreement within ten (10) days of acknowledged notification. By accepting and/or using the prize, winner agrees to allow Sponsor to use his/her name, voice and/or likeness for the purpose of advertising, trade, or promotion, and allow media coverage at the awarding of the prize without further compensation, unless prohibited by law. If a selected potential winner cannot be contacted, is ineligible, fails to claim the prize, or fails to return the completed and executed declaration and releases as required within the time prescribed, the prize will be forfeited and an alternate potential winner selected.

Prizes:

One (1) Grand Prize: The Grand Prize is a trip for four people to Crater Lake. Trip package includes four nights' accommodations at the Crater Lake Lodge (two rooms, double occupancy; Approximate Retail Value [ARV]: \$1,700); a rental hybrid SUV for five days (ARV: \$875); one (1) \$2,400 gift certificate which may be used for purchasing bicycles; one (1) \$1,300 gift certificate which may be used for purchasing cross-country ski packages; one (1) \$750 gift certificate which may be used for purchasing vehicle racks; and either one (1) \$2,500 prepaid gift card, or \$2,500 in travelers checks, which may be used for travel expenses. Winner must complete travel on or before October 31, 2010, or accommodations will be forfeited. Accommodations must be booked at least sixty (60) days prior to departure. Accommodations subject to availability. Winner or at least one travel companion must meet car rental agency requirements in order to receive automobile rental portion of the prize. Travel companions must execute liability and publicity releases before prize is awarded. All federal, state, and local taxes and fees associated with the prize are the sole responsibility of the winner. Any warranties relating to the prize shall be limited to those provided by the manufacturer. Sponsor reserves the right to substitute the prize or portion of the prize for one of equal or greater value. Prize is non-transferable and non-redeemable for cash. All prizes subject to terms and conditions of vendor. ARV for Grand Prize: \$9,525.00.

Three (3) Second Prizes: Second prize is a natural gas tankless water heater and installation. Winner must own their own house in order to qualify for installation. Prize is non-transferable and non-redeemable for cash. Installation is not transferable without prior written consent of Sponsor. Sponsor reserves the right to substitute the prize or portion of the prize for one of equal or greater value. Winner must execute liability and publicity releases before prize is awarded. All federal, state, and local taxes and fees associated with the prize are the sole responsibility of the winner. Any warranties relating to the prize shall be limited to those provided by the manufacturer. Prize is non-transferable and non-redeemable for cash. ARV for water heater: \$1,000. Installation cost will vary depending on the installation site. ARV for installation is estimated at \$1,500, not to exceed \$2,000. If the installation cost exceeds \$2,000, winner may choose to forego installation or pay for any additional installation cost beyond the \$2,000 provided by the prize.

Total ARV for all prizes: \$17,025.

Prize Odds:

Odds of winning depend upon the number of eligible entrants at the time of the drawing.

Limitations of Liability:

IN NO EVENT WILL NWN NATURAL OR ITS AFFILIATES, SUBSIDIARIES, RELATED COMPANIES, ADVERTISING OR PROMOTION AGENCIES OR ITS OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, REPRESENTATIVES AND AGENTS BE RESPONSIBLE OR LIABLE FOR ANY DAMAGES OR LOSSES OF ANY KIND, INCLUDING ATTORNEY'S FEES AND DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF YOUR PARTICIPATION IN THIS PROMOTION. WITHOUT LIMITING THE FOREGOING,

EVERYTHING IN THIS PROMOTION IS PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT. SOME JURISDICTIONS MAY NOT ALLOW THE LIMITATIONS OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OR EXCLUSION OF IMPLIED WARRANTIES, SO SOME OF THE ABOVE LIMITATIONS OR EXCLUSIONS MAY NOT APPLY TO YOU. CHECK YOUR LOCAL LAWS FOR ANY RESTRICTIONS OR LIMITATIONS REGARDING THESE LIMITATIONS OR EXCLUSIONS.

Additional Terms:

Sponsor reserves the right to disqualify any person or entry form that Sponsor determines to be in violation of any term contained in these Official Rules. Sponsor and the employees, officers, directors, shareholders, agents and representatives of Sponsor, its affiliates, subsidiaries, advertising, promotion, and fulfillment agencies, and legal advisors are not responsible for and shall not be liable for: (i) late, lost, delayed, damaged, misdirected, stolen, incomplete, illegible, unintelligible or postage-due entries, notices, releases, forms, affidavits, or other correspondence; (ii) telephone, electronic, hardware or software program, network, Internet, or computer malfunctions, failures, interruptions or difficulties of any kind; (iii) failed, incomplete, garbled, or delayed computer transmissions; (iv) any condition caused by events beyond the control of the Sponsor that may cause the Smart Energy Challenge to be disrupted or corrupted; (v) any injuries, losses, or damages of any kind arising in connection with or as a result of the prize, or acceptance, possession, or use of the prize, or from participation in the Smart Energy Challenge or arising from the participant's access to and use of the Web site www.SmartEnergyChallenge.com to the extent permitted by law including without limitation, personal injury, death, and property damage, and claims based on publicity rights, defamation, or invasion of privacy; or (vi) any printing or typographical errors in any materials associated with the Smart Energy Challenge. Sponsor reserves the right, in its sole discretion, to suspend or cancel the Smart Energy Challenge at any time if a computer virus, bug, worm, tampering, unauthorized intervention, fraud or other technical problem corrupts the administration, security, or proper execution of the Smart Energy Challenge. Sponsor reserves the right to halt or change the selection decision for the Smart Energy Challenge at any time due to situations beyond its control, such as strikes, acts of God, etc., or for any reason. In the event of such cancellation, Sponsor reserves the right to award prizes to another selected and eligible entry. Sponsor reserves the right to modify these rules for clarification purposes without materially affecting the terms and conditions of the Smart Energy Challenge. Sponsor reserves the right to cancel the Smart Energy Challenge at any time without obligation or prior notice.

Arbitration and Disputes:

Any controversy or claim arising out of or relating to the Smart Energy Challenge shall be settled by mediation and/or arbitration. If a dispute arises out of or relates to the Smart Energy Challenge, and if the dispute cannot be settled through negotiation, Sponsor and participant agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures. If the matter is not resolved within 60 days after initiation of mediation, then, upon notice by either party to the other, the dispute shall be finally settled by arbitration administered by the American Arbitration Association in accordance with the provisions of its Commercial Arbitration Rules. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Disputes shall be resolved individually, without resort to any form of class action. All issues and questions concerning the construction, validity, interpretation and enforceability of these Official Rules, or the rights and obligations of participant and Sponsor and its affiliates in connection with the Smart Energy Challenge, shall be governed by, and construed in accordance with the laws of the State of Oregon. Jurisdiction for all disputes shall be Multnomah County, Oregon.