

NORTHWEST NATURAL GAS CO  
Form S-3ASR  
January 08, 2008  
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AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JANUARY 8, 2008

Registration No. 333-[\_\_\_\_\_]

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# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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## FORM S-3

### REGISTRATION STATEMENT

Under

THE SECURITIES ACT OF 1933

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## NORTHWEST NATURAL GAS COMPANY

(Exact name of registrant as specified in its charter)

**OREGON**  
(State or other jurisdiction of  
incorporation or organization)

**93-0256722**  
(I.R.S. Employer  
Identification No.)

One Pacific Square, 220 N.W. Second Avenue

Portland, Oregon 97209

503-226-4211

(Address, including zip code, and telephone number, including area code,

of registrant's principal executive offices)

**MARGARET D. KIRKPATRICK**

General Counsel

One Pacific Square, 220 N.W. Second Avenue

Portland, Oregon 97209

503-226-4211

**DAVID H. ANDERSON**

**Senior Vice President**

**and Chief Financial Officer**

**One Pacific Square, 220 N.W. Second Avenue**

**Portland, Oregon 97209**

**503-226-4211**

(Names, addresses, including zip codes, and telephone numbers, including area codes, of agents for service)

**JOHN T. HOOD, Esq.**

**Thelen Reid Brown Raysman & Steiner LLP**

**875 Third Avenue**

**New York, New York 10022**

**212-603-2000**

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Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement becomes effective as determined by market conditions.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  \_\_\_\_\_

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  \_\_\_\_\_

If this Form is a registration statement pursuant to General Instruction I.D. or a post effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

## CALCULATION OF REGISTRATION FEE

<i>Title of each class of securities to be registered</i>	<i>Proposed maximum aggregate offering price (1)</i>	<i>Amount of registration fee (1)</i>
Debt Securities		
Junior Subordinated Debentures		
Preferred Stock		
Common Stock		
Stock Purchase Contracts (2)		
Stock Purchase Units (3)		
Total		\$ 0

- (1) An unspecified aggregate initial offering of the securities of each identified class is being registered as may from time to time be offered by Northwest Natural Gas Company at unspecified prices, along with an indeterminate number of securities that may be issued upon exercise, settlement, exchange or conversion of securities offered hereunder. Separate consideration may or may not be received for securities that are issuable upon exercise, settlement, conversion or exchange of other securities or that are issued in units. Prior to the filing of this registration statement, \$87,800,000 aggregate principal amount of securities remained registered and unsold, pursuant to Registration Statement No. 333-112604 (the Prior Registration Statement) which was initially filed by Northwest Natural Gas Company on February 9, 2004. In accordance with Rules 456(b) and 457(r) under the Securities Act of 1933, as amended (the Securities Act), the registrant is deferring payment of all of the registration fee, except for \$11,022 that may be offset pursuant to Rule 457(p) for fees paid with respect to \$87,800,000 aggregate initial offering price of securities that were previously registered pursuant to the Prior Registration Statement and not sold thereunder. In connection with the securities offered hereby, except as specified in the previous sentence, the registrant will pay pay as you go registration fees in accordance with Rule 456(b).
- (2) Each Stock Purchase Contract obligates NW Natural to sell, and obligates the holder thereof to purchase, an indeterminate amount of shares of Preferred Stock or Common Stock being registered hereby.
- (3) Each Stock Purchase Unit consists of a combination of a Stock Purchase Contract and Debt Securities or Junior Subordinated Debentures of NW Natural or debt obligations of third parties, including United States Treasury securities.

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**PROSPECTUS**

**NORTHWEST NATURAL GAS COMPANY**

DEBT SECURITIES

JUNIOR SUBORDINATED DEBENTURES

PREFERRED STOCK

COMMON STOCK

STOCK PURCHASE CONTRACTS

STOCK PURCHASE UNITS

Northwest Natural Gas Company, or NW Natural, may offer any combination of the securities described in this prospectus in one or more offerings from time to time and in amounts authorized from time to time. NW Natural will provide specific terms of its securities, including their offering prices, in supplements to this prospectus. The supplements may also add, update or change information contained in this prospectus. You should read this prospectus and any supplements carefully before you invest.

NW Natural's common stock is listed on the New York Stock Exchange and trades under the symbol NWN.

NW Natural may offer these securities directly or through underwriters, agents or dealers. The supplements to this prospectus will describe the terms of any particular plan of distribution, including any underwriting arrangements. The Plan of Distribution section on page 16 of this prospectus also provides more information on this topic.

**See the discussion of risk factors on page 2 of this prospectus and as contained in NW Natural's annual, quarterly and current reports filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, which are incorporated by reference into this prospectus, to read about certain factors you should consider before purchasing any of the securities being offered.**

NW Natural's principal executive offices are located at One Pacific Square, 220 N.W. Second Avenue, Portland, Oregon 97209, and its telephone number is (503) 226-4211.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

January 8, 2008

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that NW Natural filed with the Securities and Exchange Commission, or SEC, utilizing a shelf registration, or continuous offering, process. Under this shelf registration process, NW Natural, from time to time, may sell any combination of the securities described in this prospectus in one or more offerings. NW Natural may offer any of the following securities: Debt Securities, Junior Subordinated Debentures, Common Stock, Preferred Stock, Stock Purchase Contracts or Stock Purchase Units.

