WE GREW UP HERE
When the company that eventually became NW Natural started distributing gas, wagons were still bringing pioneers across the Oregon Trail. Our timeline highlights some events and changes that have taken place since 1859.

**BRINGING LIGHT TO OREGON NIGHTS**
Growth, excitement – and a little chaos.

**TURNING OUT THE LIGHTS AND TURNING UP THE HEAT**
Of fire trucks and water heaters.

**THE EVOLUTION OF A PRODUCT AND A COMPANY**
From manufactured gas to natural gas in 100 years.

**GROWTH: ADDING CUSTOMERS AND TERRITORY**
People, businesses and communities ask for gas.

**THE WORST OF TIMES**
Bumps in a 150-year-old road.

**WORKING TOGETHER FOR COMPANY, CUSTOMERS AND COMMUNITY**
Employee dedication makes the difference.

**WHAT IT MEANS WHEN WE SAY “WE GREW UP HERE”**
Giving back – to keep communities successful.

**RETHINKING THE FRONTIER**
Stewardship for the future.
By 1851, Portland was the Northwest’s second largest city – and the boom had just begun.

The Gold Rush. The promise of lush farmland, Spectacular forests. And so many salmon it was said that you could walk across a river on a path of fish.

During the 1850s, all this attracted thousands of adventurers to the ter-

ritory that soon would become the state of Oregon. So did a vast territory separated by geography, economics and politics from the pending civil war.

And Portland was at the heart of it all.

But erase your image of today’s clean, orderly Portland – a city known across the nation for its walkable neighbor-

hoods. Portland was a town of dusty walkways at best, and muddy streets slick with manure at worst.

The city was growing so fast that there was no time to take the stumps out of the streets where the trees were chopped down – hence the name “Stumptown.” Concerned citizens painted the stumps white so people wouldn’t bump into them at night.

Growth, excitement – and a little chaos – beckoned two young East Coast entrepreneurs who recently had settled in Astoria. Herman C. Leonard and John Green turned over their wealthiest families. Each customer paid a $10 initial fee, plus $10 for a thousand cubic feet of gas and a 25-cent monthly meter rental.

Along with their drive and desire to stake a claim on the future, they brought gas lamps to Portland streets. In so doing, they made it possible for Portland’s vitality to overflow from its busy days well into the evenings.

Leonard and Green moved to Portland in 1852. Green’s brother Henry joined them in 1858. They quickly became three of the most influential men in the city. They immediately raised $50,000 to establish the gas operations of The Leonard & Green Company.

On Jan. 7, 1859, five weeks before Oregon became the union’s 33rd state, the territorial government gave the men a perpetual franchise to provide gas service.

By June 1, 1860, The Leonard & Green Co. was manufacturing gas from coal on the banks of the Willamette near Fan-

ders Street – just two blocks from NW Natural’s current corporate headquarters.

In addition to lighting gas street lamps, the company initially delivered manufactured gas to 49 of Portland’s wealthiest families. Each customer paid a $10 initial fee, plus $10 for a thousand cubic feet of gas and a 25-cent monthly meter rental.

In 1862, the three men formally created the Portland Gas Light Company. Henry Green was the founding president. Leonard’s brother Irving also worked for the company.

Leonard and the two Greens, the founders of NW Natural’s predecessor company, saw their future in Portland.

In turn, they laid the foundation for the Portland of today.

In addition to starting a gas manufac-

turing and distribution system, they brought a tiny water company. They quickly built what later became Portland’s Bureau of Water Works, laying iron mains and developing the first reservoir. Not surprisingly, given the demand his companies were creating, Henry Green was a founding director of the Oregon Iron Works Company.

The Leonard & Green Co. owned ships that exported produce and lumber and imported coal, the raw material for manufactured gas. Leonard was a founder of the Willamette Valley Railroad, and with Henry Corbett and Henry Failing, was a partner in the Portland and Milwaukie Macadamized Road Company.

Both visionary and practical, the founders raised the capital, built the infra-

structure and oversaw the businesses. First, they begged Portland as the city of the future. Then they carved, coated and created the future they envisioned.

