

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of  
  
NORTHWEST NATURAL GAS  
COMPANY,

Applicant,

For an Order Establishing Compliance with  
the Provisions of RCW 80.08.040, with  
Respect to the Proposed Issuance and Sale  
of not more than \$150,000,000 Principal  
Amount of Medium-Term Notes, Series B

DOCKET UG-190482

ORDER 01

ORDER ESTABLISHING  
COMPLIANCE WITH  
RCW 80.08.040

**BACKGROUND**

- 1 On June 7, 2019, Northwest Natural Gas Company (NW Natural or Company) filed with the Washington Utilities and Transportation Commission (Commission) a statement of a planned securities issuance and application for an order affirming compliance with RCW 80.08.040 (Application). In its Application, NW Natural proposes the issuance and sale of not more than \$150,000,000 principal amount of Medium-Term Notes, Series B in one or more tranches.
- 2 Pursuant to RCW 80.08.040(4):  
  
Any public service company undertaking an issuance and making a filing in conformance with [RCW 80.08.040] may at any time of such filing request the Commission to enter a written order that such company has complied with the requirements of [RCW 80.08.040]. The commission shall enter such written order after such company has provided all information and statements required by subsections (1), (2), and (3) of [RCW 80.08.040].
- 3 According to NW Natural's Application and supporting documents, the proceeds of the financing are for one or more of the purposes allowed by RCW 80.08.030.

## DISCUSSION

4 Section 80.08.040 of the Revised Code of Washington and WAC 480-90-242(1) require that, prior to issuing securities, a public service company must file with the Commission the following:

- (1) A description of the purposes for which the issuance is made, including a certification by an officer authorized to do so that the proceeds from any such financing is for one or more of the purposes allowed by RCW 80.08;
- (2) A description of the proposed issuance, including the terms of financing; and
- (3) A statement as to why the transaction is in the public interest.

5 NW Natural's Application meets all of these requirements.

6 Regarding the purposes for which the issuance is made, the Company states that it will use the proceeds from the Medium-Term Notes for, *inter alia*, the acquisition of property, or the construction, completion, extension or improvement of its facilities, or the improvement or maintenance of its service, or the discharge or refunding of its obligations.

7 Describing the proposed issuance, NW Natural notes the type and nature of the securities to be issued; the amount of securities; the interest rate (to be determined at the point of sale); the date of issuance and maturity; the method of sale; the fees for services (commissions ranging from 0.150 to 0.875 percent of the aggregate principal amount of medium-term notes sold); price and proceeds; corporate authority; and consistency with the Company's financing plan.

8 Regarding whether the proposed issuance is in the public interest, the Company describes the advantages of the Medium-Term Note Program, including the ability to issue small tranches of debt at rates which may be below those required for larger underwritten issues and the ability to raise funds at specific maturities in the intermediate and long-term range. NW Natural also states its belief that the Medium-Term Note Program will effectively manage the overall financing costs and risks associated with the Company's public utility obligations.

9 The Company also confirms that, within 60 days after the issuance of any Medium-Term Notes, it will file with the Commission a verified statement: (a) outlining the final terms and conditions of the transaction; and (b) setting forth actual proceeds from the issuance,

and, to the extent known, the disposition of proceeds stating the final amount to be used for each purpose allowed by RCW 80.08.030.<sup>1</sup>

### FINDINGS AND CONCLUSIONS

- 10 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, practices, accounts, securities issuances, transfers of property and affiliated interests of public service companies, including natural gas companies. RCW 80.01.040, RCW 80.04, RCW 80.08, RCW 80.12, RCW 80.16 and RCW 80.28.
- 11 (2) NW Natural is engaged in the business of providing natural gas service within the state of Washington. As a public service company, it is subject to Commission jurisdiction.
- 12 (3) The Application that NW Natural filed meets the requirements of RCW 80.08.040 and WAC 480-90-242(1).
- 13 (4) The information NW Natural filed in this docket contains: (a) a certification by an authorized officer that the proceeds will be used for one or more purposes allowed by RCW 80.08.030; (b) a description of the proposed issuance, including the terms of financing, and (c) a statement as to why the proposed transaction is in the public interest. See WAC 480-90-242(1).
- 14 (5) After reviewing the information and Application that NW Natural filed in Docket UG-190482 on June 7, 2019, and giving due consideration, the Commission finds that NW Natural is in compliance with RCW 80.08.040.

### ORDER

#### THE COMMISSION ORDERS:

- 15 (1) Northwest Natural Gas Company has complied with the requirements of RCW 80.08.040 with respect to the proposal in its application to issue and sell not more

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<sup>1</sup> Application at 3; see WAC 480-90-242(6).

than \$150,000,000 principal amount of Medium-Term Notes, Series B in one or more tranches.

- 16 (2) This Order shall in no way affect the authority of the Commission over rates, services, accounts, valuations, estimates, or determination of costs, or any matters that may come before it. Nor shall anything in this Order be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective June 27, 2019.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON, Executive Director and Secretary