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June 2, 2014

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  
Attention: Supervisor of Utility Finance

Re: 2013 Annual Securities Transaction Report for Dockets UG-011173, UG-030290, UG-061700, UG-070940, UG-111521, UG-121329, UG-121968, UG-130150, and UG-131471.

Ladies and Gentlemen:

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 2013:

**Docket UG-070940 (Revolving Line of Credit)**

**Docket UG-121329 (Medium-Term Notes)**

**Docket UG-121968 (Revolving Line of Credit)**

Correspondingly, there are no proceeds to report, and in the case of Dockets UG-070940 and UG-121329, no expenses 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.

The medium-term notes authorized under Docket UG-121329 were issued in 2012, and the Company therefore will not file further reports on Docket UG-121329.

The line of credit authorized under Docket UG-070940 expired in 2012, and the Company therefore will not file further reports on Docket UG-070940.

**Annual Securities Transaction Report For Year Ending December 31, 2013.**(1) Schedule of Securities Issued.**Docket UG-011173, Dividend Reinvestment and Stock Purchase Plan:**

During 2013, the Company issued and sold an aggregate of 100,121 shares of its Common Stock pursuant to the Dividend Reinvestment and Stock Purchase Plan (“DRIP/DSPP”). Of such shares, 79,442 were sold through reinvestment by participants of their dividends, while the remaining 20,679 shares were sold to participants who elected to make optional cash payments. Book entries for the 100,121 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 participants request that certificates be issued or that the shares be sold.

<u>Date</u>	<u>Price</u>	<u>Shares Issued</u>
<u>Dividend Reinvestment</u>		
2/15/13	\$45.66	18,646
5/15/13	\$45.01	18,839
8/15/13	\$42.64	19,623
11/15/13	\$42.65	22,334
<u>Optional Cash Payments</u>		
1/15/13	\$44.46	1,140
2/15/13	\$45.66	812
3/15/13	\$43.77	1,407
4/13/13	\$45.19	758
5/15/13	\$45.01	1,785
6/14/13	\$42.83	2,826
7/15/13	\$43.72	2,586
8/15/13	\$42.64	2,176
9/13/13	\$40.55	2,951
10/15/13	\$41.58	1,398
11/15/13	\$42.65	1,452
12/13/13	\$41.99	1,388
<b><u>Grand Total</u></b>		<b>100,121</b>

**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 2013.

In 2013, the Company issued 33,800 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 \$32.16, with net proceeds of \$1,086,849.00.

**Docket UG-061700, Employee Stock Purchase Plan:**

The Company made its fourteenth offering to its employees under the terms and conditions set forth in the Employee Stock Purchase Plan ("ESPP"). During 2013, the Company completed an offering to its employees that was made during the period November 1, 2012 through November 30, 2012 (the "2012 Offering") and made a new offering under the Plan during the period October 1, 2013 through October 31, 2013 (the "2013 Offering"). Certain administrative terms of ESPP were amended in 2003. The 2012 and 2013 offerings were made at a price determined to be 85% (to the next full penny) of the closing price quoted for the Common Stock on the New York Stock Exchange on the business day before the initial date of the offering.

During the 2012 Offering, the Company offered to its employees not to exceed 137,506 shares of its Common Stock, at a price of \$39.56 per share. The Company received subscriptions for 17,851 shares, of which subscriptions for 2,237 shares were cancelled. During the 2013 Offering, the Company offered to its employees not to exceed 120,628 shares of its Common Stock, at a price of \$35.69 per share. As of December 31, 2013, the Company received subscriptions for 26,191 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 2014.

Pursuant to the Commission's authorization in Docket UF-061700, at December 31, 2013, the Company had received from the six offerings subscriptions totaling 117,238 shares, cancellations totaling 12,776 shares of such subscribed shares and cash in the amount of \$3,060,440 in full payment for 78,271 of the shares, and had issued certificates or authorized book-entry positions for the 78,271 shares to the respective employee purchasers as follows:

Offering Period	Price	Shares Subscribed			Shares Issued		Balance Subscribed
		Initial	Canceled	Total	Gross Proceeds		
11/1/08 – 11/30/08 <sup>1</sup>	\$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	0	26,191	0	0	26,191
Total		117,238	12,776	104,462	78,271	\$3,060,440	26,191

<sup>1</sup> 3,078 of the 8,615 shares issued under the Plan in 2009 were issued under the authorization of Docket No. UF-4172. 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 2013 as shown in the following table:

Purpose	Shares Granted	Shares Issued
Performance-Based Awards	37,300	5,317
Awards of Common Stock	0	0
Restricted Stock Units	25,428	3,407
Incentive Stock Options	0	0
Non-Statutory Stock Options	0	0
Total	62,728	8,724

All LTIP Shares issued in 2013 were issued March 6, 2013 with a fair market value of \$44.01, which is the closing price on March 5, 2013, the date preceding the date of issuance.