I went to Oregon in June, 1850, and found him (John Green) well established there in business, occupying a storehouse built by and formerly occupied by the old English Hudson’s Bay Company . . . We remained in Astoria between two and three years, we began to realize the fact that . . . the Columbia being navigable to Portland on the Willamette, one hundred and twenty miles above, and that much nearer to the great and productive region, it would be the city of the future.

~ HERMAN C. LEONARD

Bringing light to Oregon Nights

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The original gas works, pictured at top, received imported coal at its location on the Willamette River. The Front Avenue street scene shows a preboom city poised to grow in population, economy and infrastructure.
With the completion of Leonard and Green's plant in 1860, Portland became the third West Coast city to light its streets. Only 20 years later, however, Wabash, Indiana, made street-lighting history by illuminating the city with electric arc lights. Meanwhile, inventors were racing to create practical incandescent lights. By 1880, Thomas Edison had won the race with a bulb that would generate light for 1,500 hours.

By 1892, when Abbot L. Mills and Charles F. Adams bought the company founded by Leonard and Green, the writing was on the wall—and people were reading it by the light of electric lamps. Mills and Adams changed the firm's name to Portland Gas Company, dropping the word “Light.”

Even before the commercialization of Mr. Edison's invention, gas companies were exploring new uses for their products. In 1868, the Portland Fire Department became the gas company's first heating customer—using gas to heat the boilers in horse-drawn fire engines. In 1901, the primary use of manufactured gas in Portland was still lighting, but that changed quickly. The first appliances to catch on with consumers were gas ranges and water heaters, which applied the principle of the Bunsen Burner to day-to-day uses.

Furnaces were the next frontier. The first gas furnace installed on the West Coast was designed and constructed by Portland Gas Company and was owned by Adams, the company's president. Building on the fire department's experience, industry was finding more uses for gas-powered boilers and other gas-fueled processes. Throughout the last century, gas appliance manufacturers experimented with a variety of products—from ironing devices to refrigerators. Electricity won out for most of these uses.

Remarkably, despite the tremendous technology changes over the last hundred years, NW Natural residential customers use natural gas in much the same way as their predecessors from the early 1900s: for space and water heating and cooking. The appliances have gotten cleaner and more efficient, but their functions are essentially the same.

In lumber-rich Oregon, the popularity of wood stoves slowed the growth of gas furnaces. But in 1918, officers and employees developed a comprehensive strategy to win over the home heating market.

First, they designed a major advertising push for the Humphrey Radiantine Furnace. They then manufactured and promoted their own larger Gasco Furnace. Finally, they created a discounted rate to encourage gas heating.

By 1921, Portland Gas Company was selling more gas than the total volume sold in the 25 largest cities in Washington, Oregon, and Idaho.

“... I realized that it would be a slow process to allow the growth of our business to depend primarily on the sale of gas ranges and water heaters. If we could establish a rate for heating houses cheap enough to compete with solid fuel, say 50 cents per thousand cubic feet, and popularize heating homes by gas, we would accomplish immediate what otherwise would take many years.”

— HILMAR PAPST, GENERAL MANAGER, 1907

SELLING COMFORT, CONVENIENCE AND MANUFACTURED GAS

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Gas lamps, which burned brighter and cleaner than kerosene, helped Portlanders enjoy their night life. When electric bulbs replaced gas lamps, the gas company developed and promoted gas equipment to homeowners—from furnaces to mangles (for ironing), from water heaters to washing machines and fireplaces.

In 1889, Edwin Ruud invented the storage water heater and later founded the Ruud Manufacturing Company. His water heaters were among the first popular gas appliances, offering Portland Gas Company a new way to promote its product.
Leonard & Green’s original gas works manufactured its gas from coal. This type of manufactured gas would be the first of a variety of products to flow through the pipelines of the company under its various names.

Originally, Leonard & Green imported coal from Vancouver Island, but finding it to be of unacceptable quality, they searched abroad for other sources. They settled on coal from Australia and Japan brought into Portland as ballast on windjammers.

In 1906, Portland Gas Company switched its production source – from imported coal to oil drilled in California. This action precipitated many other changes, not the least of which was a name change to Portland Gas & Coke. The word “coke” referred to one of the many byproducts that became important revenue sources for the growing company. Coke has been a vital fuel source for metal fabrication.