This prospectus provides you with a general description of the securities that NW Natural may offer. Each time NW Natural sells securities, it will provide a prospectus supplement that will contain specific information about the terms of that offering. Material United States federal income tax considerations applicable to the offered securities will be discussed in the applicable prospectus supplement if necessary. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the heading **Where You Can Find More Information**.

For more detailed information about the securities, you can read the exhibits to the registration statement. Those exhibits have been either filed with the registration statement or incorporated by reference to earlier SEC filings listed in the registration statement.

**WHERE YOU CAN FIND MORE INFORMATION**

NW Natural files annual, quarterly and other reports and other information with the SEC. Reports, proxy statements and other information filed by NW Natural can be read and copied at the public reference room of the SEC, 100 F Street, N.E., Washington, D.C. 20549. You can obtain additional information about the Public Reference Room by calling the SEC at 1-800-SEC-0330.

In addition, the SEC maintains a Web site (<http://www.sec.gov>) that contains reports, proxy statements and other information filed electronically by NW Natural. NW Natural also maintains a Web site (<http://www.nwnatural.com>). Information contained on NW Natural's Web site does not constitute part of this prospectus.

NW Natural's common stock is listed on the New York Stock Exchange under the symbol **NWN**, and information concerning NW Natural can also be inspected at the office of that exchange located at 20 Broad Street, New York, New York 10005.

The SEC allows NW Natural to incorporate by reference the information that NW Natural files with the SEC, which means that NW Natural may, in this prospectus, disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. NW Natural is incorporating by reference the documents listed below and any future filings NW Natural makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (Exchange Act), until NW Natural sells all of the securities described in this prospectus. Information that NW Natural files in the future with the SEC will automatically update and supersede this information.

NW Natural's Annual Report on Form 10-K for the year ended December 31, 2006.

NW Natural's Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 2007.

NW Natural's Current Reports on Form 8-K filed on February 27, April 30, May 29, June 1, July 31, September 21 and October 1, 2007.

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You may request a copy of these documents, at no cost to you, by writing or calling Shareholder Services, Northwest Natural Gas Company, One Pacific Square, 220 N.W. Second Avenue, Portland, Oregon 97209, telephone 503-226-4211.

You should rely only on the information contained in, or incorporated by reference in, this prospectus and any prospectus supplement. NW Natural has not, and any underwriters, agents or dealers have not, authorized anyone else to provide you with different information. NW Natural is not, and any underwriters, agents or dealers are not, making an offer of these securities or soliciting offers to buy these securities in any state where the offer or solicitation is not permitted. You should not assume that the information contained in this prospectus and any prospectus supplement is accurate as of any date other than the date on the front of such document or that the information incorporated by reference in this prospectus is accurate as of any date other than the date of the document incorporated by reference.

### **FORWARD-LOOKING STATEMENTS**

This document does, and the documents incorporated herein by reference may, contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Exchange Act. Although NW Natural believes these statements are based on reasonable assumptions, no assurance can be given that actual results will not differ from those in the forward-looking statements contained herein and in the incorporated documents. The forward-looking statements contained herein and in the incorporated documents may be affected by various uncertainties. For a discussion of factors which may affect forward-looking statements contained herein and in the incorporated documents, see NW Natural's most recent Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q.

### **NW NATURAL**

NW Natural is principally engaged in the distribution of natural gas to customers in western Oregon and southwestern Washington, including the Portland metropolitan area. NW Natural and its predecessors have supplied gas service to the public since 1859. NW Natural's executive offices are located at One Pacific Square, 220 N.W. Second Avenue, Portland, Oregon 97209. Its telephone number is 503-226-4211.

### **RISK FACTORS**

Investing in the securities involves certain risks. You are urged to read and consider the risk factors relating to an investment in the securities described in NW Natural's annual, quarterly and current reports filed with the SEC under the Exchange Act, which are incorporated by reference into this prospectus. Before making an investment decision, you should carefully consider these risks as well as other information NW Natural includes or incorporates by reference in this prospectus. The risks and uncertainties NW Natural has described are not the only ones facing NW Natural. The prospectus supplement applicable to each type or series of securities NW Natural offers may contain a discussion of additional risks applicable to an investment in NW Natural and the particular type of securities NW Natural is offering under that prospectus supplement.

### **USE OF PROCEEDS**

The net proceeds to be received by NW Natural from the sale of these securities will be added to the general funds of NW Natural and used for corporate purposes, primarily to fund, in part, NW Natural's ongoing utility construction program.

NW Natural expects its utility construction expenditures in 2008 to aggregate between \$90 million to \$100 million, and in the five-year period, 2008-2012, to aggregate between \$500 million and \$600 million.

It is estimated that between 70% to 100% of the funds required for corporate purposes during the 2008-2012 period will be internally generated and that the balance, as well as substantially all of the funds required for the refinancing of maturing debt, will be raised through the sale of equity and debt securities in such amounts and at such times as NW Natural's cash requirements and market conditions shall determine.

