GROWTH
SUSTAINABILITY
INNOVATION

Annual Shareholder Meeting
May 24, 2018

NW Natural®

DAVID H. ANDERSON

President & CEO

NW Natural®

FORWARD LOOKING STATEMENTS

This presentation made by NW Natural contains 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, predictions and projections; objectives; opportunities; goals; strategies and business development, including acquisitions; future events and timing thereof; business risk; corporate structure including holding company reorganization; goal achievement; system reliability; safety and improvements; infrastructure investments and demands; customer commitments and growth; commodity costs; response training; economic and housing sector recovery; customer rates; future workforce; new technology and process improvements; role in low-carbon future; emissions reductions and savings potential; energy policy and infrastructure; future partnerships and collaboration; availability and effects of regulatory mechanisms, including, but not limited to the timing or outcome of the company's rate case or other dockets; the recovery of environmental expenses; gas storage market pricing and trends; gas storage development and timing or costs related thereto; new strategic investments; competitive positioning and marketing efforts; effects of legislation, regulation and policy; revenues and earnings and timing thereof; margins; dividends; performance, stock value 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. We caution you therefore against relying on any of these forward-looking statements. 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 the Company's most recent Annual Report on Form 10-K and in the Company's quarterly and periodic reports filed thereafter. All forward-looking statements, whether written or oral, 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.

NW Natural®

TOD HAMACHEK
Chairman of the Board

NW Natural®

SHAWN FILIPPI

VP, Chief Compliance Officer, Corporate Secretary

NW Natural®

TOD HAMACHEK
Chairman of the Board

NW Natural®

DAVID H. ANDERSON

President & CEO

NW Natural®

2017 HIGHLIGHTS



LOOK BACK AT 2017

- Conducted comprehensive review of Gill Ranch gas storage facility
- Reported a loss of $1.94 per share
  - Recorded $142 million after-tax noncash impairment of Gill Ranch
  - Partially offset by a $21 million benefit from tax reform

NW Natural®

STRONG RESULTS

- Reported adjusted net income* of $2.24 per share – up 5 cents from prior year
- Strong credit ratings** (AA S&P / A1 Moody's)

*Adjusted measures for 2017 are non-GAAP and exclude the noncash effects of the Gill Ranch impairment and the noncash benefit from tax reform recognized in 2017. Adjusted measures for 2016 are non-GAAP and exclude the noncash effects of a regulatory environmental disallowance recognized in the first quarter of 2016. See appendix for reconciliation.

**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

NW Natural®

STRONG RESULTS

- Highest valued utility in the sector
- Increased dividends paid for the 62nd consecutive year

NW Natural®

SAFETY IN ALL THINGS

- Reinforcing distribution system in Clark County for $25 million
- Refurbishing LNG Facilities
  - Newport LNG $25 million upgrade
  - Portland LNG $10 million improvements