In 1910, under the direction of board chairman Charles Adams, the company started developing its new manufacturing site at Linnton. The name “Gasco” stuck to both the corporate entity and the Linnton site, a name it still carries. In 1935, the switch from light oil to less expensive fuel oil boosted the availability of more usable byproducts. Briquettes, tar, naphthalene, creosote and other material made from the gas-making residue became increasingly important to the company. Gasco marketed tar under the name “Road-binder.” Municipalities and the state mixed the tar with crushed rock to surface hundreds of miles of highways starting in the mid-1920s.

During World War II, Gasco sold 100,000 tons of briquettes, much of them to the military for heating and cooking. In 1941, it began producing petroleum coke for the aluminum industry, in time to help the U.S. war effort. Shortly before the conversion to natural gas, byproducts represented one-third of the company’s revenues.

The year 1955 proved to be a turning point. On Nov. 7, Portland Gas & Coke signed a 20-year contract with Pacific Northwest Pipeline Corporation to deliver natural gas. On Sept. 1, 1956, the first natural gas began flowing through the local distribution system – and the company asked regulators to reduce rates by 17 percent.

In 1955, only 10 percent of new homes in the gas company’s service territory were built for gas space heating. That rose to 47 percent in 1957, the first full year of natural gas operations. A marketing campaign, coupled with the promise of clean, safe natural gas, quickly brought the figure to 64 percent, with 50 percent of new homes also installing natural gas water heaters. Today, where gas is available, nearly 90 percent of new homes in NW Natural’s service territory have natural gas appliances.

In 1956, the company closed the gas-manufacturing plant at Linnton, and on July 1, 1958, it changed its name to Northwest Natural Gas Company.

Natural gas is cleaner and more convenient than its predecessor fuels. Its arrival freed the company from outdated technology and led the way to an expanded market. In 1956, the company closed the gas-manufacturing plant at Linnton, and on July 1, 1958, it changed its name to Northwest Natural Gas Company.
On the first day of operation in 1860, the Leonard & Green gas works delivered manufactured gas to 49 customers in a small portion of what is now Southwest Portland.

Today, the company serves more than 655,000 customers in 107 communities in Oregon and Southwest Washington. The company's growth came from adding customers in existing service territories, establishing distribution systems in new communities and purchasing other small gas companies.

From the earliest days, the founders planned for expansion. In 1882, Leonard and the Greens established the East Portland Gas Light Company as a separate entity with its own gas manufacturing plant. Ten years later, a 10-inch line under the Willamette River connected the two systems.

The new century brought a population boom in Portland, in large part because of the Lewis and Clark Centennial Exposition. This four-month world fair brought nearly two million visitors to the city. Many chose to make Portland their home. By 1920, Portland had 224,000 residents - and the gas company had 28,500 customers.

During the first decades of the 20th century, the gas company moved into neighborhood after neighborhood in Portland, from Rose City and Lents on the east side to Arlington Heights and Council Crest on the west. In 1909, it established an independent company in St. Johns (which at that time was outside the city of Portland) to prevent establishment of a competing firm.

Soon, Portland Gas Company was expanding into other parts of the Northwest. In 1913, gas service was extended to Vancouver. Then Gasco took over the Clackamas County Gas Company after its founder was unable to get funding, and construction to serve Oregon City started in 1914. By 1917, service was extended as far as Forest Grove and Cornelius. And by 1930, service was extended as far as Forest Grove and Cornelius. And by 1930, service was extended as far as Forest Grove and Cornelius.

Over the next 70 years the company, doing business as Portland Gas & Coke, Northwest Natural Gas and NW Natural, continued to add service territory throughout the Willamette Valley and to the Oregon Coast. After the 1962 additions of The Dalles and Eugene-Springfield, followed by Lincoln City and Astoria in 1965, it seemed that major expansion was complete. And it was, until 2004, when natural gas started flowing to Coos County.

Connecting Coos Bay to the interstate pipeline system. The Oregon Legislature approved the $117 million in funding for the pipeline. It took several years to get the regulatory approval, but the company started building its transmission line in 2003. At the same time, NW Natural laid the basis for its distribution system in several Coos County communities.

