

Stock. A copy of Certified Board Resolutions is attached hereto as Exhibit E. The Special Financing Committee has not yet determined the specific terms of the proposed sale of Common Stock at this time. The resolutions approving the specific terms of the proposed sale of Common Stock will be submitted as Exhibit F at such time as they are approved by the Special Financing Committee.

NW Natural has filed a Statement with the Public Utility Commission of Oregon (the "OPUC") to establish preliminary compliance with applicable Oregon statutes and rules with respect to the Company's proposed issuance and sale of Common Stock necessary to generate gross proceeds of up to \$97 million, which is currently estimated to be up to 1,700,000 shares of Common Stock. The OPUC has not yet issued an order that permits the Company to issue the Common Stock.

The SEC Shelf Registration included as Exhibit B to this Application was filed with the SEC in December 2013 pursuant to the Securities Act of 1933. The SEC Shelf Registration will be replaced with a new shelf registration statement on or before December 3, 2016, which will be substantially similar to the SEC Shelf Registration. The Company will file a Prospectus and Prospectus Supplement under the SEC Shelf Registration for the Common Stock that is publicly offered.

(i) Consistency with Company Financing Plan

The financing plan described in this Statement is consistent with NW Natural's objectives to maintain a long-term capital structure consisting of approximately 50 percent common stock equity and approximately 50 percent long-term debt, and to maintain investment-grade credit ratings. As of the date of this Statement, the Company's long-term secured debt is rated "A1" by Moody's Rating and "AA-" by Standard & Poor's (S&P), the Company's unsecured debt is rated "A3" by Moody's and a Corporate credit rating of "A+" by S&P, and a stable credit outlook by Moody's and a stable credit outlook by S&P.