

LEAD. INNOVATE. GROW.

Investor Presentation — December 2015

NW Natural®

FORWARD-LOOKING STATEMENTS

This and other presentations made by NW Natural from time to time, may contain forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as “anticipates,” “intends,” “plans,” “seeks,” “believes,” “estimates,” “expects” and similar references to future periods. Examples of forward-looking statements include, but are not limited to, statements regarding the following: plans, objectives, goals, strategies, future events including regional third-party projects, storage and pipeline expansion investments, commodity costs, customer and business growth, conversion potential, business risk, regulatory recovery, business development and new business initiatives, environmental remediation recoveries, gas storage markets and business opportunities, gas storage development or costs or timing related thereto, financial positions and performance, economic and housing market recovery, capital expenditures, liquidity, gas reserves and investments and regulatory recoveries related thereto, hedge efficacy, cash flows, return on invested capital, revenues and earnings and timing thereof, margins, dividends, credit ratings, the regulatory environment, effects of regulatory disallowance, timing or effects of future regulatory proceedings or future regulatory approvals, regulatory prudence reviews, effects of regulatory mechanisms, including, but not limited to, SRRM and the Company’s infrastructure investments, effects of legislation, and other statements that are other than statements of historical facts.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements, so we caution you against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements are discussed by reference to the factors described in Part I, Item 1A “Risk Factors,” and Part II, Item 7 and Item 7A “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Quantitative and Qualitative Disclosure about Market Risk” in the Company’s most recent Annual Report on Form 10-K, and in Part I, Items 2 and 3 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Quantitative and Qualitative Disclosures About Market Risk”, and Part II, Item 1A, “Risk Factors”, in the Company’s quarterly reports filed thereafter.

All forward-looking statements made in this presentation and all subsequent forward-looking statements, whether written or oral and whether made by or on behalf of the Company, are expressly qualified by these cautionary statements. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.



OUR MISSION

We provide safe, reliable and affordable energy in an environmentally responsible way to better the lives of the public we serve.

OUR CORE VALUES

Integrity
Safety
Service Ethic
Caring
Environmental Stewardship

MAINTAINING STRONG LEADERSHIP TEAM



Gregg S. Kantor, CEO

Mr. Kantor has served as Chief Executive Officer of NW Natural since January 1, 2009. Prior to 2009, he served as President of the company, President and Chief Operating Officer and as Executive Vice President. He came to NW Natural in 1996, and held various roles before being promoted to Executive Vice President in 2007. Mr. Kantor is a director of the American Gas Association, Oregon Business Council, and Greater Portland Inc., a member of Oregon Global Warming Commission, and All Hands Raised Advisory Council. He has served as Chair of the American Gas Association among other organizations. Mr. Kantor earned a Bachelor of Arts in Geography and Environmental Studies from the University of California at Santa Barbara and a Masters of Urban Planning from the University of Oregon.



David H. Anderson, President and COO

Mr. Anderson has served as NW Natural's President and Chief Operating Officer since July 2015. He previously served as Executive Vice President and Chief Operating Officer, Executive Vice President of Operations and Regulation, and as Senior Vice President and Chief Financial Officer beginning in 2004 when he joined the company. Before joining NW Natural, Mr. Anderson was Senior Vice President and Chief Financial Officer at TXU Gas. Mr. Anderson is a director on the Portland State University (PSU) Foundation Board, as well as Chair of the Investment Committee of PSU Foundation, and is a past board member of the Northwest Gas Association. Mr. Anderson holds a BBA in Accounting from Texas Tech University and is a CPA and CGMA.



Greg C. Hazelton
Senior Vice President and CFO

Mr. Hazelton has served as NW Natural's Senior Vice President and Chief Financial Officer since June 2015. Before joining NW Natural, Mr. Hazelton was Vice President of Finance, Treasurer and Controller at Hawaiian Electric Industries. Mr. Hazelton has also worked at investment banking firms on Wall Street, including Merrill Lynch, Lehman Brothers and UBS Investment Bank, where he was managing director for its Global Power and Utilities group. Mr. Hazelton holds an MBA from the University of Chicago and a bachelor's degree from Warner Pacific College. He also received a Certified Public Accountant Certificate from the State of Washington in 1996.



Brody J. Wilson
Controller and Chief Accounting Officer

Mr. Wilson has served as NW Natural's Controller since 2013. Prior to joining the Company in 2012, he was a Senior Manager at PricewaterhouseCoopers LLP where he worked in PwC's Energy & Utility Group in Portland, Oregon and London, England. Mr. Wilson is currently serving on the Boards of the Wind & Oar Boat School and the Oregon Sports Authority, both not-for-profit organizations in Oregon. Mr. Wilson is also a member of the American Gas Association's Accounting Advisory Council. Mr. Wilson holds a Bachelor of Science in Accounting from George Fox University and is a Certified Public Accountant in Oregon.

NW Natural®

AT THE FOREFRONT OF THE INDUSTRY



- **Largest stand-alone** LDC in Pacific Northwest serving Oregon and Washington
- Low-risk business profile with 90%+ of revenues from pure-play LDC
- One of the most **modern distribution systems** – no identified cast iron or bare steel
- **Progressive rate recovery** mechanisms:
  - Gas reserves investments
  - Decoupling mechanism
  - Weather normalization mechanism
  - Environmental cost recovery mechanism
  - Pension balancing mechanism
- **Growing service territory** delivering customer growth of 1.5%(1)
- **Experienced management team** with broad energy knowledge
- **Conservatively financed** business with strong credit profile
- **Stable dividends** with 60-year record of increasing dividends paid annually

(1) Customer growth measured over 12-month period ended September 30, 2015

NW Natural®

CONSERVATIVE, LOW-RISK BUSINESS STRATEGY

Stable utility margins through regulation

- Weather & decoupling mechanisms in Oregon
- Environmental cost tracking mechanism in Oregon
- Constructive relationships with regulators and customer groups

Operational excellence and efficient cost structure

- Commitment to safety, reliability, quality service and efficiency
- Continued focus on business operations footprint

Long-term growth opportunities that fit NWN's risk profile

- Utility: steady growth in customers and rate-base investments
- Mist facility: long-term contracts, asset optimization, planned expansion
- Gill Ranch facility: long-term storage value from California's RPS requirement and carbon reduction targets



Abundant supply of clean, affordable natural gas is creating new opportunities to grow our bottom line.

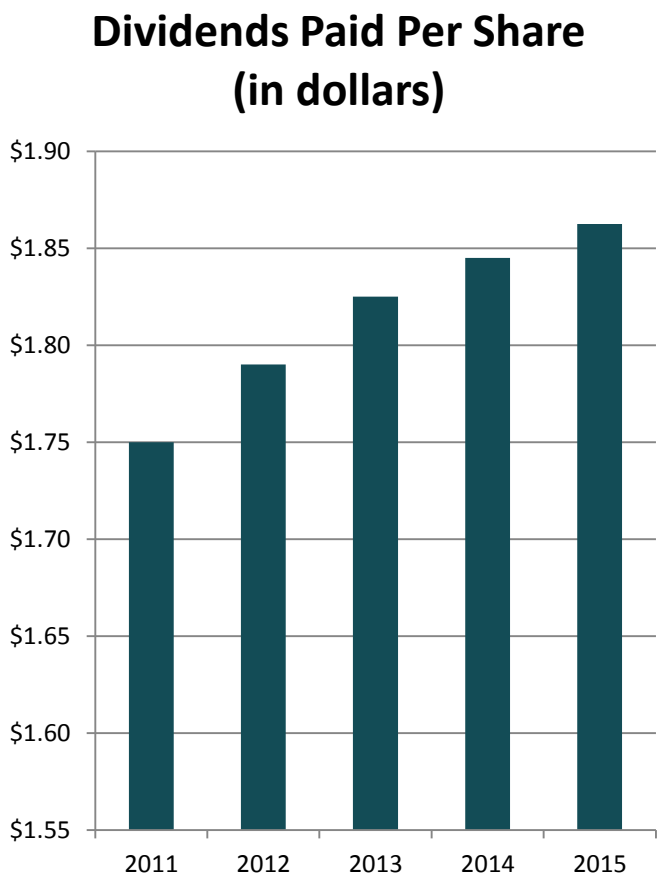
— Gregg Kantor, CEO

NW Natural®

SOLID SHAREHOLDER VALUE

Market capitalization(1)	$1.3B
Enterprise value(1)	$2.1B
Total assets(1)	$3.0B
Total rate-base assets(2)	$1.3B
Years increased dividend	60
Dividend yield(1)	4.1%
Total Shareholder Returns as of 12/31/2014	
One year	21.6%
Three year	17.5%
Five year	6.1%
Ten year	114.2%

Solid credit ratings with good liquidity and cash flows. Increased dividends paid to shareholders every year since 1956 – one of only four companies on the NYSE or NASDAQ.