Coos County's first natural gas customers received service on Nov. 1, 2004. On March 3, 2005, Kristen Nored of Coos Bay became NW Natural's 600,000th customer.

FUELING THE ECONOMY
Since the 1980s, Coos County's economy has struggled as mills closed and the fishing industry dwindled. Residents viewed natural gas as a way to attract new industry - and new jobs. In 1999, Coos County voters approved up to $27 million in general obligation bonds for a natural gas transmission line connecting Coos Bay to the interstate pipeline system. The Oregon Legislature approved the $24 million in funding. It took several years to get the regulatory approval, but the company started building its transmission line in 2003. At the same time, NW Natural laid the basis for its distribution system in several Coos County communities.

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THE STORAGE STORY
Traditionally, stored gas helped NW Natural guarantee supplies to customers during extremely cold weather or pipeline interruptions. In 1969, the company completed its first storage facility – a liquefied natural gas storage tank on the old Gasco site. It added a second, at Newport on the Oregon Coast, in 1977.

In 1987, the company began storing gas underground at its Mist storage fields. Mist's capacity allows NW Natural to buy and store gas when prices are advantageous. It also helps the company reduce its transportation costs. Storage not only offers customers reliability, but it also helps the company keep down rates.

(Above) A drilling rig extracts natural gas at a site near the Oregon Coast Range which later became part of NW Natural's Mist storage fields. (Left) NW Natural brought natural gas – and a big celebration – to Coos County on the southern Oregon Coast. At left, County Commissioner Nikki Whitty and Executive VP Mike McGurk cut the ceremonial ribbon, while Vice President served the burgers.
1859  H.C. Leonard and John Green, receive a perpetual franchise for gas service from the territorial government five weeks before Oregon became a state.

1861  The start of the Civil War encourages migration to the Pacific Northwest.

1862  Leonard & Green gas works becomes Portland Gas Light Co.

1869  Portland Fire Department uses gas to keep water from freezing in horse-drawn trucks.

1879  Light bulb invented.

1884  Mark Twain's *The Adventures of Huckleberry Finn* is published.

1892  C.F. Adams, who bought the company with Abbot Mills, renames it Portland Gas Company.

1894  Flood causes complete service interruption.

1899  Construction begins of the gas distribution system.

1905  Lewis & Clark centennial opens.

1913  Gasco's Linnton plant opens.

1918  End of WWI. Company begins selling preferred stock to local customers.

1920  Women granted right to vote.

1924  Ross Island Bridge built.

1929  Portland Gas Company changes its name to Portland Gas & Coke Company.

1930  Gasco begins selling vehicle fuel with benzol.

1937  Bonneville Dam completed.

1941  Gasco employees hail a shipment of briquettes destined to provide heat for the troops at Fort Lewis.

1949  Women gain the right to serve on juries.

1956  The company begins adding natural gas to its distribution system. The switch from manufactured to natural gas required the conversion of more than 200,000 appliances.

1958  Name changed to Northwest Natural Gas Company.

1959  Gas company celebrates Oregon's 100th birthday.

1965  Company offices open in Astoria and Lincoln City.

1969  The Linnton LNG tank is completed.

1977  The Portland Trailblazers win the NBA Championship against the Philadelphia 76ers.

1979  Construction on One Pacific Square, the company's present headquarters in Old Town Portland, is completed.


1987  Company begins storing gas underground at Mist.

1991  Barbara Roberts elected as Oregon's first female governor.

1999  Construction starts on the One Pacific Square.

2004  First Coos Bay customers receive natural gas.

2009  NW Natural celebrates its 150th birthday.

2009  South Mist Pipeline Extension is completed.
The worst of times

No organization reaches its 150th anniversary without some hard times, and the gas company has had its share. Businesses can suffer the commercial version of biblical plagues—economic downturns; adverse regulation; natural disasters, and much more.

The company founded by Leonard and Green has survived many tough times. But it always has survived—and emerged much stronger for the experience.

