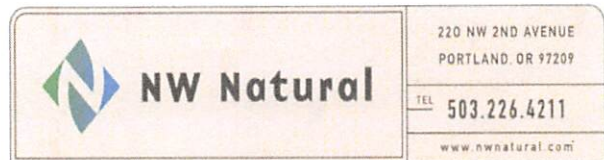


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May 31, 2017

VIA ELECTRONIC FILING

Steven King, Secretary and Executive Director
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive S.W.
P. O. Box 47250
Olympia, WA 98504-7250

Re: 2016 Annual Securities Transaction Report for Dockets UG-030290, UG-061700, UG-121968, UG-130150, UG-143634, UG-161164, and UG-161218

Mr. King:

This filing is submitted in accordance and in compliance with Washington Administrative Code 480-90-262 with respect to Northwest Natural Gas Company's (the "Company") annual securities transaction report.

Docket Under Which No Securities Were Issued.

No securities were issued under the following docket in 2016:

Docket UG-121968 (Revolving Line of Credit)

Correspondingly, there are no proceeds to report. However, expenses were incurred for the line of credit authorized under UG-121968; those expenses are disclosed in Section 3 of this Report.

Annual Securities Transaction Report For Year Ending December 31, 2016.

- (1) Schedule of Securities Issued.

Docket UG-143634, Dividend Reinvestment and Stock Purchase Plan:

On October 1, 2014, the Company filed a compliance statement with the Commission under Docket UG-143634 complying with RCW 80.08.040 with respect to the proposed issuance and sale from time-to-time of not more than 400,000 authorized but unissued shares of the Company's Common Stock pursuant to its Dividend Reinvestment and Stock Purchase Plan, as amended ("DRIP/DSPP").

During 2016, the Company issued and sold an aggregate of 73,441 shares of its Common Stock pursuant to DRIP/DSPP. Of such shares, 60,518 were sold through reinvestment by participants of their dividends, while the remaining 12,923 shares were sold to participants who elected to make optional cash payments. Book entries for the 73,441 shares were issued at various times to American Stock Transfer & Trust Company, custodial agent. Such fully paid shares are held by the transfer agent in individual participants' DRIP/DSPP Accounts until such participant requests that certificates be issued or that the shares be sold.

Date	Price	Shares Issued
<u>Dividend Reinvestment</u>		
2/12/16	\$52.48	16,858
5/13/16	\$57.80	15,064
8/15/16	\$63.34	13,596
11/15/16	\$56.67	15,000
<u>Optional Cash Payments</u>		
1/15/16	\$50.11	677
2/12/16	\$52.48	681
3/15/16	\$51.38	2,509
4/15/16	\$51.82	867
5/13/16	\$57.80	905
6/15/16	\$59.50	1,044
7/15/16	\$64.77	550
8/15/16	\$63.34	1,378
9/15/16	\$59.11	960
10/14/16	\$58.31	1,264
11/15/16	\$56.67	1,012
12/15/16	\$60.33	1,076
<u>Grand Total</u>		73,441

Docket UG-030290, Restated Stock Option Plan:

In February 2012, the Board of Directors decided that beginning in 2012, it would grant Restricted Stock Units with a performance threshold under the Company's Long Term Incentive Plan ("LTIP") instead of stock options. Accordingly, the Board of Directors terminated the Restated Stock Option Plan ("SOP") so that no new stock options may be granted under that plan, and obtained shareholder

approval to consolidate all equity incentive awards into LTIP. Therefore, no options to purchase shares were granted under the Plan in 2016.

In 2016, the Company issued 172,525 shares of its Common Stock under the SOP pursuant to options that were granted prior to termination of new issuances under the SOP. The weighted average employee purchase price per share was \$43.61, with net proceeds of \$7,523,993.50.

