

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

_____ )	
In the Matter of the Application of )	
)	
NORTHWEST NATURAL GAS COMPANY, )	
dba, NW Natural )	Docket UG-161164
)	
For an Order Establishing Compliance with )	Initial Report of
RCW 80.08.040 with Respect to its )	Securities Issued, and
Proposal to Issue and Sell )	Disposition of Proceeds
up to 1,700,000 shares )	
of Common Stock. )	
_____ )	

On October 25, 2016, Northwest Natural Gas Company (the "Company") filed a statement, complying with RCW 80.08.040, with the Washington Utilities and Transportation Commission (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 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. This report is being filed in compliance with WAC 480-90-242(6).

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. The common stock was sold pursuant to a registration statement on Form S-3 (Registration Statement No. 333-214496) of the Company, which became effective automatically upon filing with the Securities and Exchange Commission on November 8, 2016, and a Prospectus Supplement dated November 14, 2016, to a Prospectus, dated November 8, 2016.

The following statements are filed in compliance with WAC 480-90-242.

(a)	Gross proceeds from the sale of 1,012,000 shares of Common Stock at \$54.63 per share <sup>1</sup>	\$55,285,560
Less:	Underwriting Discounts and Commissions <sup>1</sup>	(2,074,600)
	Expenses actually and necessarily incurred as detailed in this Report	(450,480)
	<b>NET PROCEEDS TO BE ACCOUNTED FOR</b>	<b>\$52,760,480</b>

<sup>1</sup> The closing price of the Common Stock on the New York Stock Exchange on November 15, 2016, the day prior to issuance, was \$56.20. Based on this closing price, investors may be deemed to have received a re-offer discount of \$1,588,840.

(b) Disposition of Net Proceeds

The total net proceeds of \$52,760,480 received from the initial sale of Common Stock in this Docket 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.

(c) Current Credit Ratings

The Company's current credit ratings for senior secured debt are AA- and A1 from S&P and Moody's respectively.

(d) Statement of Fees and Expenses

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

<u>Item</u>	<u>Common Stock Sold in this Docket on November 16, 2016</u>
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>
<b>Total commissions and expenses</b>	<u>(2,525,080)</u>
<b>Net estimated amount to be realized</b>	<b>\$52,760,480</b>

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

The Company has determined that the fees, interest rates, and expenses associated with the issuance of the Common Stock was cost-effective and consistent with competitive market prices.

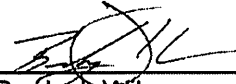
(e) **Material Agreements Entered into Connection with Sale**

The Material Agreements entered into in connection with the sale of the Common Stock are attached hereto as follows:

- Exhibit A Underwriting Agreement, dated November 10, 2016, by and among the Company and Wells Fargo Securities, LLC, J.P. Morgan Securities LLC and RBC Capital Markets, LLC, as representatives of the several underwriters
- Exhibit B Special Financing Committee resolutions approving the issuance of Common Stock.
- Exhibit C Registration Statement on Form S-3 filed with the Securities and Exchange Commission on November 8, 2016
- Exhibit D Prospectus Supplement, dated November 14, 2016, relating to the Company's Common Stock.

IN WITNESS WHEREOF, I certify (or declare) under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct this 13th day of January 2017.

NORTHWEST NATURAL GAS COMPANY

By:   
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Brody J. Wilson  
Chief Financial Officer, Treasurer, Chief  
Accounting Officer and Controller