They bought their ink by the barrel

An early public battle pitted Harvey Scott, editor of The Oregonian, and Judge Henry McGinn against the gas company. In 1906, a series of articles lambasted Portland Gas Company for everything from poor quality gas to using undue influence on the purchase of fill dirt.

Judge McGinn was a respected reformer, and he and Scott had taken on the business practices of the railroads, as well as calling for utility regulation. But some observers speculated that the fight had its basis in more than public interest. It could have been that Abbot Mills, Portland Gas Company co-owner, was an early investor in the competing Oregon Journal.

Or perhaps The Oregonian editor tied his U.S. Senate hopes to gas-company bashing.

The articles continued for months, often accompanied by Harry Murphy’s biting cartoons. By a vote of eight to six, Portland City Council failed to move on a motion to ask the Legislature to revoke the company’s franchise.

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Under water

It was late May, 1894, and the nation was just emerging from what would be the worst economic squeeze until the Great Depression. Late rains and mountain runoff swelled the Columbia, causing the Willamette River to back up and flood downtown Portland.

The Willamette rose more than 30 feet above its banks, leaving much of the downtown under water for days.

The flood caused the only complete closure in the company’s history. It inundated the gas plant located on the river bank.

The company quickly rebuilt its plant above the high water mark.

Hard times for all

Neither Oregon nor the gas company was immune to the effects of the Great Depression. Many Northwesterners, used to relying on abundant wood supplies, kept their wood stoves after purchasing gas furnaces. When the economy fell apart, they returned to heating their homes with wood—less convenient, but free to anyone with an axe.

Electricity, which had overtaken the lighting market, was starting to compete with gas for the operation of other appliances. Hydropower made Portland’s electric rates some of the lowest in the nation. Competition with electricity, which started in the previous century as light bulbs pushed out gas lighting, would be a continuing theme throughout the company’s history.

Between 1929 and 1933, home-heating revenues plummeted by 43 percent, by-product sales dropped 33 percent and gas use by business and industry fell by 17 percent. By 1937, the company had 715 employees, down more than 18 percent from 1929. In 1933, the company cut dividends in half, then in 1934 suspended them entirely until 1938.

From Leonard and Green to FDR

President Franklin Roosevelt’s Works Progress Administration (WPA) was a major presence in Oregon during the 1930s. One of its projects was to remove the last vestiges of the original 1860 gas plant that was washed out by the 1894 flood.
Working together for
COMPANY, CUSTOMERS & COMMUNITY

To fully illustrate how big a difference gas company employees have made to Northwest communities over the years would fill a library’s worth of books. But if you’re lucky enough to meet a NW Natural employee, perhaps you’ll get to hear some of their stories first hand.

Because our employees are out in the community during the work day, they frequently are able to provide help to customers and non-customers in a variety of ways. Similarly, on their own time, employees give back to the community in countless ways.

The following stories are just a few examples of the great character of the people who have built and sustained the company— from its origins as The Leonard & Green Co. to the present NW Natural.

AH LING AND THE 1894 FLOOD

Many instances of devotion signalized this crisis in the operation of the plant, one of which was the action of an employee, named Ah Ling, who worked continuously for four days and nights in a bucket on a steep ladder in order to furnish fuel to an overburden tank, and who, upon being ordered home for rest would return in his place of duty as soon as the boss’s back was turned. As a further instance of the loyalty to the company evidenced by this employee, it is further stated that the next day, being payday, he voluntarily tendered a portion of his wages to the management in order to assist them in tide over the financial crisis.

– Gasco Bulletin, May 1922

HEROIC ACTION

“I just happened to be there at the time.” That’s the way Dean Lovrien of the Garage modestly explains his hero-like saving action at the scene of a flaming automobile accident near Newberg.

Other people happened to be there, too, according to the Newberg paper, but they watched from a safe distance while Dean kicked and pulled at the stuck door of the burning car in which Mrs. Margaret Silverman and her mother were trapped. He extricated the driver just before the gasoline tank exploded and, while he moved her to safety, a companion helped get the mother out through the same door.

The spectacular three-car crash, followed by explosions which shot flames 50 feet into the air, blocked all four lanes of 99W for more than an hour. Three persons were hospitalized, the woman Dean rescued being the most seriously injured.

