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REPORT NAME: Budget of Expenditures Report for the Year 2013

COMPANY NAME: NW Natural

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed in 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)

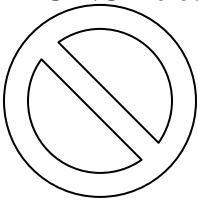
Report is required by: OAR 860-027-0005
Statute ORS 757.105
Order
Other

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

If yes, enter docket number: RG 18

List applicable Key Words for this report to facilitate electronic search:
2013, Budget of Expenditures Report, Annual Report

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- Annual Fee Statement form and payment remittance or
- OUS or RSPF Surcharge form or surcharge remittance or
- Any other Telecommunications Reporting or
- Any daily safety or safety incident reports or
- Accident reports required by ORS 654.715

Please file the above reports according to their individual instructions.

MARK R. THOMPSON
Manager, Rates & Regulatory Affairs
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Fax: 503.721.2516
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February 13, 2013

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
550 Capitol Street, NE, Suite 215
Post Office Box 2148
Salem, Oregon 97308-2148

Attention: Filing Center

Re: RG 18(1): 2013 ANNUAL BUDGET OF EXPENDITURES REPORT

Northwest Natural Gas Company, dba NW Natural, submits herewith its 2013 Annual Proposed Budget of Expenditures, pursuant to ORS 757.105 and OAR 860-27-0005.

Please address any correspondence on this matter to me, with copies to John W. Sohl, Budget Manager, 503.226.4211, extension 3435, at the address stated above.

Sincerely,

/s/ Mark R. Thompson

Mark R. Thompson

enclosure

cc: David Anderson
Stephen Feltz
Alex Miller
John Sohl

BUDGET OF EXPENDITURES REPORT FOR THE YEAR 2013

Filed by:

NORTHWEST NATURAL GAS COMPANY
220 NW Second Avenue
Portland, Oregon 97209

Date of Incorporation:

January 10, 1910

Directors at date of budget:

<u>NAME OF DIRECTOR</u>	<u>CITY AND STATE OF RESIDENCE</u>	<u>LENGTH OF TERM</u>	<u>TERM EXPIRES</u>
Timothy P. Boyle	Portland, OR	3 year	2015
Tod R. Hamachek*	Ketchum, ID	3 year	2013
Gregg S. Kantor	Portland, OR	3 year	2014
Mark S. Dodson	Vancouver, WA	3 year	2015
John D. Carter	Portland, OR	3 year	2014
C. Scott Gibson	Jackson Hole, WY	3 year	2014
Martha L. "Stormy" Byorum	New York, NY	3 year	2014
Jane L. Peverett*	West Vancouver, BC	3 year	2013
George Puentes	Salem, OR	3 year	2015
Kenneth Thrasher*	Portland, OR	3 year	2013

* Nominee at 2013 Annual Meeting for three-year term expiring in May 2016.

We certify that this budget of expenditures report has been prepared under our direction; that we have carefully examined the report and declare it to be a complete and correct estimate of Company expenditures for the coming year, to the best of our knowledge, information, and belief.



Stephen P. Feltz, Treasurer and Controller

2/12/2013
Date



David H. Anderson, Senior VP Finance & CFO

2/12/13
Date

**ANNUAL SALARY* AND OTHER COMPENSATION OF OFFICERS
AND RETIRED EXECUTIVES**

* Salary amounts effective 3-1-12. Bonuses paid in March '12. Other amounts may reflect 2012 expenditures.

Kantor, Gregg S.		Company	Account
President and Chief Executive Officer		Paid	Number
1	Annual Salary	\$481,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	16,613	Var
4	Life and Disability Insurance	3,028	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	238	804
7	Pension Plan	0	
8	Savings Plan	30,128	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	\$50,006	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	164,816	602
16	Bonus (Annual and Long Term Incentive Plans)	502,662	Var

Anderson, David		Company	Account
Sr. Vice President of Finance and Chief Financial Officer		Paid	Number
1	Annual Salary	\$370,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	22,002	Var
4	Life and Disability Insurance	1,329	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	367	804
7	Pension Plan	0	
8	Savings Plan	18,414	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	\$42,113	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	99,225	602
16	Bonus (Annual and Long Term Incentive Plans)	205,171	Var

Doolittle, Lea Anne		Company	Account
Sr. Vice President, Human Resources		Paid	Number
1	Annual Salary	\$260,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	22,002	Var
4	Life and Disability Insurance	1,607	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	439	804
7	Pension Plan	0	
8	Savings Plan	12,216	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	\$36,264	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	50,832	602
16	Bonus (Annual and Long Term Incentive Plans)	109,049	Var

NOTE: 2013 salaries effective 3-1-13 will be updated when approved.

