

e-FILING REPORT COVER SHEET

REPORT NAME: Report of Restated Stock Option Plan

COMPANY NAME: Northwest Natural Gas Company dba NW Natural

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: RE (Electric) RG (Gas) RW (Water)
 RO (Other)

Report is required by: OAR Enter Rule number; e.g., 860-039-0070
 Statute Enter Statute; e.g., ORS 757.135
 Order Enter Commission Order No.; e.g., 95-1335 Order #03-206
 Other Enter reason; e.g., at Request of Lee Sparling

Is this report associated with a specific docket/case? No Yes

If Yes, enter docket number: UF-3988

Key words: Stock Option Plan Compliance Filing

If known, please select the PUC Section to which the report should be directed:

- Corporate Analysis and Water Regulation
- Economic and Policy Analysis
- Electric and Natural Gas Revenue Requirements
- Electric Rates and Planning
- Natural Gas Rates and Planning
- Utility Safety, Reliability & Security
- Administrative Hearings Division
- Consumer Services Section

PLEASE NOTE: Do NOT use this form or e-filing with the PUC Filing Center for:

- **Annual Fee Statement form and payment remittance or**
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- **Any other Telecommunications Reporting or**
- **Any daily safety or safety incident reports or**
- **Accident reports required by ORS 654.715.**

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January 29, 2015

Via Electronic Filing

Oregon Public Utility Commission
3930 Fairview Industrial Dr SE
Salem, Oregon 97302-1166

Ladies and Gentlemen:

Re: Docket No. UF-3988

Pursuant to the Commission's Supplemental Order entered December 2, 1996 and its Supplemental Order entered April 7, 2003 in the above-referenced Docket, I enclose the Company's Report of the Restated Stock Option Plan (formerly known as the 1985 Stock Option Plan) for the year ended December 31, 2014.

Sincerely,

/s/ Shawn M. Filippi

Shawn M. Filippi

SMF:nkb
Encl.

REPORT OF SECURITIES ISSUED UNDER PLAN, 2014

Options Exercised

	Amount
Total Value of Common Stock Issued	\$3,246,151.21 ¹
Less spread	(\$472,413.08) ²
Gross proceeds	\$2,773,738.13
Underwriter's spread or commission	-
Securities and Exchange Commission registration fee	-
State mortgage registration tax	-
State commission fee	-
Fee for recording indenture	-
United States document tax	-
Printing and engraving expenses	-
Trustee's charges	-
Counsel fees	-
Accountant's fees	-
Cost of listing	-
Miscellaneous expense of issue (describe large items)	-
Total Deductions	\$0
Net Amount Realized	\$2,773,738.13

¹ Par value eliminated in May 2006. Total value is based on the number of shares and the price the shares were sold for on the open market. 69,662 shares were exercised pursuant to the Plan in 2014 at a weighted average sale price of \$46.69. At the employees' request, with the exception of two transactions, the employees elected to conduct a "cashless exercise," whereby the shares subject to the option were sold on the open market and the employees collected the spread between the sale price and exercise price of the shares subject to applicable fees and withholdings. One employee paid cash to exercise an option for 800 shares of common stock for a total of \$27,432.00. One employee engaged in a "sale to cover transaction," whereby the employee engaged in a cashless exercise with respect to a portion of the shares under their option to generate sufficient funds to exercise and retain the remaining shares subject to the option, and pay applicable fees and withholding. In this instance, the employee exercised an option for 8,000 shares, selling 6,889 shares at a weighted average sale price of \$43.996 to generate sufficient funds to purchase the remaining 1,111 shares subject to the option.

² The weighted average employee purchase price for the 69,662 shares exercised was \$39.82 per share.

DISPOSITION OF NET PROCEEDS:

In 2014, the Company issued 69,662 shares of its Common Stock under the Plan. The weighted average employee purchase price per share was \$39.82, with net proceeds of \$2,773,738.13. There were no expenses associated with the Plan in 2014. The net proceeds were applied towards the acquisition of property, the construction, completion, extension or improvement of the Company's facilities, the improvement or maintenance of the Company's service, or the discharge or lawful refunding of the Company's obligations, pursuant to ORS 757.415(1).

IN WITNESS WHEREOF, I have hereunto affixed my hand and the corporate seal of Northwest Natural Gas Company this 29th day of January, 2015.

/s/ Shawn Filippi

(S E A L)

Shawn Filippi
Vice President and Corporate Secretary
Northwest Natural Gas Company

Subscribed to and sworn to before me this 29th day of January, 2015. In Multnomah County,
Oregon.

/s/ Pam L. Villaloboz

Notary Public for Oregon
My Commission Expires: October 8, 2018