– The Blue Flame, Spring, 1964

THE STORM OF 2004

More than 180 years after the great flood, NW Natural employees responded in the spirit of Ah Ling when Oregon was wallowed by snow, ice and an intense cold snap. January 5, 2004, set records for the highest gas use in Oregon’s history. At the same time, the transportation system — including much public transit — nearly shut down, and working conditions were tough.

Here are some examples of how employees helped the company, each other and their customers:

GRACE BADKE, who worked in the company’s Marketing Department, climbed ice crampons onto her boots and hiked to work at the company’s head-quarters. SHEILA MAGRIT also walked in to work — 4-1/2 miles — for several days in a row.

CAROL HUTCHINSON picked up a sleeping bag, the first night of the storm and returned to her office, where she spent the night on the floor to make sure she’d be available to support other employees.

Construction crews in Clark County responded to a call from the Salvage Army, set up a billboard for two weeks. The find was in downtown Portland. Don moved in.

A company can only earn top customer satisfaction numbers if its employees are skilled, engaged and committed. Mark Dodson, NW Natural’s CEO in 2008, said the best part of his job was working with and learning from the company’s employees. “I am always humbled by their talent and their dedication.”

Don spent those two weeks living on the billboard talking about the Street of Dreams, the gas company’s annual promotion with Home Builders Association.

“We sold a $50-foot-long billboard that we put a little roof over so I didn’t get wet, and it had a 12 x 12-foot extension like a patio. I put a gas barbecue up there and

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WE’VE GOT THE NATION’S BEST RATINGS

After years of being close to the top in the J.D. Power and Associates national residential customer satisfaction survey, NW Natural reached the number one ranking in 2008.

The survey included the nation’s 60 largest natural gas distribution and combined gas and electric utilities. NW Natural earned top rankings in three categories – company image; communications; and billing and payment, and was in the top six in the other three areas.

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Don, at right, tells radio listeners about the benefits of natural gas from his temporary home – a billboard.
NW Natural's history is intertwined with Portland’s and with the rest of the Northwest.

Anticipating Oregon’s statehood, H.C. Leonard and John Green received authorization to serve customers when Oregon was still a territory. Once in Portland, the partners took responsibility for much of the city’s infrastructure – investing in the water system, rail and roads, as well as the gas company.

Their business associates, and those of Adams and Mills, the company’s second owners, are well known today to Portlanders. That’s because so many streets and structures are named after them: Corbett, Failing, Ainsworth, Ladd and many more.

More than a century after the company’s founding, NW Natural officers continued to take leadership responsibility in the communities the company served. In addition to his charitable work, Francis Hill, who led Northwest Natural Gas from 1963 to 1975, was noted for his legal expertise. He advised the Oregon State Bar and helped craft Oregon’s regulatory policies.

Ron Miller, CEO from 1975 to 1984, also was active with both civic and charitable organizations. In particular, he was an avid sportsman and a generous supporter of K-12 education. Like his successor, Dick Reiten (CEO from 1997 to 2003), who took time out of his business career to head the state’s Economic Development Department, he brought the Portland business community together behind major infrastructure improvements.

Earlier in his career, Mark Dodson chaired the Oregon Board of Higher Education. As CEO from 2003 through 2008, he helped both the state and nation examine the tough issues of climate change. Current CEO Gregg Kantor carries the flame of civic responsibility lit by his predecessors. In addition to his civic and philanthropic work, he serves on Governor Ted Kulongoski’s Global Warming Commission.

NW Natural employees are equally committed to giving back to the community – and the company supports them in their

WHAT IT MEANS WHEN WE SAY “We Grew Up Here”


enthusiasm. NW Natural contributes cash to programs favored by its employees through its Dollars for Doers program. It also established a substantial program, each year giving one employee the opportunity to take up to three months’ time working on behalf of a charitable organization – with full company pay and benefits.

Here are some examples of how employers help out in their community.

HAROLD NASH

Harold Nash works at NW Natural’s liquefied natural gas storage facility in Newport. He also works as an investigator, and he has seen first-hand the traumatic results of methamphetamine use. He has volunteered his time talking to community groups about the dangers of a drug that’s far too common in rural communities.

