

e-FILING REPORT COVER SHEET

REPORT NAME: Eleventh Report of Sales, Issues and Expenses

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
 Statute
 Order Order 06-662
 Other

Is this report associated with a specific docket/case? No Yes
If Yes, enter docket number: UF 4232; RG 27; Order 06-662

Key words: NW Natural; ESPP; Employee Stock Purchase Plan

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

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- **Any daily safety or safety incident reports or**
- **Accident reports required by ORS 654.715.**

Shawn M. Filippi
Vice President, Chief Compliance Officer
and Corporate Secretary
Tel: 503.220.2435
Fax: 503.220.2584
Toll Free: 1.800.422.4012
e-mail: shawn.filippi@nwnatural.com



February 28, 2017

Via Electronic Filing

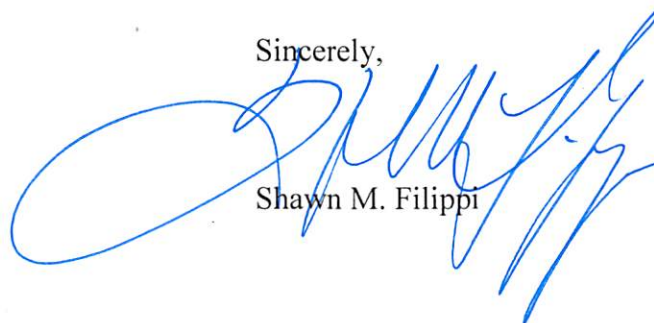
Oregon Public Utility Commission
201 High Street SE, Suite 100
Salem, OR 97301-3398

Ladies and Gentlemen:

Re: Docket No. UF-4232/RG 27

Pursuant to the Commission's Order No. 06-662, in Docket UF-4232, authorizing the issuance and sale of the Company's Common Stock to its employees under the Employee Stock Purchase Plan, we enclose herewith the Eleventh Report of Sales, Issues and Expenses, for the year ended December 31, 2016.

Sincerely,



Shawn M. Filippi

SMF:amp
Encl.

BEFORE THE OREGON PUBLIC UTILITY COMMISSION

| | | |
|--|---|----------------------------------|
| In the Matter of the Application of |) | |
| |) | |
| NORTHWEST NATURAL GAS COMPANY |) | Docket UF-4232 |
| |) | |
| for Authorization to Issue and Sell |) | Eleventh Report of Sales, Issues |
| up to an Additional 200,000 Shares of Common Stock |) | and Expenses |
| |) | |

This Report is filed pursuant to the Commission's Order No. 06-662 in Docket UF-4232 dated December 8, 2006, in which the Company was authorized to issue and sell up to 200,000 shares of its Common Stock pursuant to the terms of its Employee Stock Purchase Plan, as amended (the Plan). 18,196 shares were issued under the Order in this Docket in 2016.

The Company made its seventeenth offering to its employees under the terms and conditions set forth in the Plan. During 2016, the Company completed an offering to its employees that was made during the period October 26, 2015 through November 13, 2015 (the 2015 Offering) and made a new offering under the Plan during the period October 19, 2016 through November 4, 2016 (the 2016 Offering). Certain administrative terms of the Plan were amended in 2003. The 2015 and 2016 offerings were made at a price determined to be 85% (rounded to the next full penny) of the closing price quoted for the Common Stock on the New York Stock Exchange on the trading day before the initial date of each offering.

During the 2015 Offering, the Company offered to its employees not to exceed 78,758 shares of its Common Stock, at a price of \$40.51 per share. The Company received subscriptions for 20,784 shares, with 2,588 cancellations. During the 2016 Offering, the Company offered to its employees not to exceed 60,450 shares of its Common Stock, at a price of \$50.47 per share. As of December 31, 2016, the Company received subscriptions for 18,830 shares, with no cancellations. Payroll deductions taken by the Company in payment of the subscribed shares are held on behalf of the employees until the shares are to be purchased on the purchase date in December 2017.