Docket UG-061700, Employee Stock Purchase Plan:

The Company made its seventeenth offering to its employees under the terms and conditions set forth in the Employee Stock Purchase Plan (“ESPP”). During 2016, the Company completed an offering to its employees that was made during the period October 26, 2015 through November 13, 2015 (the “2015 Offering”) and made a new offering under the Plan during the period October 19, 2016 through November 4, 2016 (the “2016 Offering”). Certain administrative terms of ESPP were amended in 2003. The 2015 and 2016 offerings were made at a price determined to be 85% (rounded to the next full penny) of the closing price quoted for the Common Stock on the New York Stock Exchange on the trading day before the initial date of each offering.

During the 2015 Offering, the Company offered to its employees not to exceed 78,758 shares of its Common Stock, at a price of \$40.51 per share. The Company received subscriptions for 20,784 shares, of which subscriptions for 2,588 shares were cancelled. During the 2016 Offering, the Company offered to its employees not to exceed 60,450 shares of its Common Stock, at a price of \$50.47 per share. As of December 31, 2016, the Company received subscriptions for 18,830 shares, with no cancellations. Payroll deductions taken by the Company in payment of the subscribed shares are held on behalf of the employee until the shares are to be purchased on the purchase date in December 2017.

At December 31, 2016, the Company had received from the nine offerings subscriptions totaling 179,498 shares, cancellations totaling 20,874 shares of such subscribed shares and cash in the amount of \$5,405,095.62 in full payment for 139,794 of the shares, and had issued certificates or authorized book-entry positions for the 139,794 shares to the respective employee purchasers as follows:

Offering Period	Price	Shares Subscribed			Shares Issued		Balance Subscribed
		Initial	Canceled	Total	Number	Gross Proceeds	
11/1/08 – 11/30/08 ¹	\$43.25	9,813	4,276	5,537	5,537	\$239,475.25	0
11/1/09 – 11/30/09	\$35.54	24,530	871	23,659	23,659	\$840,840.86	0
11/1/10 – 11/30/10	\$41.90	18,936	3,632	15,304	15,304	\$641,237.60	0
11/1/11 – 11/30/11	\$39.72	19,917	1,760	18,157	18,157	\$721,196.04	0
11/1/12 – 11/30/12	\$39.56	17,851	2,237	15,614	15,614	\$617,689.84	0
10/1/13 – 10/31/13	\$35.69	26,191	1,928	24,263	24,263	\$865,946.47	0
10/27/14 – 11/14/14	\$38.90	22,646	3,582	19,064	19,064	\$741,589.60	0

10/26/15 – 11/13/15	\$40.51	20,784	2,588	18,196	18,196	\$737,119.96	0
10/19/16-11/04/16	\$50.47	18,830	0	18,830	0	0	18,830
Total		179,498	20,874	158,624	139,794	\$5,405,095.62	18,830

¹ 3,078 of the 8,615 shares issued under the Plan in 2009 were issued under the authorization of Docket No. UG-001244. The subscriptions and cancellations are prorated between the two Dockets.

Docket UG-130150, Long-Term Incentive Plan:

Long-Term Incentive Plan (“LTIP”) shares were granted* and issued in 2016 as shown in the following table:

Purpose	Shares Granted	Shares Vested in 2016	Shares Issued
Performance-Based Awards	26,456 ¹	8,914	6,377 ²
Awards of Common Stock	0	0	0
Restricted Stock Units	40,271	29,488	21,200 ³
Incentive Stock Options	0	0	0
Non-Statutory Stock Options	0	0	0
Total	66,727	38,402	27,577

¹ Assumes market, performance, and service based grants currently outstanding are awarded at the target level. Actual awards may be above or below target.

² Of the 6,377 Performance-Based Award shares issued, 1,424 shares were deferred.

³ Of the 21,200 Restricted Stock Unit shares issued, 5,151 shares were deferred.

All LTIP shares issued in 2016 were issued March 2, 2016 with a fair market value of \$49.44 per share, except for 217 shares issued on March 31, 2016 with a fair market value of \$54.15 per share and 1,422 shares issued on May 25, 2016 with a fair market value of \$55.71 per share. The preceding fair market values are based on the closing price on the date preceding the date of issuance.

