

e-FILING REPORT COVER SHEET

REPORT NAME: Fourth Report of LTIP Activity

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 13-068
 Other

Is this report associated with a specific docket/case? No Yes
If Yes, enter docket number: UF 4275; RG 67; Order 13-068

Key words: NW Natural; LTIP; Long Term Incentive Plan

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

- Corporate Analysis and Water Regulation
- Economic and Policy Analysis
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- Electric Rates and Planning
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April 28, 2017

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

Ladies and Gentlemen:

Re: Docket No. UF-4275

Pursuant to the Commission's Order No. 13-068, in Docket UF-4275, authorizing the issuance and sale of the Company's Common Stock under the Company's Long Term Incentive Plan, we enclose herewith the Fourth Report of LTIP Activity, for the year ended December 31, 2016.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn M. Filippi". The signature is written in a cursive style with a large initial "S".

Shawn M. Filippi

Encl.

BEFORE THE OREGON PUBLIC UTILITY COMMISSION

In the Matter of the Application of)	
)	
NORTHWEST NATURAL GAS COMPANY)	Docket UF-4275
)	
for an Order Authorizing the Company to Issue and/or)	Fourth Report of LTIP Activity
Sell up to 701,922 shares of Common Stock Pursuant to)	
its Long Term Incentive Plan)	

This Report is filed pursuant to the Commission’s Order No. 13-068 in Docket UF-4275 dated February 26, 2013, in which Northwest Natural Gas Company (the “Company”) was authorized to issue and sell up to 701,922 shares of the Company’s Common Stock, no par value, (“Common Stock”) under the Company’s Long Term Incentive Plan (“LTIP”).

Report for the calendar year ending December 31, 2016.

1. Date of Last Annual Internal Review.

The Company reviews the LTIP grants and issuances on a quarterly basis. The last quarterly review was performed April 18, 2017.

2. Remaining Board Authorized Shares Under the LTIP for Each Applicable Purpose.

As of December 31, 2016, of the 600,000 shares originally authorized for Performance-Based and Stock Awards, including Restricted Stock Units (RSUs), 365,633 shares remain for future issuance. Of those 365,633 shares, 183,726 shares have been designated for awards that have been made, but have not yet vested, and 181,907 shares have not been awarded.

As of December 31, 2016, 250,000 additional shares are authorized and available for Stock Options.

3. Board and Organization and Executive Compensation Committee (OECC) Granted LTIP Shares for Each Applicable Purpose.

LTIP shares were granted in 2016 as shown in the following table:

Purpose	Shares	Vested in 2016
Performance-Based Awards	26,456 ¹	8,914
Awards of Common Stock	0	0
RSUs	40,271	29,488
Incentive Stock Options	0	0
Non-Statutory Stock Options	0	0
Total	66,727	38,402

¹ Assumes market, performance, and service based grants currently outstanding are awarded at the target level. Actual awards may be above or below target.

4. OECC Issued Shares Under the LTIP, Indicating Vesting Status Where Applicable for Each Applicable Purpose.

LTIP shares were issued and paid out after tax withholdings in 2016 as shown in the following table:

Purpose	Shares
Performance-Based Awards	6,377 ¹
Awards of Common Stock	0
RSUs	21,200 ²
Incentive Stock Options	0
Non-Statutory Stock Options	0
Total	27,577

¹ Of the 6,377 Performance-Based Award shares issued, 1,424 shares were deferred.

² Of the 21,200 RSU shares issued, 5,151 shares were deferred.

5. Fair Market Value of LTIP Shares Issued as of the Date of Issuance.

All LTIP shares issued in 2016 were issued March 2, 2016 with a fair market value of \$49.44 per share, except for 217 shares issued on March 31, 2016 with a fair market value of \$54.15 per share and 1,422 shares issued on May 25, 2016 with a fair market value of \$55.71 per share. The preceding fair market values are based on the closing price on the date preceding the date of issuance.

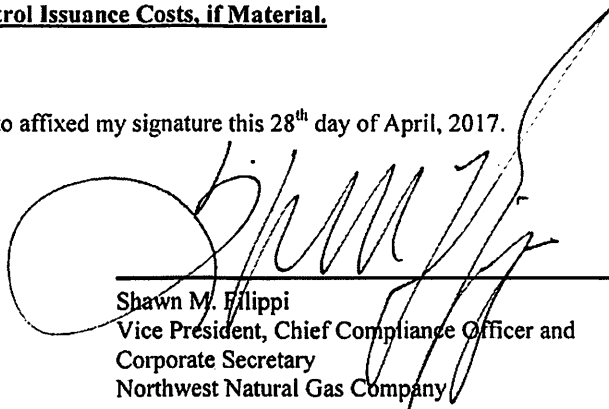
6. Itemized Total and Per Unit Fees and Expenses.

There were no fees and expenses directly associated with LTIP in 2016. However, at the Company's election, all shares of common stock issued pursuant to the LTIP in 2016 were shares repurchased in the open market. The Company paid approximately \$1,050 in commissions associated with these open market purchases in 2016.

7. Steps Taken by the Company to Control Issuance Costs, if Material.

Not applicable.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 28th day of April, 2017.



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