

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of)	DOCKET NO. UG-050522
)	
NORTHWEST NATURAL GAS)	ORDER NO. 01
COMPANY,)	
)	
Applicant,)	
)	
For an Order Establishing Compliance)	
with RCW 80.08.040, with Respect to)	
its Proposal to Issue and Sell up to)	ORDER ESTABLISHING
\$50,000,000 Principal Amount of)	COMPLIANCE WITH
Medium-Term Notes)	RCW 80.08.040
.....)	

BACKGROUND

1. On March 30, 2005, Northwest Natural Gas Company (NW Natural or Company) filed an application of planned securities issuance (Application) with the Washington Utilities and Transportation Commission (Commission). In its Application, the Company requested an order affirming that it has complied with the requirements of RCW 80.08.040 for the proposed issuance and sale of up to \$50,000,000 principal amount of its Medium-Term Notes, Series B. This is the first issuance of debt securities from the \$160,000,000 aggregate principal amount of Medium-Term Notes (MTN) filed with the Commission as an informational filing in Docket UG-040405, pursuant to a \$200,000,000 universal shelf registration (Shelf Registration) filed with the Securities and Exchange Commission. The Application is filed pursuant to Chapter 80.08 RCW and the requirements of WAC 480-146-290.

2. According to the Application and supporting materials filed by the Company, the proceeds of the financings are for one or more of the purposes allowed by RCW 80.08.030. The Company expects to use the proceeds of the issuance to

refinance \$15,000,000 of maturing long-term debt and \$35,000,000 to pay down short-term debt incurred in connection with the acquisition of property or the construction, completion, extension or improvement of the Company's facilities or the improvement or maintenance of service.

FINDINGS AND CONCLUSIONS

3. (1) NW Natural is engaged in the business of natural gas service within the state of Washington. As a public service company, it is subject to the jurisdiction of the Commission under the provisions of Chapter 80.08 RCW.
4. (2) As to form, the application herein meets the requirements of Chapter 80.08 RCW and the rules and regulations of the Commission adopted pursuant thereto. *Chapter 480-146 WAC.*
5. (3) The Company's application 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 issuances, including the approximate terms of financing, and (c) a statement as to why the proposed transaction is in the public interest.

ORDER

THE COMMISSION ORDERS:

6. (1) Northwest Natural Gas Company has complied with the requirements of RCW 80.08.040 with respect to the proposals set forth in its application to issue up to \$50,000,000 principal amount of its Medium-Term Notes, Series B.
7. (2) Northwest Natural Gas Company must file a Report of Securities Issued as required by WAC 480-146-340. Northwest Natural Gas Company is also required to file verified copies of any agreement entered into in connection with any transaction pursuant to this Order. Finally, NW Natural shall file a verified statement setting forth in reasonable detail the disposition of the proceeds of each offering made pursuant to this Order.
8. (3) This Order shall in no way affect the authority of this Commission over rates, services, accounts, valuations, estimates, or determination of costs, or any matters whatsoever that may come before it, nor shall anything herein be construed as acquiescence in any estimate or determination of costs, or any valuation of property claimed or asserted.
9. This matter was brought before the Commission at its regularly scheduled open meeting on April 27, 2005. The Commissioners, having determined this filing to meet the requirements of Chapter 80.08 RCW, directed the Secretary to enter this Order.

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Dated at Olympia, Washington, and effective this 27th day of April, 2005.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary