In the Matter of the Statement Establishing Compliance of

NORTHWEST NATURAL GAS COMPANY, dba NW Natural

Establishing Compliance with 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-200140

Initial Report of Securities Issued, and Disposition of Proceeds

On February 28, 2020, Northwest Natural Gas Company (the "Company") filed a Statement Establishing Compliance, complying with RCW 80.08.040, with the Washington Utilities and Transportation Commission (the "Commission") for the proposed issuance and sale of not more than \$150,000,000 aggregate principal amount of Medium-Term Notes, Series B in one or more tranches ("First Mortgage Bonds").

With the filing of the Statement Establishing Compliance, the understanding is that the Company satisfied its statutory obligations under RCW 80.08.040 with respect to the Company's intent to issue and sell up to \$150,000,000 aggregate principal amount of First Mortgage Bonds. This report is being filed in compliance with WAC 480-90-242(6).

On March 31, 2020, the Company issued and sold through its selling agents BofA Securities, Inc., BMO Capital Markets Corp., and RBC Capital Markets, LLC, \$150,000,000 aggregate principal amount, at 99.601%, of its First Mortgage Bonds as follows:

Principal Amount Sold in this Docket	<u>Coupon Interest</u> <u>Rate</u>	<u>Type of Note</u>	Date of Issue	Maturity Date
\$150,000,000	3.60%	Secured	March 31, 2020	March 15, 2050

The First Mortgage Bonds were sold through a public offering pursuant to its Distribution Agreement dated as of March 18, 2009, among the Company, BofA Securities, Inc., J.P. Morgan Securities Inc., Wells Fargo Securities, LLC, U.S. Bancorp Investments, Inc., BMO Capital Markets Corp., RBC Capital Markets, LLC, CIBC World Markets Corp., and TD Securities (USA) LLC, as amended by the Company's Notice dated October 3, 2018 (filed as Exhibit E to the Company's Statement Establishing Compliance).

The following statements are filed in compliance with WAC 480-90-242.

			<u>3.60% Series B Secured</u> <u>MTN due 2050</u>
(a)	Principal amount of Medium-Term Notes Sold in this Docket		\$150,000,000
	LESS:	Discount	\$598,500
		Agent's Commission	\$1,125,000
		Other Expenses actually and necessarily incurred as detailed in this Report	\$701,272
	Net proceeds to be accounted for		\$147,575,228

<u>Note</u>: Actual expenses for the First Mortgage Bonds sold under this docket have in some instances been estimated using inquiries of service providers, because actual bills for services may not yet have been received.

(b) Disposition of Net Proceeds

The total net proceeds of \$147,575,228 received from the initial sale of First Mortgage Bonds in this Docket were made part of the general treasury funds of the Company and will be used for 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, or the reimbursement of moneys actually expended from income or from any other moneys in the treasury of the Company not secured by or obtained from the issue of stock or stock certificates or other evidence of interest or ownership, or bonds, notes or other evidence of indebtedness of the Company for any of

the aforesaid purposes except maintenance of service. In each case, the Company keeps its accounts and vouchers for such expenditures in such manner as to enable the Commission to ascertain the amount of money so expended and the purpose for which the expenditure was made.

(c) Current Credit Ratings

The Company's current credit ratings for senior secured debt are AA- and A2 from S&P and Moody's respectively.

(d) Statement of Fees and Expenses

The expenses actually and necessarily incurred by the Company in the initial issuance of First Mortgage Bonds and the accumulative total in connection with the issuance and sale in this Docket of its First Mortgage Bonds, were as follows:

First Mortgage Bonds Sold in this Docket				
ltem	3.60% Series B Secured MTN due 2050			
Principal Amount	\$150,000,000			
Less Discount	\$598,500			
Gross Proceeds	\$149,401,500			
Agent's Commission	\$1,125,000			
Securities and Exchange Commission registration fee	\$19,720			
State mortgage registration tax	0			
New York Stock Exchange fee	0			
State Commission fee	0			
Fees for recording indenture	0			
United States document tax	0			
Printing and engraving expenses	\$450			
Trustee's or Registrar's fees*	\$2,065			
Counsel's fees	\$209,568			
Accountants' fees	0			
Bond Rating Agency fees	\$265,000			
Allocation of other shelf registration expenses	\$204,469			
Subtotal	\$1,826,272			
Net Amount Realized	\$147,575,228			

*Does not include annual fees associated with the on-going trustee services provided in connection with the Company's Medium-Term Note program, regardless of any specific debt securities issuance.

<u>Note</u>: Actual expenses for the First Mortgage Bonds sold under this docket have in some instances been estimated using inquiries of service providers, because actual bills for services may not yet have been received.

The Company has determined that the fees, interest rates, and expenses associated with the issuance of the First Mortgage Bonds was cost-effective and consistent with competitive market prices.

(e) Documents in Connection with Sale

The Company filed the following with the Securities and Exchange Commission in connection with the sale of the First Mortgage Bonds:

Exhibit A Pricing Supplement No. 2 dated March 26, 2020.

IN WITNESS WHEREOF, I certify (or declare) under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct this 29th day of May 2020.

NORTHWEST NATURAL GAS COMPANY

By:

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