Kirkpatrick, Margaret		Company	Account
Vice President and General Counsel		Paid	Number
1	Annual Salary	\$285,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	22,002	Var
4	Life and Disability Insurance	1,770	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	262	804
7	Pension Plan	0	
8	Savings Plan	9,000	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	<u>\$33,035</u>	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	22,500	602
16	Bonus (Annual and Long Term Incentive Plans)	119,587	Var

White, J. Keith		Company	Account
Vice President, Business Development and Energy Supply, Chief Strategic Officer		Paid	Number
1	Annual Salary	\$236,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	15,976	Var
4	Life and Disability Insurance	1,454	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	242	804
7	Pension Plan	0	
8	Savings Plan	9,000	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	<u>\$26,672</u>	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	22,500	602
16	Bonus (Annual and Long Term Incentive Plans)	115,587	Var

Miller, C. Alex		Company	Account
Vice President, Finance and Regulation, Assistant Treasurer		Paid	Number
1	Annual Salary	\$195,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	13,613	Var
4	Life and Disability Insurance	1,191	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	143	804
7	Pension Plan	0	
8	Savings Plan	8,775	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	<u>\$23,722</u>	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	14,625	602
16	Bonus (Annual and Long Term Incentive Plans)	68,331	Var

NOTE: 2013 salaries effective 3-1-13 will be updated when approved.

Williams, David		Company	Account
Vice President, Utility Services		Paid	Number
1	Annual Salary	\$222,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	8,496	Var
4	Life and Disability Insurance	1,365	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	0	804
7	Pension Plan	0	
8	Savings Plan	10,352	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	\$20,212	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	48,965	602
16	Bonus (Annual and Long Term Incentive Plans)	89,512	Var

Yoshihara, Grant		Company	Account
Vice President, Utility Operations		Paid	Number
1	Annual Salary	\$222,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	22,002	Var
4	Life and Disability Insurance	1,365	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	0	804
7	Pension Plan	0	
8	Savings Plan	10,352	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	\$33,719	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	40,227	602
16	Bonus (Annual and Long Term Incentive Plans)	89,512	Var

Feltz, Stephen P.		Company	Account
Treasurer and Controller		Paid	Number
1	Annual Salary	\$232,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	22,002	Var
4	Life and Disability Insurance	1,428	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	158	804
7	Pension Plan	0	
8	Savings Plan	10,784	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	\$34,371	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	53,129	602
16	Bonus (Annual and Long Term Incentive Plans)	91,512	Var

NOTE: 2013 salaries effective 3-1-13 will be updated when approved.

Saathoff, Mardilyn		Company	Account
Deputy General Counsel, Chief Governance Officer and Corporate Secretary		Paid	Number
1	Annual Salary	\$215,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	13,613	Var
4	Life and Disability Insurance	1,319	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	547	804
7	Pension Plan	0	
8	Savings Plan	9,977	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	<u>\$25,455</u>	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	26,701	602
16	Bonus (Annual and Long Term Incentive Plans)	72,975	Var

NOTE: 2013 salaries effective 3-1-13 will be updated when approved.