**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES AND****RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERENCE DIVIDENDS**

The ratios of earnings to fixed charges and ratios of earnings to combined fixed charges and preference dividends, calculated according to the rules set forth under the Securities Act, for the following periods were:

<b>Period</b>	<b>Ratio of Earnings to Combined</b>	
	<b>Ratio of Earnings to Fixed</b>	<b>Fixed Charges and Preference</b>
	<b>Charges</b>	<b>Dividends</b>
Nine Months Ended September 30, 2007*	3.35	3.35
Year Ended December 31, 2006	3.40	3.40
Year Ended December 31, 2005	3.32	3.32
Year Ended December 31, 2004	3.02	3.02
Year Ended December 31, 2003	2.84	2.82
Year Ended December 31, 2002	2.85	2.69

Earnings consist of net income to which has been added taxes on income and fixed charges. Fixed charges consist of interest on all indebtedness, amortization of debt expense and discount or premium, and the estimated interest portion of rentals charged to income. Preference dividends are the amounts of pre-tax earnings that are required to pay dividends on outstanding preference securities (which may include any NW Natural preferred stock outstanding for the period).

\* A significant part of the businesses of NW Natural is seasonal in nature; therefore, the ratio of earnings to fixed charges and the ratio of earnings to combined fixed charges and preference dividends for the interim period are not necessarily indicative of the results for a full year.

**DESCRIPTION OF DEBT SECURITIES****General**

The following sections set forth certain general terms and provisions of NW Natural's secured, unsecured and junior subordinated debt securities, consisting of first mortgage bonds and debentures, notes or other debt, that NW Natural may offer by this prospectus. NW Natural will describe the particular terms of the debt securities, and provisions that vary from those described below, in one or more prospectus supplements.

**DESCRIPTION OF THE BONDS****General**

NW Natural will issue its first mortgage bonds, in one or more series, under the Mortgage and Deed of Trust, dated as of July 1, 1946, to Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company) (the Corporate Trustee) and Stanley Burg (successor to R.G. Page and J.C. Kennedy), as trustees (together, Mortgage Trustees), which has been amended and supplemented in the past and which may be supplemented again by one or more supplemental indentures relating to these securities. This Mortgage and Deed of Trust, as amended and supplemented, is referred to in this prospectus as the Mortgage. All first mortgage bonds issued or to be issued under the Mortgage, including the first mortgage bonds offered by this prospectus, are referred to herein as First Mortgage Bonds.



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This section briefly summarizes some of the provisions of the First Mortgage Bonds and some of the provisions of the Mortgage and uses some terms that are not defined in this prospectus but that are defined in the Mortgage. This summary is not complete. The Mortgage is on file with the SEC and is incorporated by reference in this prospectus. You should read the Mortgage for a complete understanding of the provisions that may be important to you and for the definitions of some terms used in this summary.

Each series of First Mortgage Bonds may have different terms. NW Natural will include some or all of the following information about a specific series of First Mortgage Bonds in the prospectus supplement relating to those First Mortgage Bonds:

the designation of the series and the aggregate principal amount of those First Mortgage Bonds,

the interest rate(s) for those First Mortgage Bonds,

the currency or currencies in which payment of the principal of and interest on those First Mortgage Bonds may be made,

the date(s) on which those First Mortgage Bonds will mature,

the dates on which NW Natural will pay the interest on those First Mortgage Bonds and the date from which interest will accrue,

the place(s) where the principal of and interest on those First Mortgage Bonds will be payable,

whether all or any portion of those First Mortgage Bonds will be issued to a designated depository,

the additional place(s) for the payment of principal or interest or for the registration or transfer of those First Mortgage Bonds,

any terms or obligations of NW Natural relating to creation of a sinking fund with respect to those First Mortgage Bonds or permitting conversion of those First Mortgage Bonds into capital stock of NW Natural or another entity,

any terms permitting bondholders to exchange those First Mortgage Bonds for other securities,

any terms pursuant to which NW Natural may redeem any of those First Mortgage Bonds, and

any other terms or provisions relating to those First Mortgage Bonds that are not inconsistent with the provisions of the Mortgage.

## **Form, Exchange and Payment**

Unless otherwise specified in the prospectus supplement relating to First Mortgage Bonds, First Mortgage Bonds will be (1) issued in fully registered form in denominations of \$1,000 or any amount in excess thereof that is an integral multiple of \$1,000 and (2) exchangeable at the office of Deutsche Bank Trust Company Americas in New York City, without charge other than taxes or other governmental charges incident thereto, and principal, premium, if any, and interest will be payable at such office.

**Security**

First Mortgage Bonds issued or to be issued under the Mortgage are or will be secured by the Mortgage, which constitutes a first mortgage lien on certain gas utility properties owned from time to time by NW Natural (except as stated below), subject to Excepted Encumbrances, including minor defects and irregularities customarily found in properties of similar size and character.

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The following are excepted from the lien of the Mortgage:

- (1) cash and securities,