(1) Metrics as of September 30, 2015 (2) Metric as of December 31, 2014

NW Natural®

UTILITY SEGMENT



























NW Natural®

CORE UTILITY SEGMENT

Pure-play LDC with 90%+ of revenues, net income, and assets from utility

Safe, Reliable Service

- Strong safety record - modern 14,000 mile distribution and transmission system
- Outstanding customer satisfaction - #1 in West, JD Power and Associates (2015)
- Resource diversity - 11 Bcf regulated gas storage and 2 Bcf LNG storage

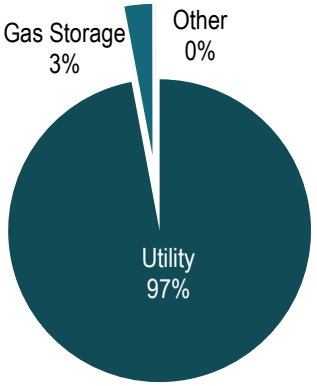
Optimal Service Territory

- Approximately 90% of customer base in Oregon and 10% in Washington
- Territory covers over 75% of Oregon's population
- Includes Vancouver (Clark County) - the fastest growing Washington county

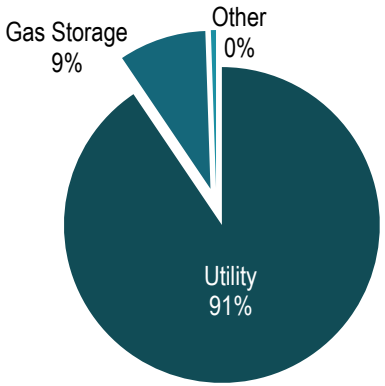
Growth Potential

- Organic opportunities - gas in approximately 60% of single-family homes
- High customer growth - over 10,600 customers added in last year as of 9/30/2015 and nearing 710,000 customer mark
- Positive housing fundamentals and economics in region
- Supportive regulation – environmental cost recovery mechanism and decoupling mechanism

Operating Revenues for 2014



Assets as of 12/31/2014



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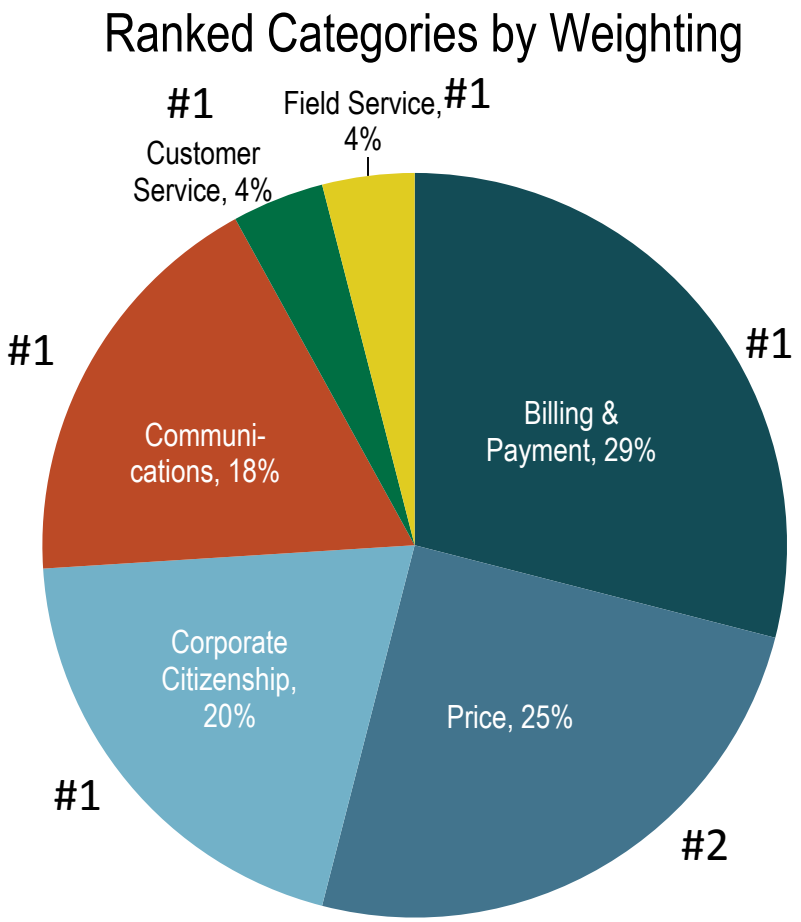
HIGH CUSTOMER SATISFACTION

JD Power Gas Utility Residential Customer Satisfaction Study 2015

- Ranked #1 in the West for the third year in a row
- Placed #2 in the nation
- Last 14 years ranked in top three in the West
- Scored in the top two in the nation for eight out of the last ten years
- NW Natural ranked #1 in five out of six ranked categories



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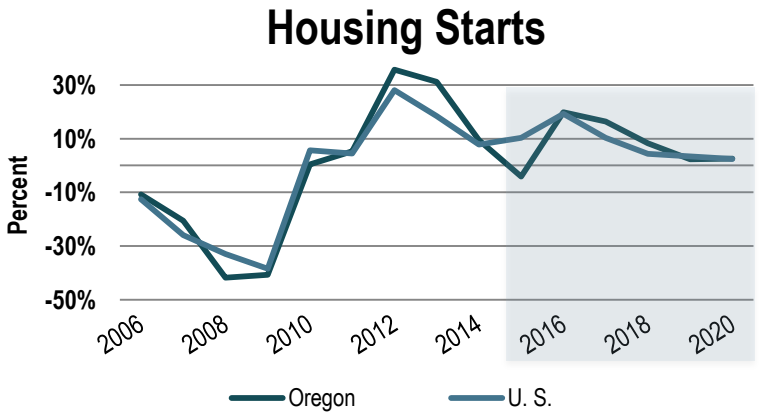
POSITIVE REGIONAL ECONOMICS

Strong Housing Fundamentals

- Oregon's housing market continues to improve since 2009
- Residential building permits up 16% for Portland and Vancouver areas over last twelve months
- Home sales up 22% in Portland and 20% in Vancouver, WA
- Housing starts are expected to increase from the current pace of 15k to 23k per year over the extended horizon
- Migration levels into Oregon are reaching pre-recession levels, and nearing the last great migration wave in the 1990s

Improving Employment Trends

- Unemployment rate at 5.6% in Oregon for September 2015
- Oregon added about 40k jobs over the 12 months ending September 30, 2015, for a year-over-year growth rate exceeding 3%



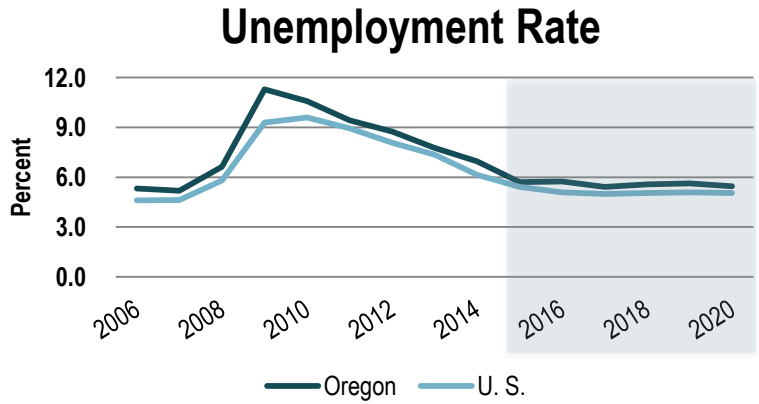


Chart Source: Oregon Office of Economic Analysis (updated September 2015)

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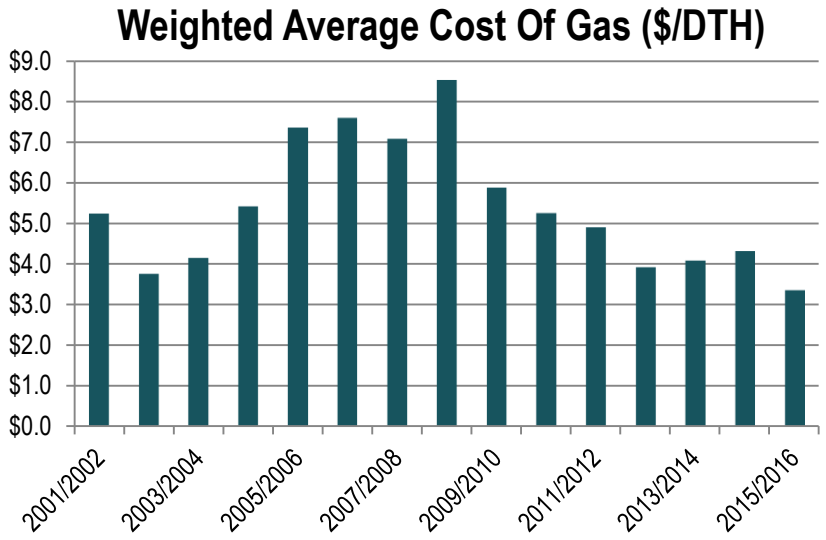
NATURAL GAS ADVANTAGE

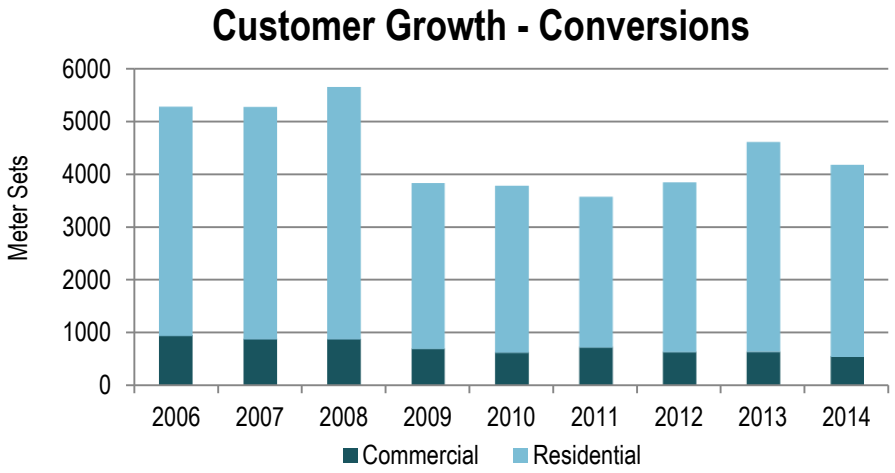
Abundant, Low Cost Gas Supply
- Lowest commodity prices in 15 years
- Significant price reduction since 2008

Significant Price Advantage
- Up to 60% price advantage over electric and oil furnaces

Clean Energy Choice
- Produces 45% less CO_2 than coal and 30% less than oil

Creating Opportunities
- Continued conversion opportunities in both residential and commercial sectors
- Utilized for transportation — high-pressure gas service CNG vehicle tariff approved
- Provides bridge fuel for renewables — opportunity for N. Mist gas storage expansion





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HIGH-GROWTH SERVICE TERRITORY