2013 Contributions Budget

Name of Organization	Account	Amount
1000 Friends of Oregon	426	2,500
American Cancer Society - Oregon	426	5,000
Asian American Youth Leadership Summit	426	2,500
Audubon Society of Portland	426	2,500
Big Brothers/Big Sisters	426	40,000
Black Parent Initiative	426	2,500
Black United Fund of Oregon	426	25,000
Camp Fire, USA	426	40,000
Campaign for Equal Justice	426	2,000
CASA for Kids	426	5,000
Cascade AIDS Project	426	5,000
Catholic Charities	426	2,500
CASH Oregon	426	5,000
Central City Concern	426	7,500
Chess for Success	426	5,000
Children's Relief Nursery	426	10,000
Classroom Law Project	426	3,500
Community Foundation of SW Washington	426	12,000
Community Transitional School	426	5,000
Community Warehouse	426	2,500
Dougy Center	426	5,000
Dress for Success	426	5,000
Earth Share of Oregon	426	32,000
Employers for Education Excellence	426	5,000
Forest Park Conservancy	426	5,000
Friends of the Children	426	10,000
Friends of Ridgefield Wildlife Refuge	426	5,000
Friends of Trees	426	7,500
Freshwater Trust	426	80,000
Gas Assistance Program	426	50,000
Guide Dogs for the Blind	426	5,000
Habitat for Humanity	426	25,000
I Have a Dream Foundation	426	5,000
Impact Northwest	426	5,000
Junior Achievement	426	10,000
LifeWorks NW	426	10,000
Metropolitan Family Services	426	2,500
Nature Conservancy	426	5,000
New Avenues for Youth	426	3,000
Newspapers in Education (ONF)	426	1,500
Northwest Business for Culture & Arts	426	5,000
Medical Teams International	426	5,000
Mercy Corp International	426	10,500
Oregon Burn Center	426	4,000
Oregon Museum of Science and Industry	426	10,000
Work for Art/RACC	426	25,000
Oregon Community Foundation	426	70,000
Oregon Environmental Council	426	5,000
Oregon Food Bank Network	426	15,000
Oregon Historical Society	426	10,000
Oregon Independent College Foundation	426	10,000
Oregon State Parks Trust	426	5,000
Oregon State University Foundation	426	15,000
Oregon Symphony	426	5,000
Portland Art Museum	426	5,000
Portland Center Stage	426	20,000
Portland Community College Foundation	426	5,000
Portland Opera	426	7,500
Portland Parks Foundation	426	5,000
Portland Public Schools Foundation	426	5,000
Portland State University Foundation	426	15,000
REACH Community Development	426	2,500
Salvation Army	426	5,000
Schoolhouse Supplies	426	15,000
Self Enhancement, Inc	426	16,000
SMART	426	5,000
Stop Oregon Litter and Vandalism	426	2,500
Transition Projects	426	4,500
United Way Chapters throughout Oregon	426	120,000
University of Oregon Foundation	426	20,000
Urban League of Portland	426	5,000
Uncommitted	426	219,545
Sub-Total		1,133,545
Chamber of Commerce		
Oregon & Washington	426	30,124
Organizations of the Gas Utility Industry:		
American Gas Association	930	405,129
Gas Technology Institute (and other R&D)	930	744,000
Western Energy Institute	930	29,000
Northwest Gas Association	921	76,455
Sub-Total		1,254,584
TOTAL		2,418,253

Expenditures For Pensions - 2013 Budget

I. Expense before Allocation	Total Amount
Executive Supplemental Plan	\$ 3,016,999
Pension - Defined Contribution	\$ 766,073
Legal, Actuary & Auditor Fees	\$ 500,000
Western States Trust Fund	\$ 458,856
FAS 87 Defined Benefits Plan	\$ 21,616,861
Less: Amount Deferred to Pension Balancing Account	<u>\$ (9,865,945)</u>
Total	<u>\$ 16,492,844</u>

II. Distribution of Total Expensed

Utility - Operation	\$ 8,813,395
Utility - Construction	\$ 7,095,904
Non - Utility	\$ 583,545
Total	<u>\$ 16,492,844</u>

Political Advertising And Political Contributions

\$ 130,000 has been budgeted as contributions to NW Natural's Political Action Committees. Specific expenditures for political advertising and political contributions have not been identified at this time.

Expenditures to organizations having an affiliated interest

Northwest Natural Gas Company pays KB Pipeline Company a monthly commitment fee plus a commodity charge if used, related to KB Pipeline. NNG Financial Corporation owns 100% of KB Pipeline Company. KB Pipeline Company owns an undivided 10% interest of Kelso Beaver Pipeline assets. Portland General Electric Company owns 79.5% of the remaining 90% and BR Pipeline owns 10.5% of the remaining 90%.

	<u>Account Number</u>	<u>Total Amount</u>
2013 Budget	804	\$224,258