Docket UG-161164, Common Stock:

On October 25, 2016, the Company filed a statement, amended on October 28, 2016, complying with RCW 80.08.040, with the Commission for the proposed issuance and sale of up to 1,700,000 authorized but unissued shares of the Company’s Common Stock, no par value (“Common Stock”). Effective

* LTIP shares that are granted will be issued in whole or in part only upon satisfaction of certain performance criteria associated with the applicable LTIP grant.

November 8, 2016, the Commission entered its Order No. 01 establishing the Company's compliance with the requirements of RCW 80.08 with respect to the Company's intent to issue and sell up to 1,700,000 shares of Common Stock.

On November 16, 2016, the Company issued and sold through its underwriters, Wells Fargo Securities, LLC, RBC Capital Markets, LLC, J.P. Morgan Securities LLC, USCA Securities LLC, and Sidoti & Company, LLC, an aggregate of 1,012,000 shares of Common Stock of the common stock authorized by the Commission in Order No. 16-414 at a purchase price of \$54.63 per share.

Additional information regarding the sale of the Common Stock pursuant to Order No. 16-414 was provided in the Company's Initial Report of Securities Issued, and Disposition of Proceeds, filed on January 13, 2017.

Docket UG-161218, First Mortgage Bonds:

On November 15, 2016, the Company filed a statement, complying with RCW 80.08.040, with the Commission for the proposed issuance and sale of not more than \$225,000,000 aggregate principal amount of Medium-Term Notes, Series B in one or more tranches ("First Mortgage Bonds"). Effective November 18, 2016, the Commission entered its Order No. 01 establishing the Company's compliance with the requirements of RCW 80.08 with respect to the Company's intent to issue and sell up to \$225,000,000 aggregate principal amount of First Mortgage Bonds.

On December 5, 2016, the Company issued and sold through its selling agents Wells Fargo Securities, LLC, U.S. Bancorp Investments, Inc., MUFG Securities Americas Inc., and CIBC Capital Markets, \$150,000,000 aggregate principal amount, at 100 percent of par, of its First Mortgage Bonds, as follows:

Principal Amount Sold in this Docket	Coupon Interest Rate	Type of Note	Date of Issue	Maturity Date
\$75,000,000	1.545%	Secured	December 5, 2016	December 5, 2018
\$35,000,000	3.211%	Secured	December 5, 2016	December 5, 2026
\$40,000,000	4.136%	Secured	December 5, 2016	December 5, 2046

The First Mortgage Bonds were sold through a public offering pursuant to its Distribution Agreement dated as of March 18, 2009, among the Company, Banc of America Securities LLC, UBS Securities LLC, J.P. Morgan Securities, Wells Fargo Securities LLC, and Piper Jaffray & Co., as amended by the Company's Notice dated November 8, 2016.

Additional information regarding the sale of the First Mortgage Bonds was provided in the Company's Initial Report of Securities Issued, and Disposition of Proceeds, filed on February 2, 2017.

(2) Use of Proceeds from Securities Transactions.

Docket UG-143634, Dividend Reinvestment and Stock Purchase Plan:

Beginning on July 15, 2015, the Company began purchasing shares on the open market for purchase under the DRIP/DSPP, with the price for shares purchased on the open market being the average price (including brokerage fees) paid by the Purchasing Representative to obtain them.

Because all securities issued in 2016 were repurchased in the open market by the Company, there were no net proceeds to the Company.

Docket UG-030290, Restated Stock Option Plan:

The net proceeds of \$7,523,993.50 were applied towards the acquisition of property, the construction, completion, extension or improvement of the Company's facilities, the improvement or maintenance of the Company's service, or the discharge or lawful refunding of the Company's obligations, pursuant to RCW 80.08.030.

Docket UG-061700, Employee Stock Purchase Plan:

The net proceeds of \$737,119.96 were applied towards the acquisition of property, the construction, completion, extension or improvement of the Company's facilities, the improvement or maintenance of the Company's service, or the discharge or lawful refunding of the Company's obligations, pursuant to RCW 80.08.030.

Docket UG-130150, Long-Term Incentive Plan:

There were no proceeds associated with LTIP in 2016.