Solid Customer Growth Rate

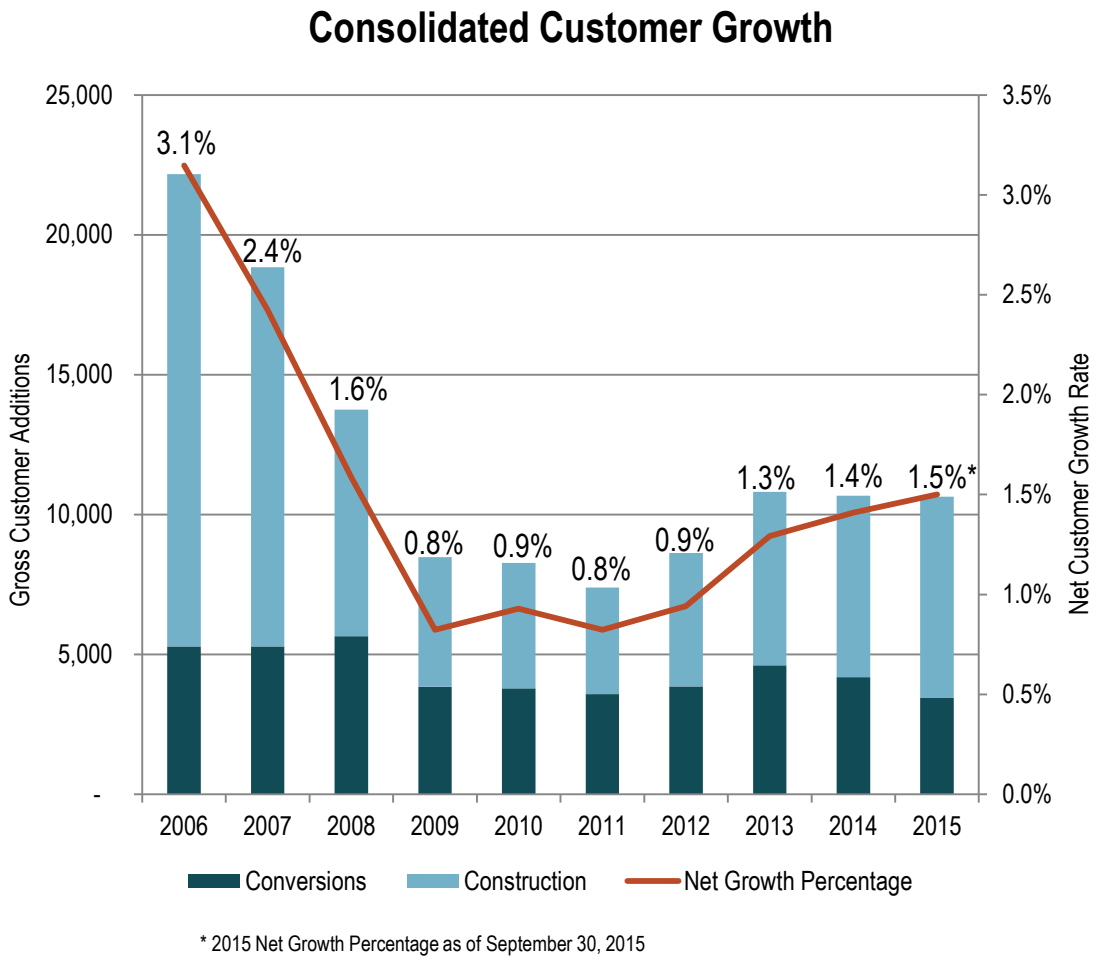
- NW Natural growth 1.5% at 9/30/2015
- Peer LDCs averaged 1.2% for 2014[(1)]

Strong Residential Growth

- Residential accounts for about 65% of utility margin
- Residential growth rate of 1.7% at 9/30/2015
- Since 2012, steady growth in single-family new construction

Steady Commercial Growth

- Commercial accounts for about 28% of utility margin
- Growth rate of 1.5% for 2014



* 2015 Net Growth Percentage as of September 30, 2015

(1) LDC peer group includes the following companies: NJR, SJI, OGS, PNY, WGL, LG, VVC, SWX, NFG, ATO, GAS, NI

NW Natural®

FOCUS ON LOW-RISK REGULATED GROWTH







- **Innovative Customer Connections Portal** with customer acquisition platform and conversion plan
- **Rate-base investments** supporting system reliability and customer growth
- **Planned utility Mist gas storage expansion** due to location and need for flexible gas-fired generation
- **Regulated gas reserves investments** securing long-term gas supply resources
- **Unique Carbon Solutions Program** with NWN first utility in the country to attempt this kind of program

NW Natural®

INNOVATIVE CUSTOMER ACQUISITION

Competitive Advantage

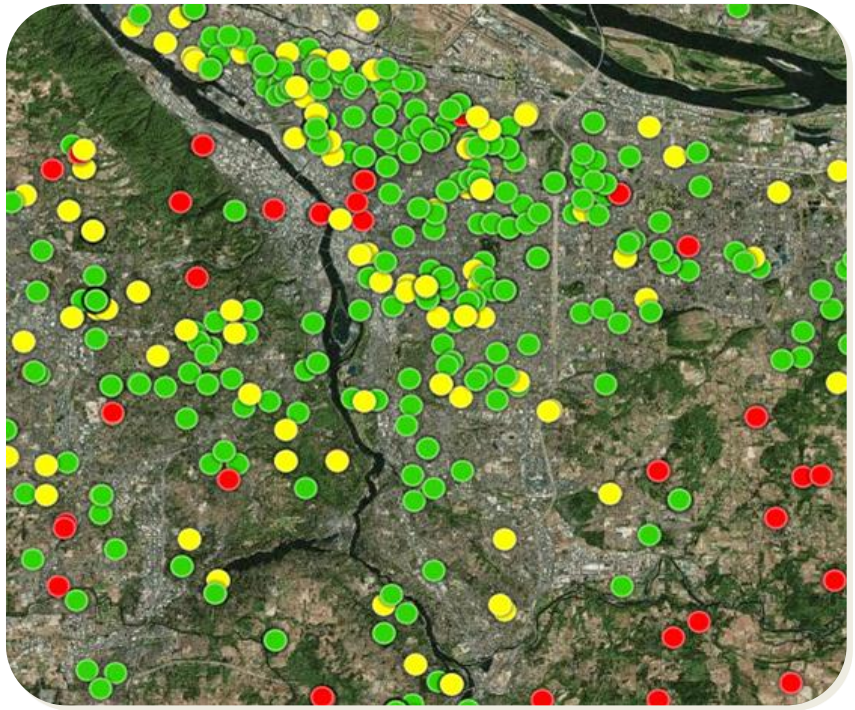
- Preferred energy source
- Low-cost, reliable, clean energy choice
- Natural gas in approximately 60% of single-family homes

Customer Connections Portal

- Web-based tool for targeted conversions
  - Launched in September 2013
  - Over 17,000 gas availability queries
  - Almost 30% of conversion sales used web tool
- Enhanced web services for trade allies
  - Launched in September 2014
  - Over 1,500 online orders submitted

Continuing Innovation

- Developing new approaches targeted at rental/multi-family market



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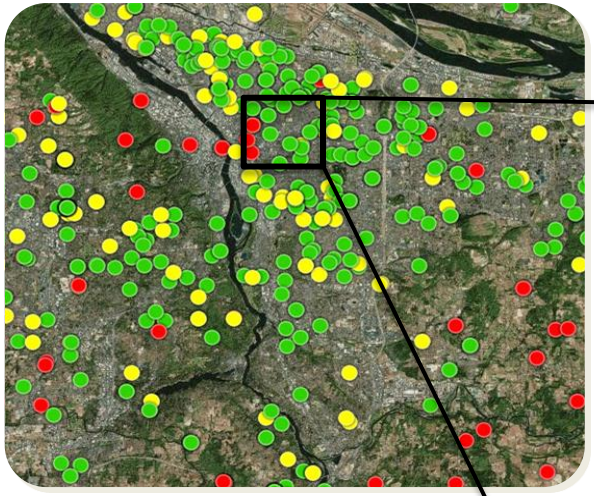
LEVERAGING CUSTOMER PORTAL





Portal Analytics

- Validate customer interest
- Overlay with propensity model for targeted marketing
- Plan for paving moratoriums more effectively
- Understand construction conditions and costs

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INVESTING FOR RELIABILITY & GROWTH

LNG Facilities

Newport LNG

- Facility built in 1977 with 0.9 Bcf capacity
- Upgrades needed to modernize the facility
- Estimated capex of $20-25 million over three years

Portland LNG

- Facility build in 1969 with 0.6 Bcf capacity
- Upgrades currently under evaluation



Vancouver, Washington Infrastructure

- Fastest growing region in service territory
- Infrastructure needed to serve new homes and businesses
- Expected investment total apprx. $25 million over five years

System Integrity

- New PHMSA gas safety regulation expected in 2016/2017
- Removed last three miles of known bare steel in 2015
- All known cast iron removed by 2000

Trail West – Potential Long-Term Opportunity

- Large regional projects (e.g., methanol plants) could require significant increase in pipeline capacity
- OPUC acknowledged in IRP a desire to keep Trail West Pipeline and Pacific Connector options open
- Trail West could provide a second pipeline delivery path for reliability

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UTILITY GAS STORAGE AT MIST

Overview

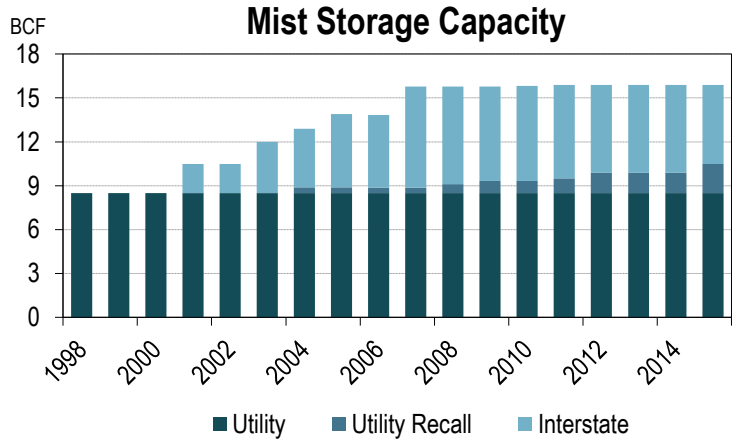
- In operation since 1989
- Interstate Storage Services (ISS) began in 2001
- Storage capacity at Mist 16 Bcf
  - 11 Bcf Core Utility
  - 5 Bcf ISS
- Recall in May 2015 of 0.7 Bcf back to utility

