

BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

UG-__
GENERAL RATE APPLICATION
OF
NORTHWEST NATURAL GAS COMPANY

December 18, 2020

Direct Exhibit of Melinda B. Rogers

COMPENSATION & BENEFITS

Exh. MBR-3

Executive Summary



- In aggregate, NW Natural’s compensation program and the components are competitive with the Peer Group, broader energy industry, and general industry
 - However, there is variation in market positioning by executive which should be examined on an individual basis to determine the appropriate course of action for 2019 pay decisions.
- While NW Natural’s pay philosophy is to target total compensation at the 50th percentile, competitiveness is more commonly referred to as a range around the intended level. We consider the following guidelines:
 - Base salary: ±10% of the 50th percentile
 - Cash compensation: ±15% of the 50th percentile
 - Total direct compensation: ±20% of the 50th percentile

Pay Component	NW Natural Variance to Market								
	Peer Group			Energy Industry - Survey			General Industry - Survey		
	25th %ile	50th %ile	75th %ile	25th %ile	50th %ile	75th %ile	25th %ile	50th %ile	75th %ile
Base Salary	9%	-2%	-10%	8%	-10%	-21%	4%	-11%	-24%
Target Total Cash	7%	-4%	-19%	23%	-10%	-25%	2%	-16%	-32%
Long-term Incentives	19%	-26%	-38%	190%	-14%	-45%	242%	-20%	-60%
Target Total Direct	11%	-14%	-28%	51%	-12%	-33%	33%	-17%	-44%