#### BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of

NORTHWEST NATURAL GAS COMPANY, dba, NW Natural

For an Order 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 First )
Medium-Term Notes, Series B

**Docket UG-190482** 

Initial Report of Securities Issued, and Disposition of Proceeds

On June 7, 2019, Northwest Natural Gas Company (the "Company") filed a 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 \$150,000,000 aggregate principal amount of Medium-Term Notes, Series B in one or more tranches ("First Mortgage Bonds").

Effective June 27, 2019, the Commission entered its Order No. 01 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 \$150,000,000 aggregate principal amount of First Mortgage Bonds. This report is being filed in compliance with WAC 480-90-242(6).

On June 17, 2019, the Company issued and sold through its selling agents U.S. Bancorp Investments, Inc., CIBC World Markets Corp., and TD Securities (USA) LLC, \$140,000,000 aggregate principal amount, at 100%, of its Secured Notes as follows:

Principal Amount Sold in this Docket	<u>Coupon</u> Interest Rate	<u>Type</u> <u>of Note</u>	Date of Issue	<u>Maturity Date</u>
\$50,000,000	3.141%	Secured	June 17, 2019	June 15, 2029
\$90,000,000	3.869%	Secured	June 17, 2019	June 15, 2049

The First Mortgage Bonds were sold through a public offering pursuant to its Distribution. Agreement dated as of March 18, 2009, among the Company, Merrill Lynch, Pierce, Fenner & Smith Incorporated, 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., TD Securities (USA) LLC, as amended by the Company's Notice dated October 3, 2018 (filed as Exhibit F to the Company's application).

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

				3.141% Series B Secured MTN due 2029	3.869% Series B Secured MTN due 2049
(a)	Medium-T	Principal amount of Medium-Term Notes Sold in this Docket		\$50,000,000	\$90,000,000
	LESS:	Discount		(0)	(0)
		Agent's Commission		\$312,500	\$675,000
		Other Expenses actually and necessarily incurred as detailed in this Report		\$259,057	\$425,753
	Net proceeds to be accounted for			\$49,428,443	\$88,899,247

<u>Note</u>: Actual expenses for the Secured Notes sold under this docket have 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 \$138,327,690 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 WUTC to ascertain the amount of money so expended and the purpose for which 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:

<u>Item</u>	3.141% Series B Secured MTN due 2029	3.869% Series B Secured MTN due 2049	
Principal Amount	\$50,000,000	\$90,000,000	
Less Discount	0	0	
Gross Proceeds	\$50,000,000	\$90,000,000	
Agent's Commission	\$312,500	\$675,000	
Securities and Exchange Commission registration fee	\$6,049	\$10,889	
State mortgage registration tax	0	0	
New York Stock Exchange fee	0	0	
State Commission fee	0	0	
Fees for recording indenture	0	0	
United States document tax	0	0	
Printing and engraving expenses	\$330	\$593	
Trustee's or Registrar's fees*	\$738	\$1,327	
Counsel's fees	\$57,236	\$103,026	
Accountants' fees	0	0	
Bond Rating Agency fees	\$144,750	\$220,000	
Allocation of other shelf registration expenses	\$49,954	\$89,918	
Subtotal	\$571,557	\$1,100,753	
Net Amount Realized	\$49,428,443	\$88,899,247	

\*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 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. 1 dated June 11, 2019.

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 15<sup>th</sup> day of August 2019.

# NORTHWEST NATURAL GAS COMPANY

By:

Brody J. Wilson

Vice President, Treasurer, Chief Accounting

Officer and Controller

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