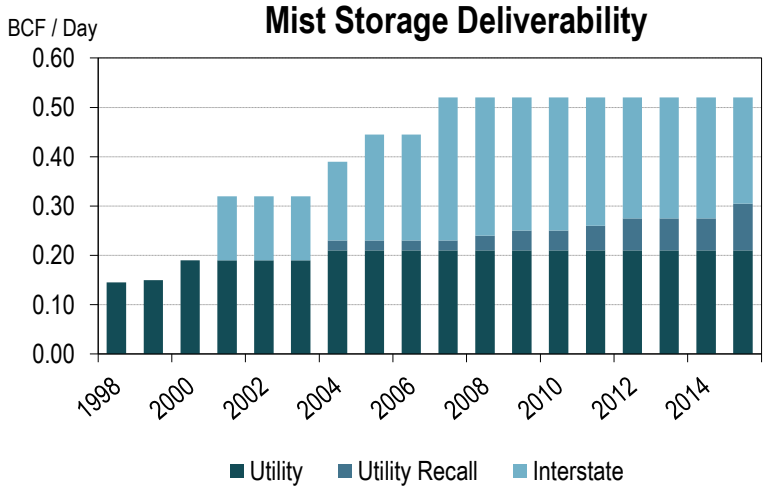
Unique Asset

- High-demand as limited storage options in Pacific NW
- Part of utility's diverse gas supply strategy for reliability
- Optimize ISS portion and share with utility customers
- Utility may recall ISS portion to fulfill core demand

Planned North Mist Expansion

- Regulated 2.5 Bcf expansion for PGE





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PLANNED EXPANSION MIST UTILITY STORAGE

Expansion Profile

Storage Capacity	2.5 Bcf
Deliverability	120,000 Dth/day
Estimated Capex Spend	$125 million
Current ROE	9.5%
Capital Structure	50:50
Target In-Service Date	Winter 2018/2019



Update

- Expansion to meet demand for flexible power generation in Pacific Northwest
- Innovative no-notice gas storage service with 24/7 turn capability
- Agreement with PGE to serve their Port Westward Plant, upon receiving notice to proceed
- Rate schedules approved in 2014
- Permitting and land acquisition work in progress
- Mist Site Certificate Amendment submitted in April 2015 to Oregon Energy Facilities Siting Council
- Expect proposed order from Department of Energy (DOE) and Siting Council in 2015
- Final DOE and Siting Council order expected in the first half of 2016

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REGULATED GAS RESERVES PROGRAM

Investment Goals

- Long-term gas price hedge for utility customers
- Rate-base return on invested capital
- Recovery of costs through customer rates

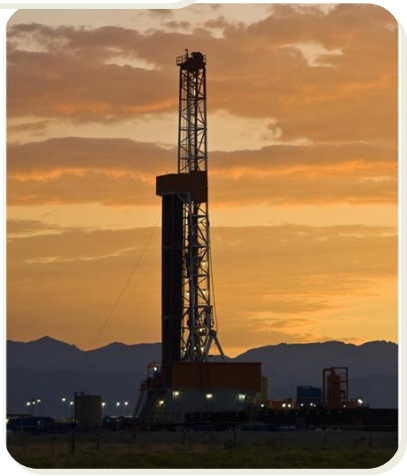
Original Agreement

- Deal with Encana in 2011; approved by OPUC in May 2011
- Gas costs and ROI tracked into rates with annual PGA
- Encana investment totaled $178 million

Amended Agreement

- Field sold to Jonah Energy in 2014
- Investment on a well-by-well basis with prudence review
- Jonah investment totals $10 million at 9/30/2015
- Cost recovery at $0.4725 per therm, the 10-year hedge rate at deal inception plus financing costs





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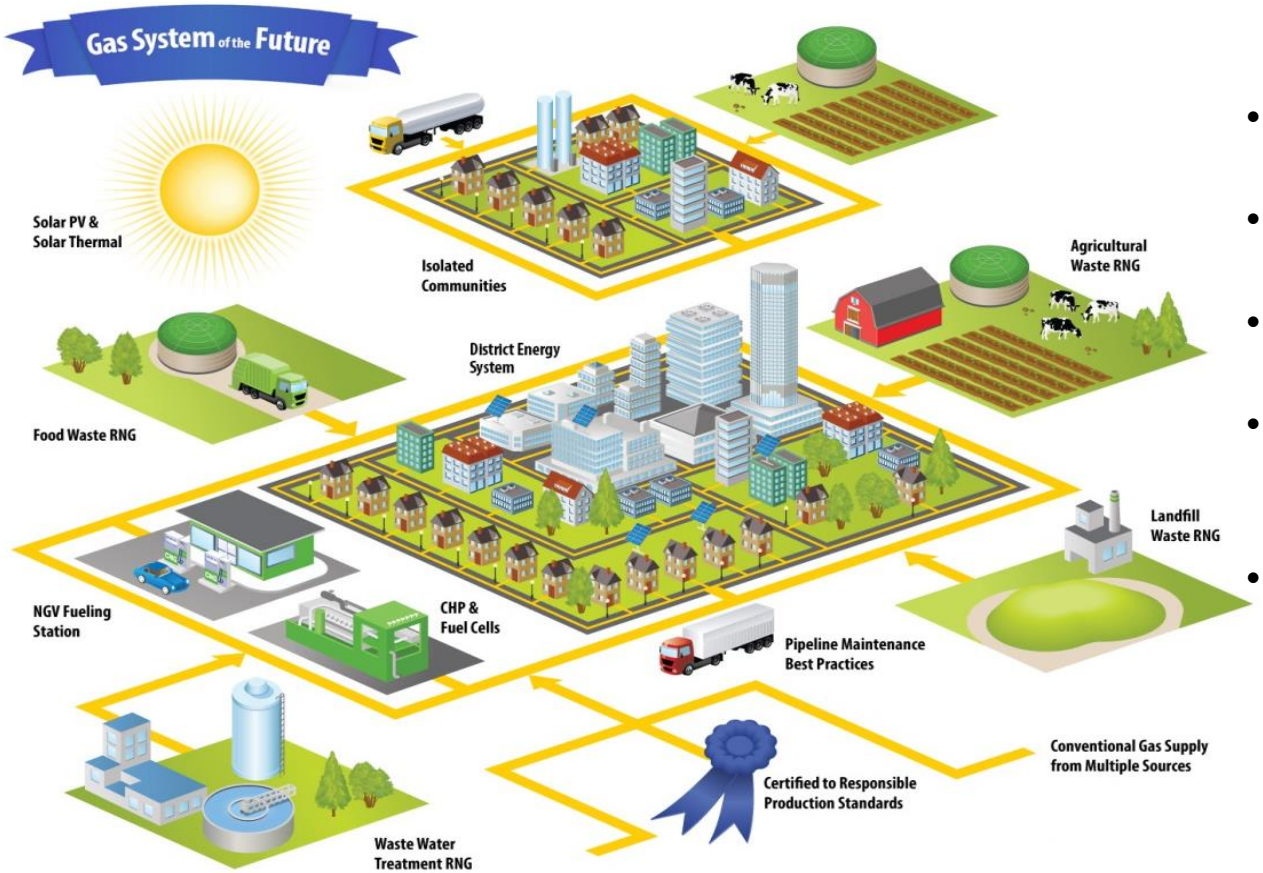
INNOVATIVE CARBON SOLUTIONS



- Supported by state legislation and OPUC rules
- Potential revenue up to 4% utility gross revenue cap
- Opportunity for utility incentives
- Submitted Combined Heat and Power program, expect decision in Q1 2016
- Developing oil conversion and waste-water treatment projects for potential submission

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REGULATORY OVERVIEW

	Oregon	Washington
Rate structures:		
Rate Case Year	2012	2009
ROE	9.5%	10.1%
ROR	7.8%	8.4%
Equity Ratio	50%	51%
2014 Rate Base	$1.2B	$0.1B
Key mechanisms:		
Purchased Gas Adjustment	✓	✓
Incentive Sharing(1)	✓	✓
WARM/Decoupling	✓	
Pension Balancing	✓	
Environmental Costs Recovery	✓	✓ (2)

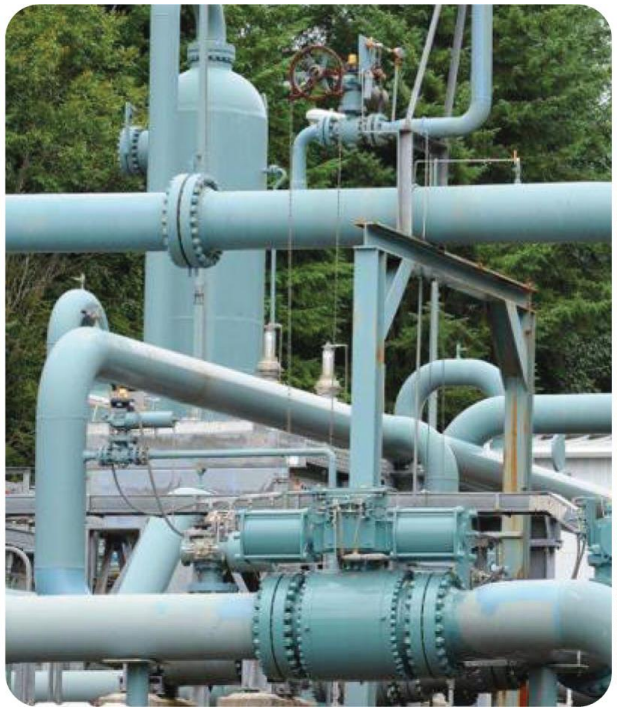
(1) In Oregon, NW Natural shares PGA gains and losses. In both Oregon and Washington, NW Natural shares with customers revenues it achieves through interstate storage and optimization activities.
(2) Washington allows deferral of environmental costs, but a cost recovery mechanism or methodology has not yet been established by the Washington Commission. A carrying charge related to deferred amounts will be determined in a future proceeding.