Harold’s message: “Methamphetamine use is undermining this area’s social infrastructure. It’s the children who pay the price.”

FOR CHILDREN AND COMMUNITIES

NW Natural’s philanthropy program, which focuses on programs that support children and families at risk, has contributed more than $14 million to Northwest charities over the last 10 years. In addition, NW Natural’s in-kind support makes a difference to dozens of local organizations each year. From providing free use of its meeting and banquet rooms to lending colorful canopies or providing meals at fundraisers, NW Natural continues to intertwine its activities with those of community-based organizations.

Each year, NW Natural and its employees provide backpacks filled with school supplies to students at Vernon Elementary School in Portland.

BOB TAYLOR & RAY STAUSS

Bob Taylor, now retired from NW Natural, and current employee Ray Stauss helped make Oregon history. Or rather, remake history. They volunteered with the Oregon Bicentennial Commission to blaze a trail from a parking lot to the spot where Lewis and Clark stood when they first viewed the Pacific Ocean.

Their goal was to make a rugged track accessible to the thousands of visitors who wanted to follow in the footsteps of Lewis and Clark during the Bicentennial Celebration of their celebrated journey across the continent. Using a hand tool, they measured angles and distances along the forest floor and marked the path with wooden stakes. Other volunteers followed to complete the grading.

Upon completion, Bob said, “It was nice to be on top of that hill overlooking the ocean and think that 200 years ago, Lewis and Clark may have stood here.”

NANCY WHITLEY

At NW Natural, Nancy Whitley is known for her skills, her enthusiasm – and for sending candy with her interoffice mail.

In Albany, she’s known as somebody who makes a difference in the community. In 2005, she received a leadership award from United Way and was nominated for Albany’s First Citizen award. A short list of her activities includes her work on the Albany Water Task Force, leadership positions in the Chamber of Commerce and Rotary Club, and serving as 2008-2009 United Way chairperson. She serves on NW Natural’s Diversity Council, and she’s an assistant pastor at her church.

The Rev. Randall Shutt, who nominated Nancy for the First Citizen award, said, “Nancy is always ready with a kind word and a disposition of compassion and caring. In truth, that sort of disposition makes us all a little better.”

(Clockwise from top) Keith White, a NW Natural officer and LifeWorks Northwest board member, visits a program for moms and babies. Nancy Whitley is honored by the Albany community. Ray Stauss and Bob Taylor show the tool they used to help the Lewis and Clark Bicentennial. Margaret Jackson brings her grandchildren to community cleanup events sponsored by NW Natural.
Rethinking the frontier

STEWARDSHIP FOR THE FUTURE

When H.C. Leonard and the Greens founded the gas company, they were ready to tame the frontier. Opportunities were limitless, as was space, water, clean air and raw material.

One hundred and fifty years later, opportunities still are vast, but each day we become more conscious of the need to balance growth with the fragile environment that supports us.

The Northwest has done much to clean up its water and its air and to reduce its energy use. Now, with the threat of global warming becoming more apparent, NW Natural feels an urgency to help lead the region toward cleaner options.

This is in large part because of NW Natural’s legacy. The company feels a responsibility to serve its customers in the most environmentally responsible manner and to ensure they will have the high-quality energy they need when they need it.

Additionally, NW Natural’s leadership knows how much its success is based on the Northwest’s quality of life and the policies and dedication that have kept the region one of the most livable in the nation.

Finally, the world and its economy are changing. From a purely business perspective, NW Natural knows — and has known for many years — that it must change its products and processes. And change it has.

RESPONSIBLE CLEANUP

Portland Gas & Coke started manufacturing gas from oil at its Linnton plant in 1913, and manufacturing continued at the site until 1956.

Manufacturing gas from oil leaves a tar-like substance. Gasco captured much of this material and created useful products like briquettes and benzol. But some residue remained on the site and, over the years, found its way into the Willamette River.

NW Natural recognizes its inherited responsibility to the land, the Willamette River and the people of Portland to address residue from gas manufacturing. The company is working closely with other organizations on a comprehensive cleanup of the Portland Harbor — a nine-mile area from Sauvie Island to the Fremont Bridge.