Pursuant to the Commission's authorization in this Docket UF-4232, at December 31, 2016, the Company had received from the nine offerings subscriptions totaling 179,498 shares, cancellations totaling 20,874 shares of such subscribed shares and cash in the amount of \$5,405,095.62 in full payment for 139,794 of the shares, and had issued certificates or authorized book-entry positions for the 139,794 shares to the respective employee purchasers as follows:

| Offering Period | Price | Shares Subscribed | | | Shares Issued | | Balance Subscribed |
|---------------------------------|---------|-------------------|---------------|----------------|----------------|-----------------------|--------------------|
| | | Initial | Canceled | Total | Number | Gross Proceeds | |
| 11/1/08 – 11/30/08 ¹ | \$43.25 | 9,813 | 4,276 | 5,537 | 5,537 | \$239,475.25 | 0 |
| 11/1/09 – 11/30/09 | \$35.54 | 24,530 | 871 | 23,659 | 23,659 | \$840,840.86 | 0 |
| 11/1/10 – 11/30/10 | \$41.90 | 18,936 | 3,632 | 15,304 | 15,304 | \$641,237.60 | 0 |
| 11/1/11 – 11/30/11 | \$39.72 | 19,917 | 1,760 | 18,157 | 18,157 | \$721,196.04 | 0 |
| 11/1/12 – 11/30/12 | \$39.56 | 17,851 | 2,237 | 15,614 | 15,614 | \$617,689.84 | 0 |
| 10/1/13 – 10/31/13 | \$35.69 | 26,191 | 1,928 | 24,263 | 24,263 | \$865,946.47 | 0 |
| 10/27/14 – 11/14/14 | \$38.90 | 22,646 | 3,582 | 19,064 | 19,064 | \$741,589.60 | 0 |
| 10/26/15 – 11/13/15 | \$40.51 | 20,784 | 2,588 | 18,196 | 18,196 | \$737,119.96 | 0 |
| 10/19/16-11/04/16 | \$50.47 | 18,830 | 0 | 18,830 | 0 | 0 | 18,830 |
| Total | | 179,498 | 20,874 | 158,624 | 139,794 | \$5,405,095.62 | 18,830 |

¹ 3,078 of the 8,615 shares issued under the Plan in 2009 were issued under the authorization of Docket No. UF-4172. The subscriptions and cancellations are prorated between the two Dockets.

REPORT OF SECURITIES ISSUED UNDER PLAN, 2016

| | Amount |
|---|-----------------------------|
| Total Value of Common Stock Issued | \$867,039.40 ¹ |
| Plus premium or less discount | (\$129,919.44) ² |
| Gross proceeds | \$737,119.96 |
| 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 postage 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 | \$737,119.96 |

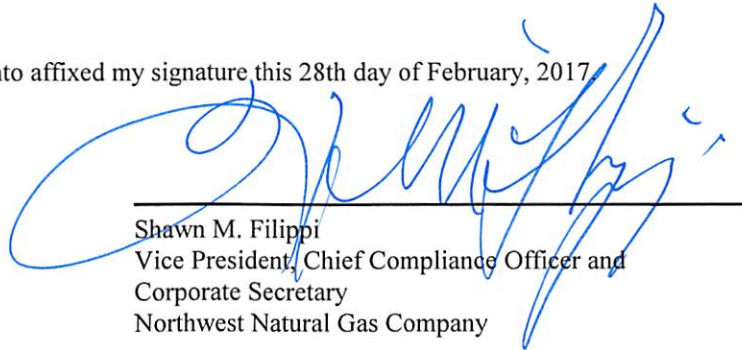
¹ Based on a fair market value of \$47.65, the closing price of the shares as reported on the New York Stock Exchange on October 23, 2015.

² Employees purchased stock at \$40.51, reflecting a 15% discount of the fair market value.

DISPOSITION OF NET PROCEEDS:

In 2016, the Company issued 18,196 shares of its Common Stock under this Docket. The employee purchase price per share was \$40.51, with gross proceeds of \$737,119.96. There were no expenses associated with the Plan in 2016. The net proceeds of \$737,119.96 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 signature this 28th day of February, 2017.



Shawn M. Filippi
Vice President, Chief Compliance Officer and
Corporate Secretary
Northwest Natural Gas Company