ONGOING REGULATORY PROCEEDINGS

- **Environmental Cost Recovery** – Revised compliance filing submitted in September 2015 and open for OPUC review and approval. Parties likely to raise two issues: interest on $15 million disallowance from earnings test and allocation of costs between states.
- **Carbon Solutions** – NWN submitted Combined Heat and Power project under SB 844 rules to OPUC in June 2015. Currently involved in OPUC proceeding with various positions from parties on policy and technical issues. Expect decision in Q1 2016.
- **Interstate Storage Sharing** – OPUC issued order in March 2015 requiring a third-party cost study to be performed. Forming steering committee with the Company, staff and customer groups to hire third-party and determine scope of study.
- **Commodity Hedging** – OPUC opened docket to discuss appropriate gas portfolio hedging in the state. NW Natural's request for guidelines on long-term hedging to be included in docket. WUTC also engaged in review of Local Distribution Company (LDC) hedging practices. Process not yet determined.
- **System Integrity Program (SIP)** – Sought extension of SIP. Commission ordered docket including all LDCs in state. Case may result in determination of our request and/or guidelines about safety cost trackers for the state.
- **Senate Bill 32** – Directs OPUC to form a work group to study methods that utilities may use to expand natural gas service to areas that do not currently have access to natural gas. Results of study expected in Q4 2016.

GAS STORAGE SEGMENT







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GAS STORAGE OUTLOOK

Interstate Storage (ISS) Portion of Mist Facility

Designed Capacity	5 Bcf
Max Deliverability	215,000 Dth/day
In-Service Date	1989

Gill Ranch Facility

Current Ownership	Gill Ranch Storage, LLC (GRS) 75% and PG&E 25%
Designed Capacity	20 Bcf Total (GRS portion 15 Bcf)
Max Deliverability	490,000 Dth/day
In-Service Date	2010
Expansion Potential	25 Bcf Total (GRS portion 7.5 Bcf)



Gill Ranch Storage Trends

- Contracted 2014-15 with short-term contracts, relatively flat price curve, & weak market conditions
- 2015-16 prices are slightly higher than 2014-15 historic lows
- Contracting for 2016-17 gas storage year in Q4 2015; expecting shorter-term contracts & in-line with market pricing
- Pursuing higher value service contracts, lower costs, and new market opportunities
- Expect flexible energy resources to be needed in California to meet state's RPS targets
- Ability to expand, but will depend on California storage market conditions

FINANCIAL PERFORMANCE













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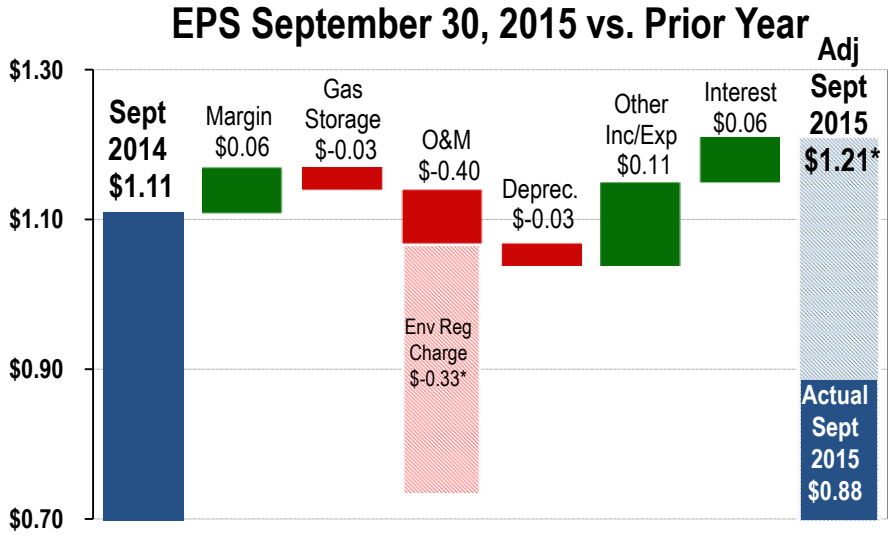
CONSOLIDATED FINANCIAL RESULTS

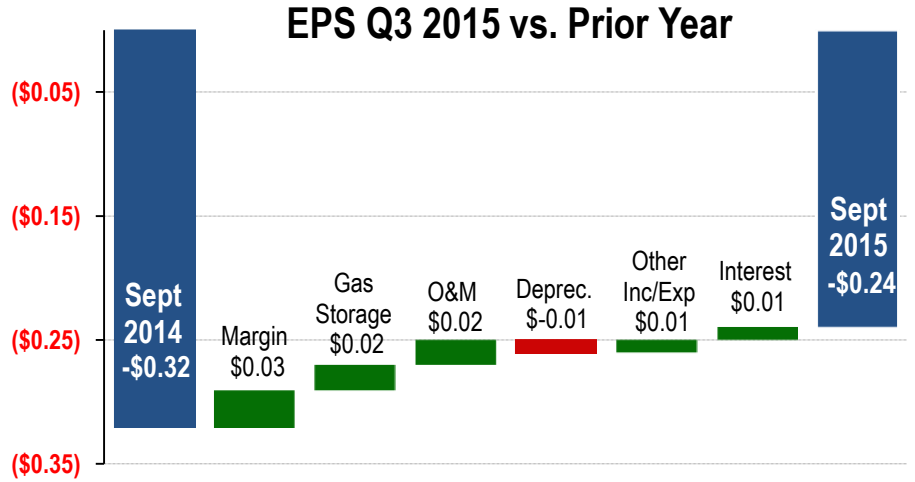
YTD 2015 compared to YTD 2014

- Net income $24.0M in 2015 ($0.88/sh) vs. $30.2M in 2014 ($1.11/sh)
- Adjusted net income* $33.1M ($1.21/sh) excluding $15M charge
- Utility margin increase on customer growth and rate base additions
- Gas storage revenue down on lower market prices for 2014/15 year
- O&M up on higher wages/benefits, offset by lower Gill repair costs
- Depreciation increase on added utility plant investments
- Other reflects equity interest income on regulatory balances
- Interest expense down due to debt redemptions



Q3 2015 compared to Q3 2014

- Net loss $6.7M in 2015 ($0.24/sh) vs. $8.7M in 2014 ($0.32/sh)
- Utility margin increase on customer growth and rate base additions
- Gas storage revenue up on higher contract prices for 2015/16 year
- O&M decrease on non-utility payroll expense
- Depreciation increase on added utility plant investments
- Other includes decrease in interest expense on regulatory balances
- Interest expense down due to debt redemptions



*Non-GAAP adjusted net income, EPS, and O&M excludes the after-tax regulatory disallowance related to the OPUC's Feb. 2015 environmental order. See page 30 for additional information.

NW Natural®

STRONG CASH FLOWS AND LIQUIDITY

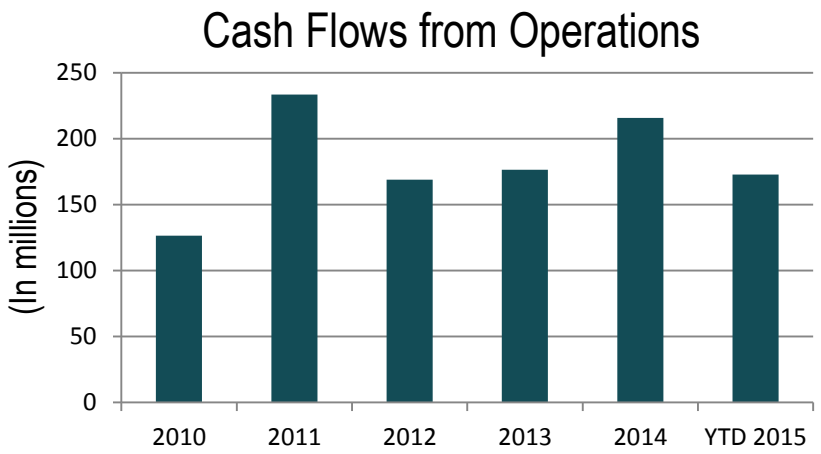
Cash Flows

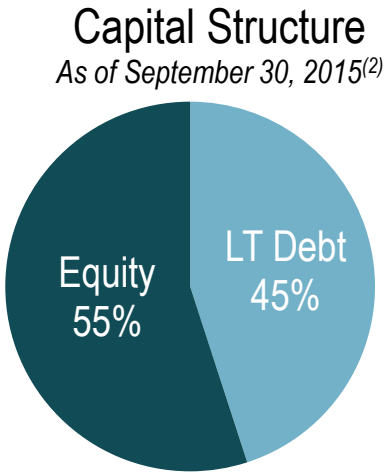
- Operating cash flows support capital needs
- Higher CFFO from insurance proceeds:
  - Approximately $100 million in 2014
  - About $40 million in 2011

Liquidity

- $300 million credit facility through 2019
- $50 million short-term bilateral credit facility through April 2016
- Access to capital markets
- Solid credit ratings(1)

	S&P	Moody's
Secured Debt	AA-	A1
Commercial Paper	A-1	P-2
Outlook	Stable	Stable





(1) The above credit ratings are dependent upon a number of factors, both qualitative and quantitative, and are subject to change at any time. The disclosure of these credit ratings is not a recommendation to buy, sell or hold NW Natural securities.

(2) Target utility capital structure is 50/50 equity to long-term debt.

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A PATH TO SUCCESS

Stable utility margins

- Utility-focused business with stable core customer revenues and organic growth potential
- Company results continue to show steady growth from utility

Operational excellence and efficient cost structure

- Consistently high ratings on customer satisfaction and system reliability
- Strong balance sheet
- 60-year history of increasing dividends paid to shareholders

Long-term growth opportunities

- Attractive growth opportunities with abundant supply of clean, affordable natural gas
- Focused marketing efforts on new construction, conversions, and multi-family
- New web-based customer portal tools at www.nwnatural.com
- Innovative ideas and new programs (Gas Reserves, Carbon Solutions)
- Storage development opportunities to support flexible energy resource needs



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NW NATURAL AT A GLANCE

About NW Natural

NW Natural (NYSE: NWN) is headquartered in Portland, Ore., and provides natural gas service to about 707,000 residential, commercial, and industrial customers through 14,000 miles of mains and service lines in western Oregon and southwestern Washington. It is the largest independent natural gas utility in the Pacific Northwest, with $3.0 billion in total assets. NW Natural and its subsidiaries currently own and operate underground gas storage facilities with designed storage capacity of approximately 31 Bcf in Oregon and California. Additional information is available at www.nwnatural.com.

