

The First Mortgage Bonds were sold through a public offering pursuant to its Distribution Agreement dated as of March 18, 2009, among the Company, Banc of America Securities LLC, UBS Securities LLC, J.P. Morgan Securities Inc., Wells Fargo Securities LLC, Piper Jaffray & Co., U.S. Bancorp Investments, Inc., Mitsubishi UFJ Securities (USA), Inc., RBC Capital Markets, LLC, CIBC World Markets Corp., TD Securities (USA) LLC, as amended by the Company's Notice dated November 8, 2016 (filed as Exhibit F to the Company's application).

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

			<u>2.822% Series B Secured MTN due 2027</u>	<u>3.685% Series B Secured MTN due 2047</u>
(a)	Principal amount of Medium-Term Notes Sold in this Docket		\$25,000,000	\$75,000,000
	LESS:	Discount	(0)	(0)
		Agent's Commission	\$150,000	\$562,500
		Expenses actually and necessarily incurred as detailed in this Report	\$158,878	\$367,527
	Net proceeds to be accounted for		\$24,691,122	\$74,069,973

Note: 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 \$98,761,095 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 A1 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>	<u>2.822% Series B Secured MTN due 2027</u>	<u>3.685% Series B Secured MTN due 2047</u>
Principal Amount	\$25,000,000	\$75,000,000
Less Discount	0	0
Gross Proceeds	\$25,000,000	\$75,000,000
Agent's Commission	\$150,000	\$562,500
Securities and Exchange Commission registration fee	\$2,898	\$8,693
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	\$222	\$666
Trustee's or Registrar's fees*	\$369	\$1,106
Counsel's fees	\$7,374	\$22,076
Accountants' fees	0	0
Bond Rating Agency fees	\$88,029	\$155,029
Allocation of other shelf registration expenses	\$59,986	\$179,957
Subtotal	\$308,878	\$930,027
Net Amount Realized	\$24,691,122	\$74,069,973

*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.

Note: 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. 2 dated September 6, 2017.

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 3rd day of November 2017.

NORTHWEST NATURAL GAS COMPANY

By:  _____

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