In 2005, NW Natural became the first among dozens of companies and public agencies to remove contaminated sediments from the harbor. Once the federal government approves a harbor-wide cleanup plan, the company expects to be the first to implement its remaining river cleanup plans.

COMBINED HEAT AND POWER

A combined heat and power system with a high-efficiency gas-powered turbine is one of the most efficient ways to create electricity. And higher efficiency means fewer greenhouse gas emissions.

NW Natural has been a regional leader in combined heat and power. For example, with NW Natural’s help, Lewis & Clark College generates electricity with a highly efficient gas-powered microturbine. Waste heat from the microturbine warms the water in the college’s Olympic-sized swimming pool.

By promoting such systems, NW Natural hopes to bring down the cost of on-site high-efficiency generating equipment, like fuel cells and microturbines, making them more affordable for Northwest businesses.

SMART ENERGY

In another first, NW Natural became the only stand-alone gas utility in the nation to offer a carbon offset program. In 2007, the company presented its customers with the option of investing as little as $6 a month in the Smart Energy program. Their contributions would support projects that will reduce greenhouse gas emissions.

NW Natural’s focus is biogas made from cow manure. The company sees many benefits to this approach. First, a biodigester captures methane from decomposing manure, keeping the gas out of the atmosphere. Methane is 21 times more potent a greenhouse gas than carbon dioxide. And biogas pilot projects can help turn biogas into a practical, affordable alternative to natural gas and other fossil fuels.

A biodigester can help a dairy farm with the environmental challenges of managing farm waste. In addition, it can provide a renewable, on-site energy source, replacing propane or purchased electricity.

Late in 2008, NW Natural, the Bonneville Environmental Foundation and Threemile Canyon Farms — Oregon’s largest organic farm — signed an agreement to develop a biodigester as Smart Energy’s first pilot project.

CONSERVATION TARIFF

In 2002, NW Natural became the first stand-alone gas utility in the nation to change the way it bills customers. Under a new rate mechanism, the company no longer benefits by selling a customer more gas, and the company isn’t hurt if a customer cuts back on gas use.

This approach, called decoupling, opens a new world of opportunities to utilities and its customers. It means the utility can promote conservation and energy efficiency, with assurances that it can recover its business costs.

The strategy is working as intended — helping customers save energy and protecting the environment from greenhouse gases. Cooperative programs between NW Natural and Energy Trust of Oregon for the purchase of high-efficiency equipment saved enough gas to heat 12,500 homes for a year during the first four years of the program. We’ve also reduced carbon dioxide emissions by more than 74 million pounds — the equivalent of taking 7,700 cars off the road.

(Left) Natural gas provides a low-emission alternative to gasoline.
(Center) NW Natural brought resources together to install a fuel cell in a Hillsboro youth facility.
produced by NW natural's corporate communications department

Kim Heiting, Director, Cory Beck, Jenna Cooper-Gross, Joyce Leung, Claire Levine, Mary Schneider and Valerie White

Acknowledgments

Special thanks to:
• Richard Sanders and Chet Drift for historical research that provided the basis for this text
• Ross Liske, retired NW Natural employee, and Allen Grant, current employee, for their knowledge and advice
• Matt Fitchner and Minata Yokouchi of NW Natural’s Records and Information Management Department
• Lucy Benkler of The Oregon Historical Society, and the OHS Research Library staff
• Dale Husband for his production support

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OHS = Oregon Historical Society

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150 YEARS OF GRATITUDE

We’ve been operating as a company for 150 years. We’ve grown with the region, and the region has grown with us.

To our customers:
Thank you for letting us bring the clean, reliable comfort of natural gas to you, and thank you for your trust in us as a company.

To the communities we serve:
Thank you for welcoming us and allowing us to provide an important energy source to your residents and businesses.

We know that NW Natural would not be the successful company it is without the vitality, livability and dynamic business environment of the Pacific Northwest. So with deep gratitude, we thank you for making these 150 years possible. And with great pride, we invite you to celebrate our anniversary with us.

Thanks to you all.

The employees, officers and board of directors
NW Natural
January 7, 2009