

NORTHWEST NATURAL GAS CO

Form 8-K

February 06, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

February 6, 2014

Date of Report (Date of earliest event reported)

NORTHWEST NATURAL GAS COMPANY

(Exact name of registrant as specified in its charter)

Commission File No. 1-15973

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| Oregon (State or other jurisdiction of | 93-0256722 (I.R.S. Employer |
| incorporation or organization) | Identification No.) |
| 220 N.W. Second Avenue, Portland, Oregon 97209 | |
| (Address of principal executive offices) | (Zip Code) |

Registrant's Telephone Number, including area code: (503) 226-4211

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events.

As described in Part I, Item 3, *Legal Proceedings* in our Annual Report on Form 10-K for the year ended December 31, 2012, in December 2010, NW Natural commenced litigation against certain of its historical liability insurers in Multnomah County Circuit Court, State of Oregon, Case Number 1012-17532. In the suit, NW Natural alleged that the defendant insurance companies issued third party liability insurance policies to NW Natural and that the defendants had breached the terms of those policies by failing to reimburse and indemnify NW Natural for liabilities arising from environmental contamination at certain sites caused or alleged to be caused by its historical operations. See Note 13, *Environmental Matters*, in Notes to Unaudited Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2013. NW Natural sought damages in excess of \$50 million in losses it had incurred through the date of the complaint, as well as declaratory relief for additional damages it expected to incur in the future.

Settlements with certain of the defendant insurance companies resulted in payments received by NW Natural through December 31, 2013 of approximately \$48 million.

In January and February 2014, the remaining defendant insurance companies agreed to settle all of NW Natural's claims for insurance recovery for past and future environmental remediation expenses. In 2014 we expect to receive additional payments aggregating approximately \$102 million under settlement agreements signed in 2013 and 2014. Such payments are to be made in the first and second quarters of 2014. As a result of such settlements, we anticipate that the Company will dismiss the litigation in the second quarter of 2014.

Forward-Looking Statements

This report, 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, financial positions, timing and amounts of settlement payments to be received, future actions with respect to and disposition of litigation, 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. 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 NW Natural'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 NW Natural's quarterly reports filed thereafter.

All forward-looking statements made in this report 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 NW Natural undertakes 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. New factors emerge from time to time and it is not possible for the company to predict all such factors, nor can it assess the impact of each such factor or the extent to

which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NORTHWEST NATURAL GAS COMPANY
(Registrant)

Dated: February 6, 2014

/s/ Stephen P. Feltz
Senior Vice President and
Chief Financial Officer