Key Indicators:	Q3 YTD 2015	Q3 YTD 2014	FYE 2014
Total customers	706,566	695,902	704,644
Total common equity ($000)	$ 759,209	$ 752,257	$ 767,321
Average diluted common shares outstanding (000)	27,399	27,195	27,223
Consolidated tax rate	39.9 %	41.0 %	41.5 %
Institutional ownership	61 %	61 %	62 %
Dividends paid	$ 1.395	$ 1.380	$ 1.85
Diluted earnings per share	$ 0.88	$ 1.11	$ 2.16
Book value per share	$ 27.74	$ 27.65	$ 28.12
Composition of Utility Revenues:			
Residential	57 %	58 %	59 %
Commercial	31 %	31 %	31 %
Industrial	11 %	10 %	9 %
Other	1 %	1 %	1 %

Non-GAAP Financial Information

Non-GAAP adjusted net income, EPS, and O&M excludes the $9.1 million after-tax regulatory disallowance related to the OPUC's February 2015 environmental order. Amounts per share are calculated using the combined federal and state statutory tax rate of 39.5% and divided by 27,399 thousand dilutive shares.

For Investor information, please contact:
Nikki Sparley, Investor Relations Manager
Email: nikki.sparley@nwnatural.com
Phone: 503-721-2530

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APPENDIX







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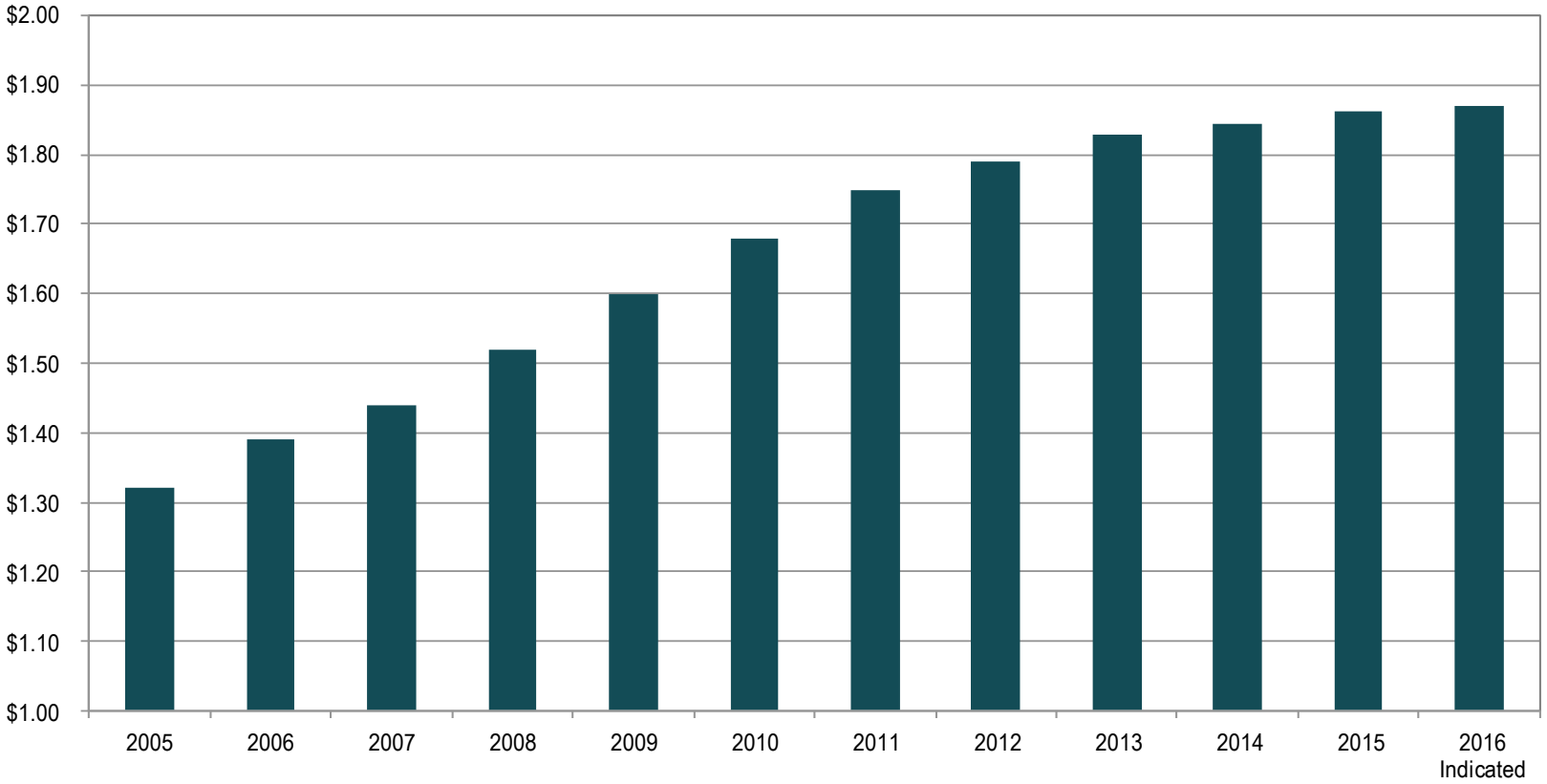
DIVIDEND HISTORY



- 2015 marked the 60th consecutive year of increased dividends paid to shareholders
- Dividend yield of 4.1% at September 30, 2015
- One of the longest running dividend increase records of companies on the NYSE

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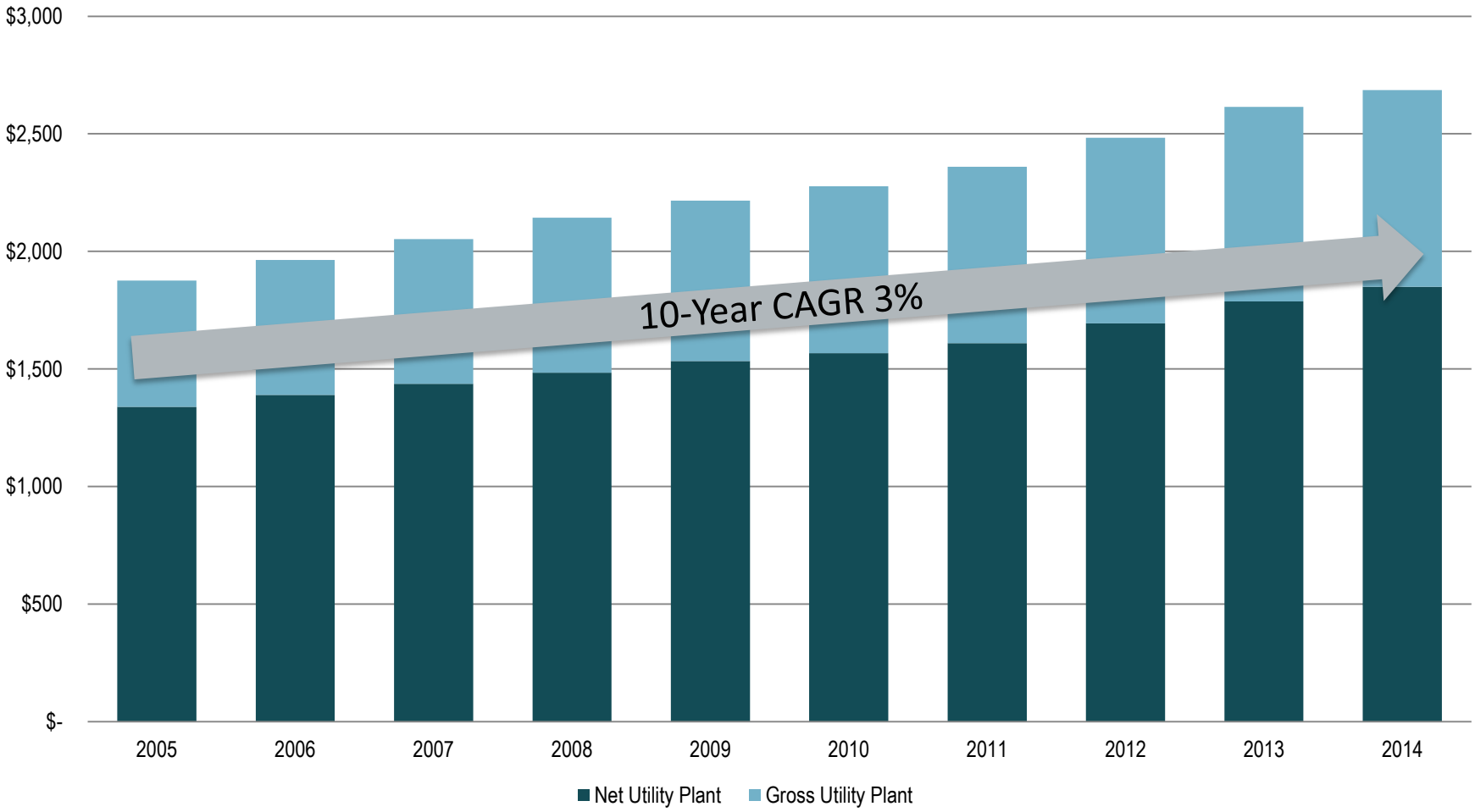
CAP-EX SPEND

	Actuals				Forecast
(In millions)	**2012**	**2013**	**2014**	**YTD Sept. 2015**	**Annual 2015**
Utility Capex	$130	$137	$117	$85	$140 to 150
Gas Reserves	$54	$54	$27	$1	$0
Utility Total	**$184**	**$191**	**$144**	**$86**	**$140 to 150**
Gas Storage	$2	$2	$3	$2	$0 to 10
Total	**$186**	**$193**	**$147**	**$88**	**$140 to 160**