**Docket UG-131471, Issuance and Sale of Medium-Term Notes:**

On August 9, 2013, the Company submitted to the Commission a Statement Establishing Compliance with RCW 80.08.040 with Respect to the Proposed Issuance and Sale of Not More Than \$75,000,000 Principal Amount of Medium-Term Notes, Series B, under Docket UG-131471, which is hereby incorporated by

\* 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.

reference. On August 19, 2013, the Company issued and sold through its selling Agents J.P. Morgan Securities LLC and U.S. Bancorp Investments, Inc., \$50,000,000 aggregate principal amount, at 100%, of its Secured Medium-Term Notes. The Company will shortly file with the Commission and incorporate into this Report a verified statement outlining the terms and conditions of the transaction and setting forth actual proceeds from the issuance and, to the extent known, the disposition of proceeds.

(2) Use of Proceeds from Securities Transactions.

**Docket UG-011173, Dividend Reinvestment and Stock Purchase Plan:**

The net proceeds of \$4,348,550.78 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-030290, Restated Stock Option Plan:**

The net proceeds of \$1,086,849.00 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 \$617,689.84 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 2013.

(3) Expenses for Securities Transactions.**Docket UG-011173 (Dividend Reinvestment and Stock Purchase Plan):**

The following Table lists the level of expenses for DRIP/DSPP in 2013:

	Amount
Total Value of Common Stock Issues	\$4,377,052.23
Plus premium or less discount	\$0 <sup>1</sup>
Gross proceeds	\$4,377,052.23
Underwriter's spread or commission	-
Securities and Exchange Commission registration fee	\$542.97
State mortgage registration tax	-
State commission fee	-
Fee for recording indenture	-
United States document tax	-
Printing and engraving expenses	\$8,349.83
Trustee's charges	-
Accountant's fees	-
Cost of listing	-
Miscellaneous expense of issue (describe large items)	
Postage	\$13,262.85
Miscellaneous Fees	\$338.58
Preparation (RR Donnelley)	\$1,012.89
Attorney fees (Morgan Lewis)	\$4,538.33
Attorney fees (Stoel Rives)	\$456.00
Total Deductions	\$28,501.45
Net Amount Realized	\$4,348,550.78

<sup>1</sup> Common stock issued had no par value.

**Docket UG-030290, Restated Stock Option Plan:**

There were no expenses associated with SOP in 2013.

**Docket UG-061700, Employee Stock Purchase Plan:**

There were no expenses associated with ESPP in 2013.

**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 2013:

Lender commitment fees	\$313,333.33
Administrative agent fees	\$3,750.00
Upfront fees	\$150,000.00 <sup>1</sup>
Arrangement fee	\$0.00
Out-of-pocket legal and administrative costs to agent	\$0.00
Counsel fees	\$3,645.00 <sup>1</sup>
<b>Total Expenses</b>	<b>\$470,728.33</b>

<sup>1</sup> The \$150,000 in upfront fees and \$3,645 in counsel fees were incurred to extend the Revolving Line of Credit one year, to end on December 18, 2018, which extension was previously authorized by the WUTC.

**Docket UG-130150, Long-Term Incentive Plan:**

There were no expenses associated with LTIP in 2013.

(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, 2013:

Type of Security	(a) Total Number of Shares Purchased <sup>1</sup>	(b) Weighted Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>2</sup>	Dollar Value of Shares Repurchased Under the Plans or Programs
Common Stock	17,030	\$43.25	0	\$0.00

<sup>1</sup> During the year ended December 31, 2013, 17,030 shares of our common stock were purchased in the open market during the year under equity-based programs. During the year ended December 31, 2013, no shares of our common stock were accepted as payment for stock option exercises pursuant to our Restated Stock Option Plan.

<sup>2</sup> 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 2014.

The following is a schedule of securities maturing in 2014:

8.26% Series B Medium-Term Notes	\$10,000,000
3.95% Series B Medium-Term Notes	\$50,000,000
<u>Total</u>	<u>\$60,000,000</u>

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

Sincerely,

/s/ Shawn M. Filippi

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Shawn M. Filippi  
Senior Legal Counsel &  
Assistant Corporate Secretary