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REPORT NAME: Budget of Expenditures Report for the Year 2014

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)

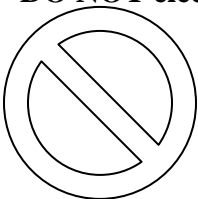
Report is required by: OAR 860-027-0005  
Statute ORS 757.105  
Order  
Other

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:  
2014 Budget of Expenditures 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  
Tel: 503.721.2476  
Fax: 503.721.2516  
email: mark.thompson@nwnatural.com



February 14, 2014

**VIA ELECTRONIC FILING**

Public Utility Commission of Oregon  
3930 Fairview Industrial Drive SE  
Post Office Box 1088  
Salem, Oregon 97308-1088

Attention: Filing Center

**Re: RG 18(2): 2014 ANNUAL BUDGET OF EXPENDITURES REPORT**

Northwest Natural Gas Company, dba NW Natural, submits herewith its 2014 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 Jorge Moncayo, Financial Planning and Budget Manager, 503.226.4211, extension 5752, at the address stated above.

Sincerely,

*/s/ Mark R. Thompson*

Mark R. Thompson

enclosure

cc: Brody Wilson  
Stephen Feltz  
Alex Miller  
Jorge Moncayo

# BUDGET OF EXPENDITURES REPORT FOR THE YEAR 2014

Filed by:

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

Date of Incorporation:


**January 10, 1910**

Directors at date of budget:

NAME OF DIRECTOR	CITY AND STATE OF RESIDENCE	LENGTH OF TERM	TERM EXPIRES
Timothy P. Boyle	Portland, OR	3 year	2015
Tod R. Hamachek	Ketchum, ID	3 year	2016
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	2016
Kenneth Thrasher	Portland, OR	3 year	2016

\* Nominee at 2014 Annual Meeting for three-year term expiring in May 2017.

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.

  
\_\_\_\_\_  
Brody Wilson, Controller and Chief Accounting Officer

2/14/2014  
Date

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

\* Salary amounts effective 3-1-13. Bonuses paid in March '13. Other amounts may reflect 2013 expenditures.

<b>Kantor, Gregg S.</b>		Company	Account
President and Chief Executive Officer		Paid	Number
1	Annual Salary	\$520,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	18,221	Var
4	Life and Disability Insurance	3,267	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	219	804
7	Pension Plan	0	
8	Savings Plan	28,760	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	<u>\$50,467</u>	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	151,056	602
16	Bonus (Annual and Long Term Incentive Plans)	530,233	Var
<b>Anderson, David</b>		Company	Account
Executive Vice President of Operations and Regulation		Paid	Number
1	Annual Salary	\$389,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	18,866	Var
4	Life and Disability Insurance	1,408	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	343	804
7	Pension Plan	0	
8	Savings Plan	18,002	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	<u>\$38,619</u>	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	117,258	602
16	Bonus (Annual and Long Term Incentive Plans)	206,297	Var
<b>Doolittle, Lea Anne</b>		Company	Account
Sr. Vice President, Human Resources		Paid	Number
1	Annual Salary	\$268,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	18,866	Var
4	Life and Disability Insurance	1,673	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	390	804
7	Pension Plan	0	
8	Savings Plan	12,000	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	<u>\$32,929</u>	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	49,135	602
16	Bonus (Annual and Long Term Incentive Plans)	107,569	Var

NOTE: 2014 salaries effective 3-1-14 can be provided when approved.

<b>Feltz, Stephen P.</b>		Company	Account
Sr. Vice President and Chief Financial Officer		Paid	Number
1	Annual Salary	\$295,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	18,866	Var
4	Life and Disability Insurance	1,774	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	165	804
7	Pension Plan	0	
8	Savings Plan	12,236	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	\$33,040	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	63,113	602
16	Bonus (Annual and Long Term Incentive Plans)	91,467	Var
<b>Kirkpatrick, Margaret</b>		Company	Account
Sr. Vice President and General Counsel		Paid	Number
1	Annual Salary	\$294,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	19,326	Var
4	Life and Disability Insurance	1,842	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	275	804
7	Pension Plan	0	
8	Savings Plan	9,180	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	\$30,623	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	23,000	602
16	Bonus (Annual and Long Term Incentive Plans)	131,808	Var
<b>White, J. Keith</b>		Company	Account
Vice President, Business Development and Energy Supply, Chief Strategic Officer		Paid	Number
1	Annual Salary	\$243,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	14,043	Var
4	Life and Disability Insurance	2,210	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	247	804
7	Pension Plan	0	
8	Savings Plan	9,180	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	\$25,679	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	23,000	602
16	Bonus (Annual and Long Term Incentive Plans)	114,575	Var

NOTE: 2014 salaries effective 3-1-14 can be provided when approved.

<b>Miller, C. Alex</b>		Company	Account
Vice President, Regulation & Treasurer		Paid	Number
1	Annual Salary	\$211,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	19,326	Var
4	Life and Disability Insurance	1,300	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	147	804
7	Pension Plan	0	
8	Savings Plan	8,880	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	\$29,652	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	14,800	602
16	Bonus (Annual and Long Term Incentive Plans)	66,477	Var

<b>Williams, David</b>		Company	Account
Vice President, Utility Services		Paid	Number
1	Annual Salary	\$229,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	7,544	Var
4	Life and Disability Insurance	2,075	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	0	804
7	Pension Plan	0	
8	Savings Plan	10,568	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	\$20,186	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	50,305	602
16	Bonus (Annual and Long Term Incentive Plans)	101,005	Var

<b>Yoshihara, Grant</b>		Company	Account
Vice President, Utility Operations		Paid	Number
1	Annual Salary	\$229,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	19,326	Var
4	Life and Disability Insurance	1,426	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	0	804
7	Pension Plan	0	
8	Savings Plan	10,460	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	\$31,211	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	40,677	602
16	Bonus (Annual and Long Term Incentive Plans)	97,612	Var

NOTE: 2014 salaries effective 3-1-14 can be provided when approved.

<b>Saathoff, Mardilyn</b>		Company	Account
Deputy General Counsel, Chief Governance Officer and Corporate Secretary		Paid	Number
1	Annual Salary	\$235,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	12,967	Var
4	Life and Disability Insurance	1,445	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	502	804
7	Pension Plan	0	
8	Savings Plan	10,372	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	\$25,286	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	34,778	602
16	Bonus (Annual and Long Term Incentive Plans)	76,038	Var

<b>Wilson, Brody</b>		Company	Account
Controller and Chief Accounting Officer		Paid	Number
1	Annual Salary	\$175,000	921
2	Amount Assigned to Oregon		
3	Medical & Dental	7,810	Var
4	Life and Disability Insurance	359	Var
5	Income Protection Insurance	0	
6	Discount on Utility Service	166	804
7	Pension Plan	0	
8	Savings Plan	4,800	Var
9	Stock Purchase Plan	0	
10	Paid Parking	0	
11	Memberships	0	
12	Other Benefits	0	
13	Total Other Compensation	\$13,134	
14	Percent Assigned to Oregon (Est.)	90%	
15	Defered Comp. In Salary	7,999	602
16	Bonus (Annual and Long Term Incentive Plans)	7,751	Var

NOTE: 2014 salaries effective 3-1-14 can be provided when approved.



**2014 Contributions Budget**

<b>Name of Organization</b>	<b>Account</b>	<b>Amount</b>
1000 Friends of Oregon	426	2,500
American Cancer Society - Oregon	426	5,000
American Red Cross	426	40,000
Asian American Youth Leadership Summit	426	2,500
Audubon Society of Portland	426	2,500
Big Brothers/Big Sisters	426	10,000
Black Parent Initiative	426	2,500
Black United Fund of Oregon	426	25,000
Camp Fire, USA	426	10,000
Campaign for Vernonia Schools	426	10,000
Campaign for Equal Justice	426	2,000
CASA for Kids	426	50,000
Cascade AIDS Project	426	5,000
Catholic Charities	426	2,500
CASH Oregon	426	2,500
Central City Concern	426	7,500
Chess for Success	426	5,000
Children's Relief Nursery	426	2,500
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	40,000
Friends of the Children	426	80,000
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	425	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 State University Foundation	426	16,000
REACH Community Development	426	2,500
Salvation Army	426	5,000
Schoolhouse Supplies	426	15,000
Self Enhancement, Inc	426	20,000
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	109,340
<b>Sub-Total</b>		<b><u>1,153,340</u></b>
<b>Chamber of Commerce</b>		
Oregon & Washington	426	<b><u>32,624</u></b>
<b>Organizations of the Gas Utility Industry:</b>		
American Gas Association	930	396,052
Gas Technology Institute (and other R&D)	930	770,000
Western Energy Institute	930	23,500
Northwest Gas Association	921	84,070
<b>Sub-Total</b>		<b><u>1,273,622</u></b>
<b>TOTAL</b>		<b><u>1,415,586</u></b>



## Expenditures For Pensions - 2014 Budget

I. Expense before Allocation	Total Amount
Executive Supplemental Plan	\$ 2,960,000
Pension - Defined Contribution	\$ 984,785
Legal, Actuary & Auditor Fees	\$ 500,000
Western States Trust Fund	\$ 582,516
FAS 87 Defined Benefits Plan	\$ 14,899,999
Less: Amount Deferred to Pension Balancing Account	<u>\$ (5,054,545)</u>
Total	<u>\$ 14,872,755</u>

## II. Distribution of Total Expensed

Utility - Operation: Less amount deferred to Pension Balancing Account	\$ 9,171,742
Utility - Construction	\$ 5,293,798
Non - Utility	\$ 407,215
Total	<u>\$ 14,872,755</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>
2014 Budget	804	\$224,258