NW Natural®

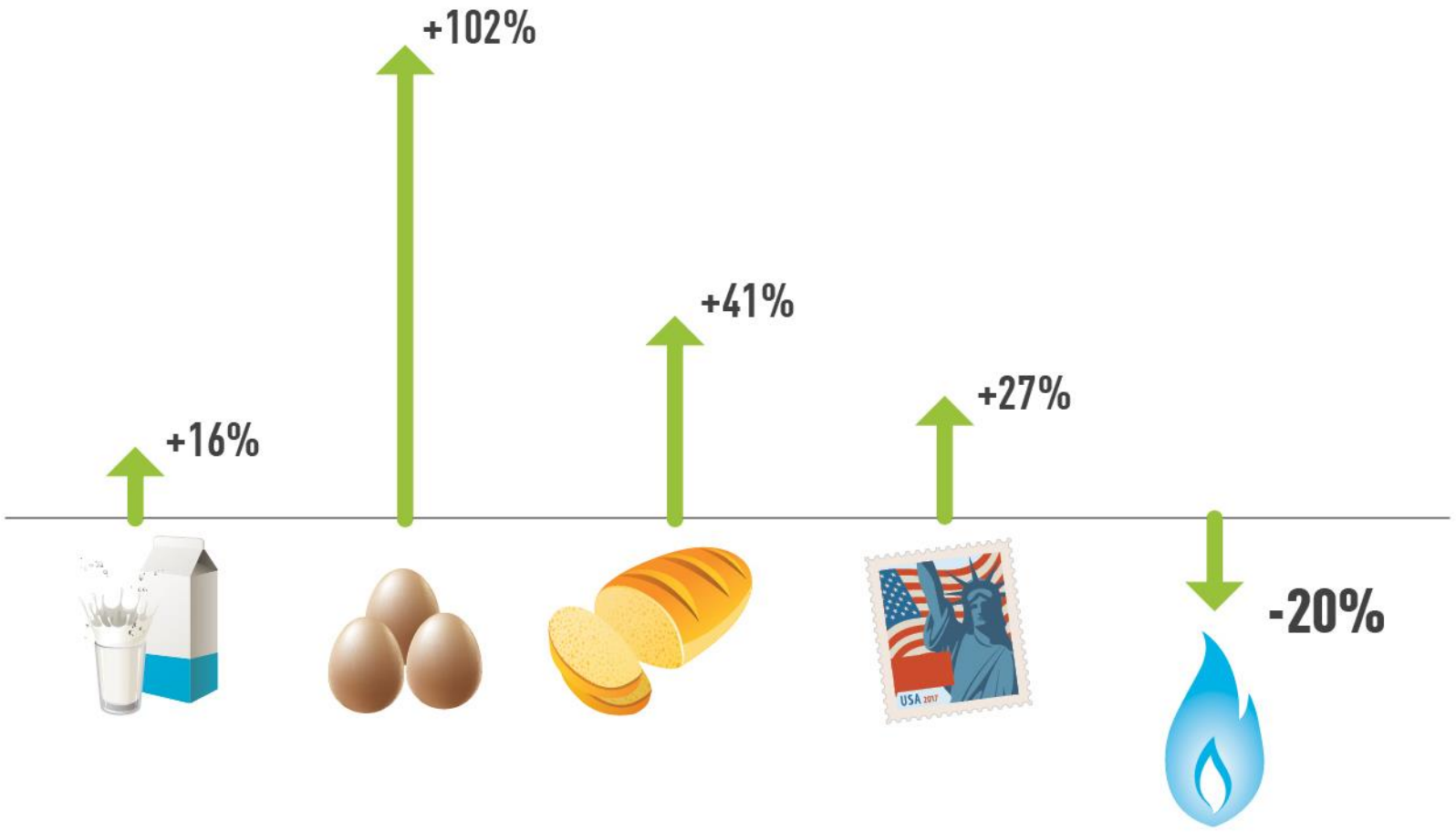

EMPLOYEE TRAINING

CUSTOMER SATISFACTION



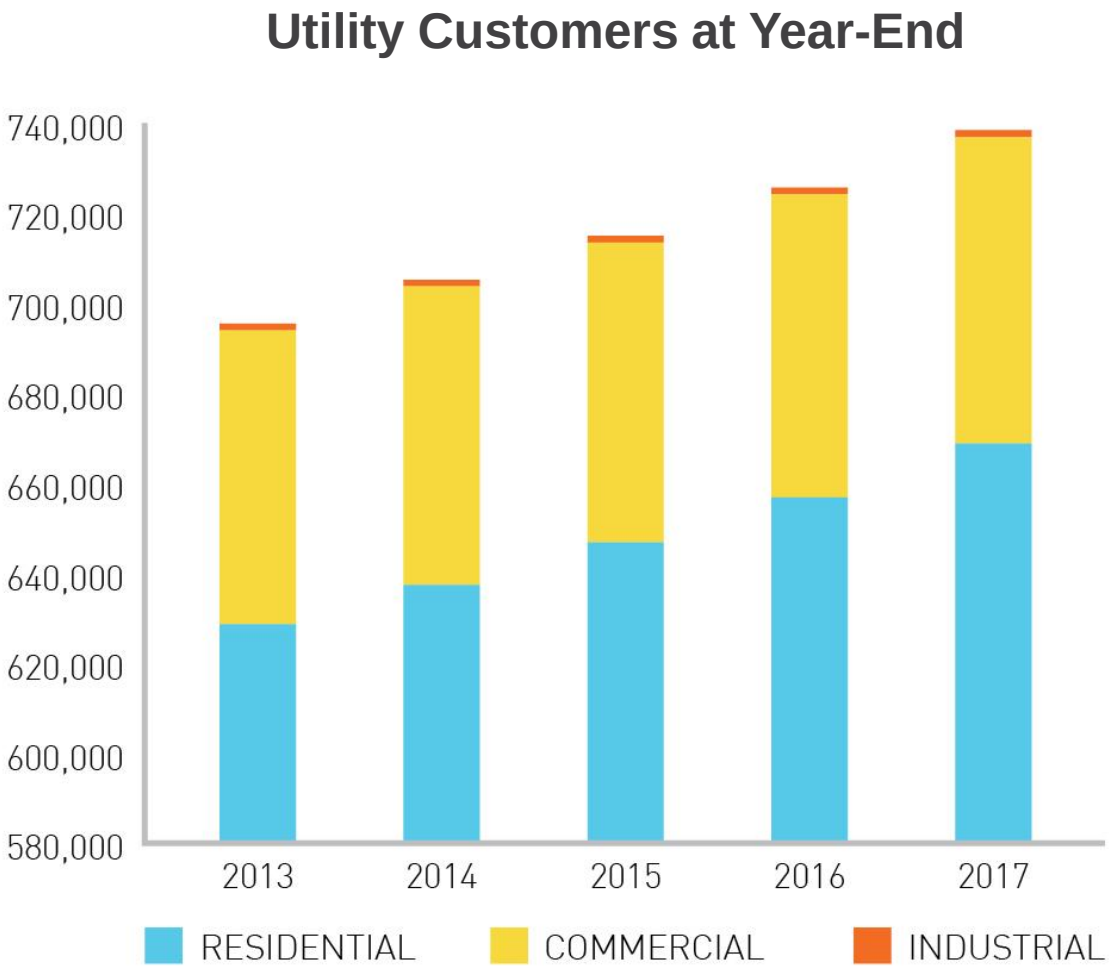
EXCELLENT VALUE

The cost of natural gas is about 20% lower than it was 15 years ago.



SOURCE: Bureau of Labor Statistics

LEADING IN GROWTH



We added about 13,000 new customers in 2017, and now serve 740,000 customers.

CONSTRUCTIVE REGULATION

- Filed first Oregon general rate case in six years
- Requested 4% increase for system and service
- Adjusted request to return tax reform benefits to customers
- Rates expected to be effective on November 1

NW Natural®


NORTH MIST EXPANSION


NW Natural®
LESS WE CAN™
WORKING TOWARD A
LOW CARBON FUTURE

RENEWABLE NATURAL GAS



NW Natural®



WATER UTILITY

THANK YOU



GROWTH
SUSTAINABILITY
INNOVATION

Annual Shareholder Meeting
May 24, 2018

NW Natural®

APPENDIX



NON-GAAP RECONCILIATION

(In thousands)	2017		2016	
	Amount	Per Share	Amount	Per Share
CONSOLIDATED				
GAAP consolidated net income (loss)	$(55,623)	$(1.94)	$58,895	$2.12
Gill Ranch impairment[1]	192,478	6.71	-	-
Regulatory disallowance[2]	-	-	3,300	0.12
Income tax effect of pre-tax adjustments[1,2]	(50,956)	(1.78)	(1,304)	(0.05)
Tax reform benefit[3]	(21,429)	(0.75)	-	-
Consolidated adjusted net income	$64,470	$2.24	$60,891	$2.19
Diluted Shares		28,669		27,779
UTILITY				
GAAP utility net income	$60,509	$2.11	$54,567	$1.96
Regulatory disallowance[2]	-	-	3,300	0.12
Income tax effect of pre-tax adjustments[2]	-	-	(1,304)	(0.05)
Tax reform expense[3]	1,036	0.03	-	-
Utility adjusted net income	$61,545	$2.14	$56,563	$2.03

[1] Gill Ranch non-cash impairment recognized as of Dec. 31, 2017. Tax effect of adjustment is calculated using a combined federal and state statutory rate of 26.5%.

[2] Regulatory environmental non-cash disallowance taken in the first quarter of 2016 related to the Company's compliance filing under the environmental recovery mechanism with the total pre-tax charge of $3.3 million recorded in utility other income ($2.8 million) and utility operation and maintenance expense ($0.5 million). Tax effect of adjustment is calculated using a combined federal and state statutory rate of 39.5%.

[3] Tax reform non-cash (benefit) expense recognized in income tax expense as a result of feral tax rate changing from 35% to 21% effective Dec. 22, 2017.