

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

_____ )	
In the Matter of the Amended Statement )	
and Request for Written Order of )	
)	
NORTHWEST NATURAL GAS COMPANY, )	
dba, NW Natural )	Docket UG-090273
)	
Establishing Compliance with )	Initial Report of
RCW 80.08.040 with Respect to the )	Securities Issued, and
Proposed Issuance and Sale of not more )	Disposition of Proceeds
than \$300,000,000 Principal Amount of )	
Medium-Term Notes, Series B )	
_____ )	

In March 2009 Northwest Natural Gas Company (the "Company") filed an amended statement, 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 \$300,000,000 aggregate principal amount of Medium-Term Notes, Series B ("Medium-Term Notes").

On March 12, 2009, the Commission entered its Order No. 02 establishing the Company's compliance with the requirements of RCW 80.08 with respect to the Company's intent to issue and sell up to \$300,000,000 aggregate principal amount of Medium-Term Notes. Although Order No. 2 requires only that the Company file a Report of Securities Issued pursuant to WAC 480-90-262, this report is being filed in compliance with WAC 480-92-242(6).

On March 25, 2009, the Company issued and sold through its selling Agents, J.P. Morgan Securities Inc., (lead agent) and Banc of America Securities LLC (co-lead agent), \$75,000,000 aggregate principal amount, at par, of its Secured Medium-Term Notes, as follows:

<u>Principal Amount Sold in this Docket</u>	<u>Coupon Interest Rate</u>	<u>Type of Note</u>	<u>Date of Issue</u>	<u>Maturity Date</u>
\$75,000,000	5.370%	Secured	March 25, 2009	February 1, 2020

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

(a)	Principal amount of Medium-Term Notes Sold in this Docket	\$75,000,000
	Less: Discount	0
	Agent's Commission	(468,750)
	Expenses actually and necessarily incurred as detailed in this Report	<u>(10,394,058)</u>
	Net proceeds to be accounted for	<u>\$64,137,192</u>

(b) Disposition of Net Proceeds

The total net proceeds of \$64,137,192 received from the initial sale of Medium-Term Notes, in this Docket were made part of the general treasury funds of the Company and were applied to the refunding or discharging of the Company's obligations, including short-term debt, debt incurred in connection with improvement and maintenance of the Company's service and in the construction, completion, extension or improvement of the Company's facilities. Total net proceeds represent the amount received from the sale of Medium-Term Notes, after deducting for expenses related to the debt issued, including the cost associated with settlement of the Company's fixed rate, forward starting interest rate swap.

(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 Medium-Term Notes and the accumulative total in connection with the issuance and sale in this Docket of its Medium-Term Notes in direct comparison with the estimates thereof, were as follows:

Item	Estimate	MTN Sold in this Docket on March 25, 2009
Principal Amount	\$ 300,000,000	\$ 75,000,000
Less Discount	-	-
Gross Proceeds	300,000,000	75,000,000
Agent's Commission	(2,250,000)	(468,750)
Securities & Exchange Commission registration fee	(47,610)	-
State mortgage registration tax	None	-
New York Stock Exchange fee	None	-
State Commission fee	(800)	-
Fee for recording indenture	None	-
United States document tax	None	-
Printing and engraving expenses	(15,000)	(3,200)
Trustee's or Registrar's fees	(20,000)	(18,000)
Counsel fees and expenses	(225,000)	(45,945)
Accountants' fees	(120,000)	(20,000)
Bond Rating Agency fee	(315,000)	(89,000)
Miscellaneous expense	(30,000)	(2,000)
Allocation of Other Shelf Registration Expenses	-	(119,913)
Subtotal	(3,023,410)	(766,808)
Interest rate hedge gain (loss)	-	(10,096,000)
Net Amount Realized	\$ 296,976,590	\$ 64,137,192

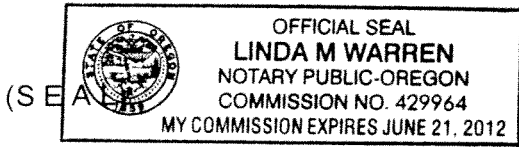
Note: The estimates of expenses were for the issuance of the full \$300 million of debt under the program. The actual expenses shown as incurred for this report are amounts expended for the Medium-Term Notes sold that have been allocated in proportion to the notes sold. For use in ratemaking proceedings, the Company routinely allocates a portion of all expenses to each issue when calculating an all-in cost of funds. Actual expenses for the Medium-Term Notes sold under this docket have been estimated using inquiries of service providers, because actual bills for services have not yet been received.

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

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 29<sup>th</sup> day of May 2009.

NORTHWEST NATURAL GAS COMPANY

By: *Stephen P. Feltz*  
Stephen P. Feltz  
Treasurer and Controller



Subscribed and sworn to before me this 29<sup>th</sup> day of May 2009.

*Linda M. Warren*  
Notary Public for Oregon  
My Commission Expires June 21, 2012