Docket UG-161164, Common Stock:

The total net proceeds of \$52,760,480 received from the initial sale of Common Stock pursuant to Docket UG-161164 were made for the acquisition of property, or the construction, completion, extension or improvement of its facilities, or the improvement or maintenance of its service, or the discharge or refunding of its obligations, or the reimbursement of moneys actually expended from income or from any other moneys in the treasury of the Company not secured by or obtained from the issue of stock or stock certificates or other evidence of interest or

ownership, or bonds, notes or other evidence of indebtedness of the Company for any of the aforesaid purposes except maintenance of service.

Docket UG-161218, First Mortgage Bonds:

The total net proceeds of \$148,262,954 received from the initial sale of First Mortgage Bonds pursuant to Docket 161218 were made part of the general treasury funds of the Company and will be used for the acquisition of property, or the construction, completion, extension or improvement of its facilities, or the improvement or maintenance of its service, or the discharge or refunding of its obligations, or the reimbursement of moneys actually expended from income or from any other moneys in the treasury of the Company not secured by or obtained from the issue of stock or stock certificates or other evidence of interest or ownership, or bonds, notes or other evidence of indebtedness of the company for any of the aforesaid purposes except maintenance of service, or to be used for refunding the Company's short-term debt incurred in connection therewith, in each case where the Company keeps its accounts and vouchers for such expenditures in such manner as to enable the WUTC to ascertain the amount of money so expended and the purpose for which expenditure was made.

(3) Expenses for Securities Transactions.**Docket UG-143634, Dividend Reinvestment and Stock Purchase Plan:**

The following Table lists the level of expenses for DRIP/DSPP in 2016:

	Amount
Total Value of Common Stock Issues	\$4,200,274
Plus premium or less discount	\$0
Less cash cost of open market common stock repurchases	\$4,200,274
Gross proceeds	\$0
Underwriter's spread or commission	-
Securities and Exchange Commission registration fee	\$357
State mortgage registration tax	-
State commission fee	-
Fee for recording indenture	-
United States document tax	-
Printing and engraving expenses	\$7,280
Trustee's charges	-
Accountant's fees	-
Cost of listing	-
Miscellaneous expense of issue (describe large items)	
Postage	\$12,539
Miscellaneous Fees	\$724
Preparation (RR Donnelley)	\$893
Attorney fees (Morgan Lewis)	\$7,895
Total Deductions	\$29,668
Net Amount Realized	\$(29,688)

Docket UG-030290, Restated Stock Option Plan:

There were no expenses associated with SOP in 2016.

Docket UG-061700, Employee Stock Purchase Plan:

There were no expenses associated with ESPP in 2016.

Docket UG-121968 (Revolving Line of Credit):

The following Table lists the level of expenses for the Revolving Line of Credit authorized in UG-121968 in 2016:

Lender commitment fees	\$410,416.67 ¹
Administrative agent fees	\$15,000.00
Upfront fees	\$0.00
Arrangement fee	\$0.00
Out-of-pocket legal and administrative costs to agent	\$0.00
Counsel fees	\$0.00
Total Expenses	\$425,416.67

¹ Of these fees, \$80,417 were attributable to 2015 though they were not paid by the Company until 2016.

Docket UG-130150, Long-Term Incentive Plan:

There were no expenses associated with LTIP in 2016. However, at the Company's election, all shares issued pursuant to the LTIP in 2016 were shares repurchased on the open market. The Company paid approximately \$1,050 in commissions associated with these open market purchases in 2016.

Docket UG-161164, Common Stock:

The expenses actually and necessarily incurred by the Company in the initial issuance of Common Stock were as follows:

Item	Common Stock Sold in this Docket on November 16, 2016
1. Price to Public/Gross Proceeds Estimated	<u>\$55,285,560</u>
Less:	
2. Underwriting/Agent discounts and commissions	(2,074,600)
3. Securities and Exchange Commission registration fee	(6,408)
4. New York Stock Exchange fee	(10,000)
5. Printing and engraving expenses	(9,269)
6. Trustee's or Registrar's fees	(5,000)
7. Counsel's fees	(193,209)
8. Accountants' fees	(88,960)
9. Miscellaneous expenses	0
10. Allocation of other shelf registration expenses	<u>(137,634)</u>
Total commissions and expenses	<u>(2,525,080)</u>
Net estimated amount to be realized	\$52,760,480

Note: Actual expenses for the Common Stock sold under Docket UG-161164 have been estimated using inquiries of service providers, because actual bills for services may not have yet been received.

Additional information regarding the sale of the Common Stock pursuant to Order No. 16-414 was provided in the Company's Initial Report of Securities Issued, and Disposition of Proceeds, filed on January 13, 2017.

Docket UG-161218, First Mortgage Bonds:

The expenses actually and necessarily incurred by the Company in the initial issuance of First Mortgage Bonds and the accumulative total in connection with the issuance and sale in this Docket of its First Mortgage Bonds, were as follows:

Item	1.545% Series B Secured MTN due 2018	3.211% Series B Secured MTN due 2026	4.136% Series B Secured MTN due 2046
Principal Amount.....	\$75,000,000	\$35,000,000	\$40,000,000
Less Discount	0	0	0
Gross Proceeds.....	\$75,000,000	\$35,000,000	\$40,000,000
Agent's Commission	\$187,500	\$218,750	\$300,000
Securities and Exchange Commission registration fee	8,693	4,057	4,636
State mortgage registration tax.....	0	0	0
New York Stock Exchange fee	0	0	0
State Commission fee.....	0	0	0
Fees for recording indenture.....	0	0	0
United States document tax.....	0	0	0
Printing and engraving expenses.....	3,211	1,498	1,712
Trustee's or Registrar's fees	4,250	1,983	2,267
Counsel's fees	100,960	47,115	53,845
Accountants' fees.....	2,500	1,167	1,333
Bond Rating Agency fees	150,000	150,000	150,000
Allocation of other shelf registration expenses.....	170,784	79,699	91,085
Subtotal.....	627,898	504,269	604,878
Net Amount Realized	\$74,372,102	\$34,495,731	\$39,395,121

Note: Actual expenses for the First Mortgage Bonds sold under this docket have been estimated using inquiries of service providers, because actual bills for services may not have yet been received.

(4) Schedule of Securities Retired, Refunded or Repurchased.

The following table provides information about purchases of our equity securities during the year ended December 31, 2016:

Type of Security	(a) Total Number of Shares Purchased ¹	(b) Weighted Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ²	Dollar Value of Shares Repurchased Under the Plans or Programs
Common Stock	105,637	55.28	0	\$0.00

¹ During the year ended December 31, 2016, 73,441 shares of the Company's Common Stock were purchased on the open market to meet the requirements of our Dividend Reinvestment and Direct Stock Purchase Plan. In addition, 32,196 shares of the Company's Common Stock were purchased on the open market to meet the requirements of our share-based programs. During the year ended December 31, 2016, no shares of our common stock were accepted as payment for stock option exercises pursuant to our Restated Stock Option Plan.

² We have a share repurchase program for our common stock under which we purchase shares on the open market or through privately negotiated transactions.

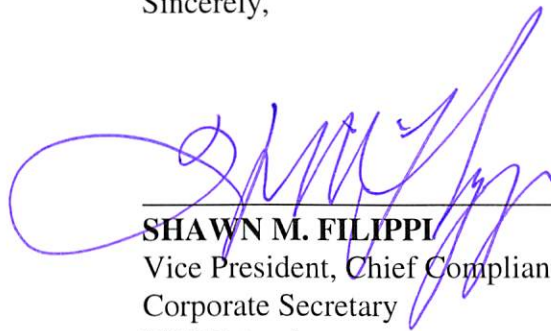
(5) Schedule of Securities Scheduled to Mature in 2017.

The following is a schedule of securities maturing in 2017:

7.00% Series B Medium-Term Notes	\$40,000,000
<hr/> Total	<hr/> \$40,000,000

If you have any questions, or need any additional information, please call.

Sincerely,



SHAWN M. FILIPPI

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