- 2015 includes spend for the Integrated Resource Plan filed in 2014, and acknowledged by OPUC in Feb. 2015
- 2015 also includes estimated utility North Mist spend for permitting and land acquisition work
- Five year utility cap-ex from 2015 to 2019 is estimated between $850 to $950 million

UTILITY PLANT INVESTMENTS



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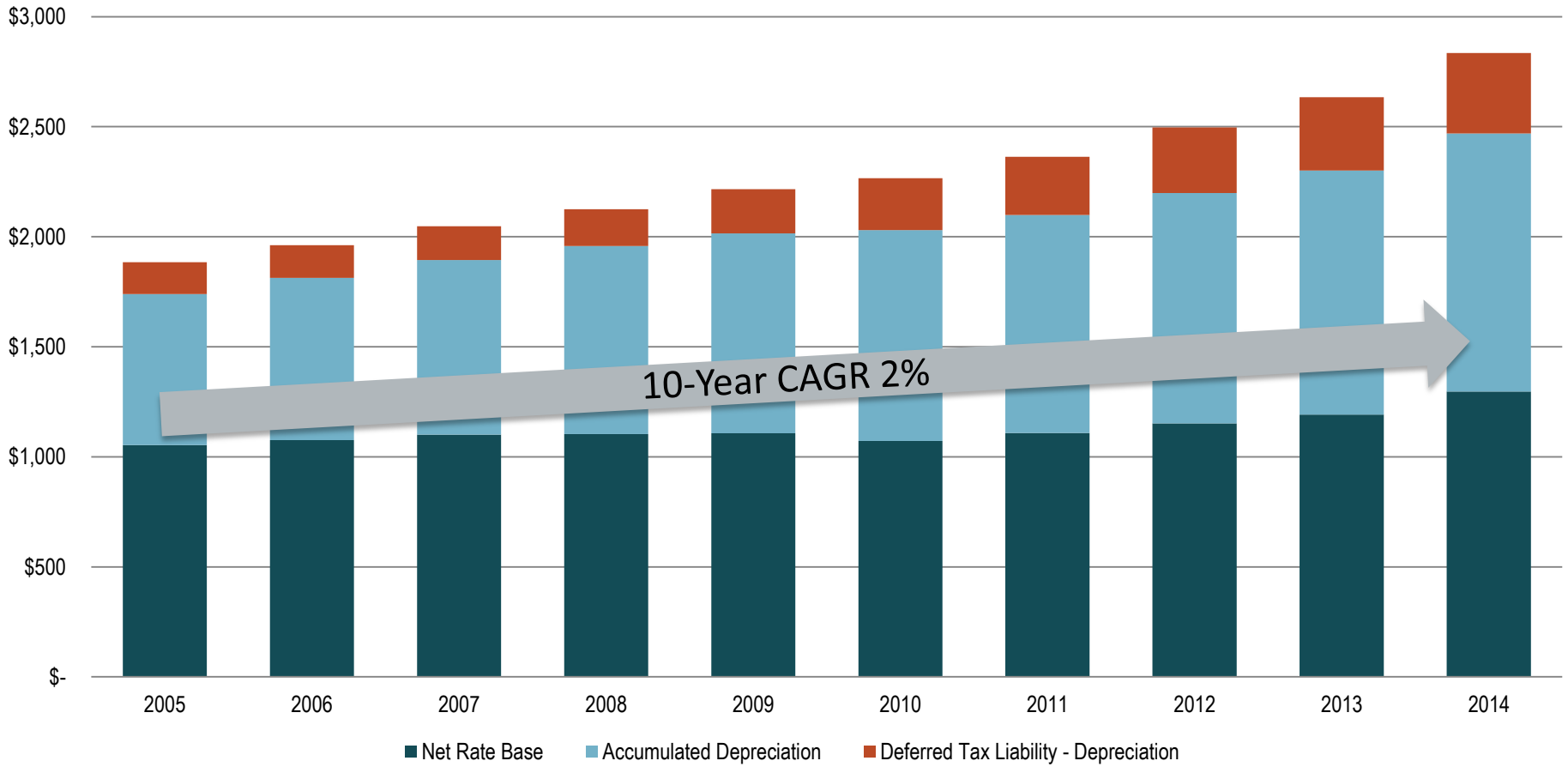
RATE BASE GROWTH



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SUPPORTIVE REGULATORY MECHANISMS

Oregon	Decoupling	• Breaks link between earnings and consumption by removing incentive to increase usage • Employs use-per-customer decoupling calculation, which adjusts margin revenues to account for the difference between actual and expected customer volumes
Oregon	Weather Normalization (WARM)	• Stabilizes collection of fixed costs for residential and commercial customers • Adjusts billings based on temperature variances compared to average weather • Applied from December through May of each heating season
Oregon and Washington	Purchased Gas Adjustment (PGA)	• Adjusts annual rates to reflect changes in expected cost of gas commodity purchases • Includes spot purchases, contract supplies, derivatives, storage inventories, gas reserves • Includes temporary rate adjustments amortizing deferred regulatory account balances
Oregon and Washington	Environmental Cost Deferral	• Allows for deferral of environmental costs and in Oregon the accrual of carrying costs • Recovers full environmental costs through a site remediation mechanism (SRRM) in Oregon, subject to an annual prudence review and earnings test(1) • Defer expenses in Washington, carrying charge to be determined in future proceeding
Oregon	Pension Balancing	• Defers annual FAS 87 pension expenses above the amount set in rates • Expect deferral account to come to zero after nearer-term years of higher pension costs are balanced with future years of lower pension costs

(1) To the extent the utility earnings are above its authorized ROE the utility is required to cover environmental expenses that exceed $10 million plus interest on the outstanding balance of insurance proceeds.

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OREGON & WASHINGTON COMMISSIONS

Public Utility Commission of Oregon (OPUC)

Susan Ackerman, Chair



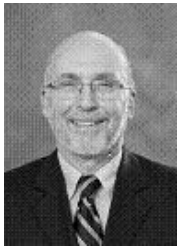
- Originally appointed March 2010
- Reappointed March 2012
- Appointed chair June 2012
- Current term ends March 2016

John Savage, Commissioner



- Originally appointed September 2003
- Reappointed three consecutive times
- Current term ends March 2017

Stephen Bloom, Commissioner



- Appointed December 2011
- Current term ends November 2015

Washington Utilities and Transportation Commission (WUTC)

David Danner, Chair



- Appointed chair February 2013
- Current term ends January 2019

Ann Rendahl, Commissioner



- Appointed December 2014
- Current term ends November 2020

Philip Jones, Commissioner



- Originally appointed March 2005
- Reappointed March 2011
- Current term ends February 2017

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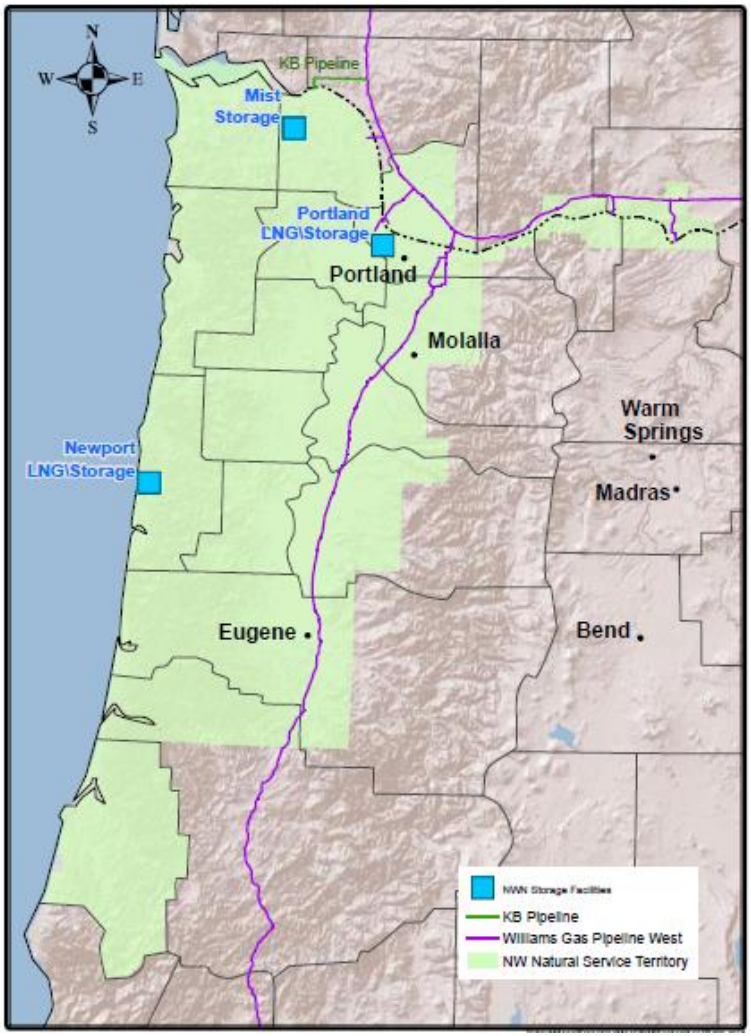
UTILITY SERVICE TERRITORY



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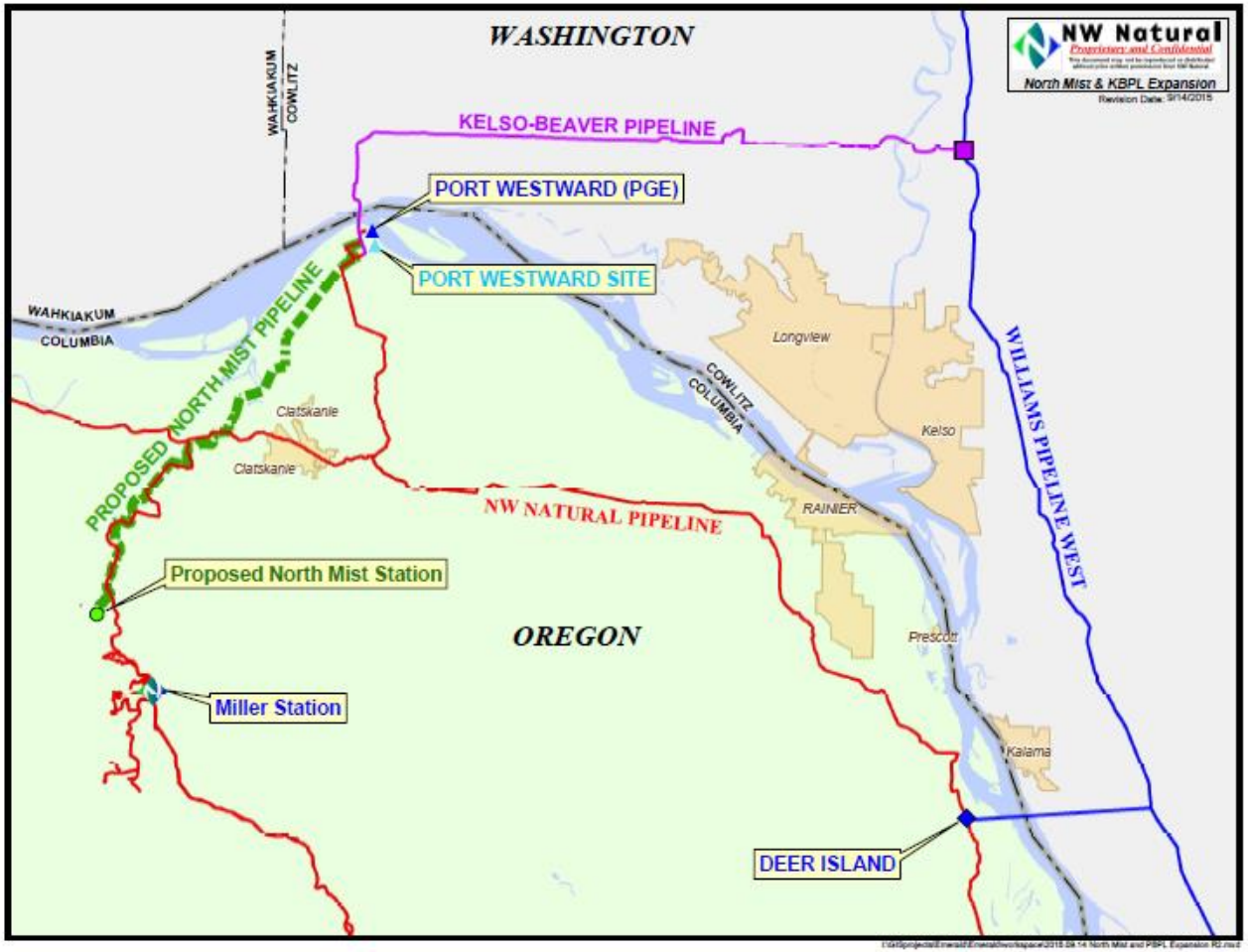
N. MIST GAS STORAGE EXPANSION



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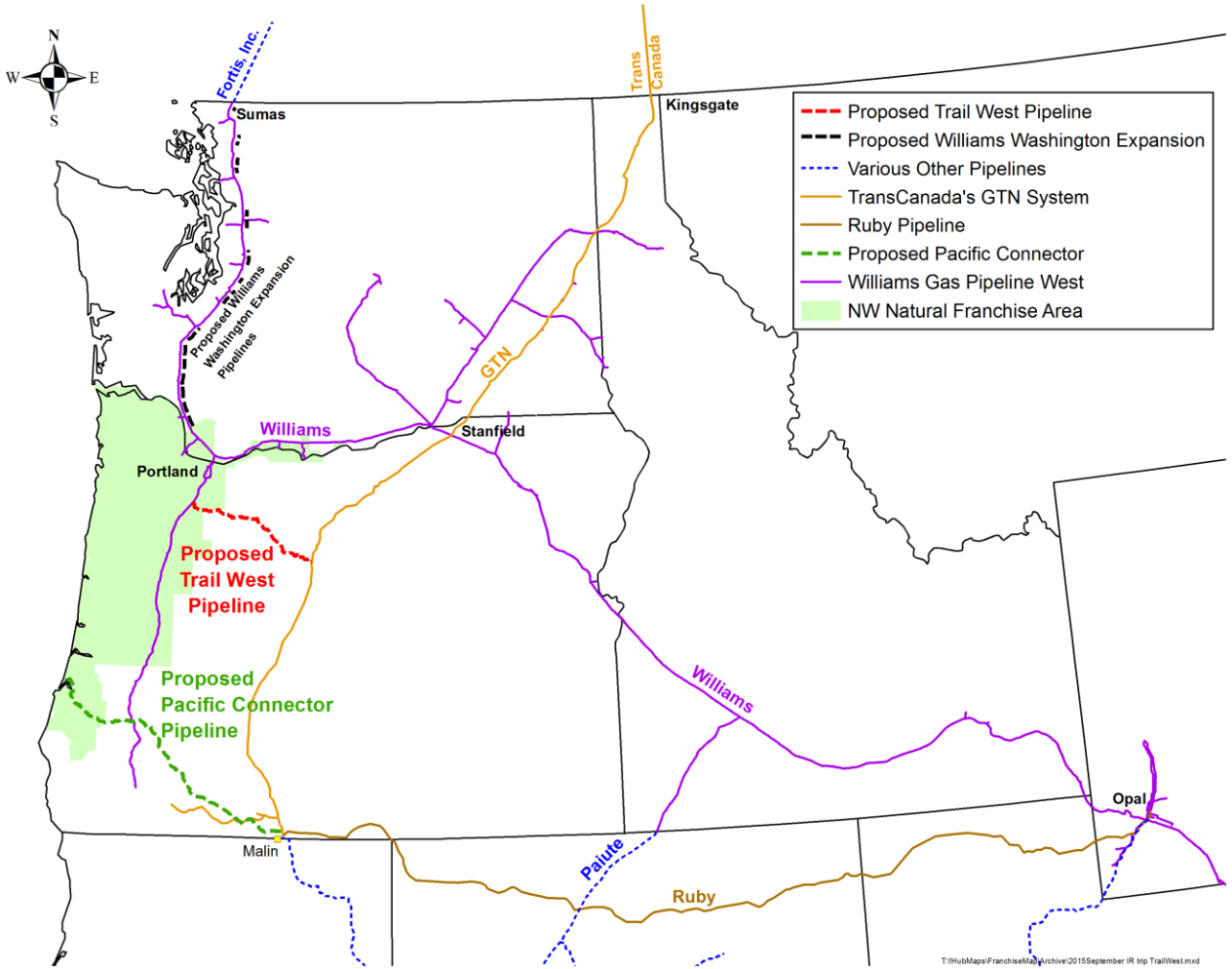
POTENTIAL TRAIL WEST PIPELINE



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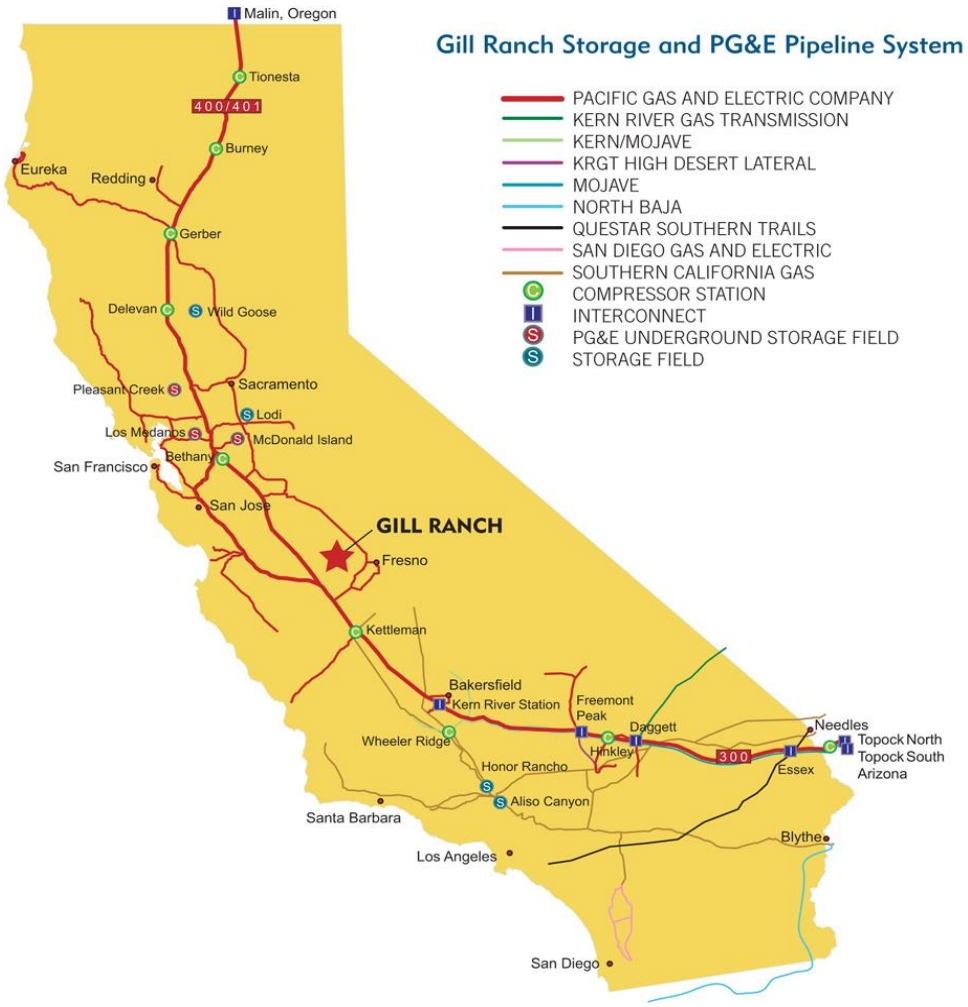
GILL RANCH GAS STORAGE FACILITY



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