

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

In the Matter of the Application of)	DOCKET NO. UG-031627
)	
NORTHWEST NATURAL GAS)	
COMPANY,)	
)	
Petitioner,)	
)	
For an Order Establishing)	
Compliance with RCW 80.08.040,)	
with Respect to its Proposal to issue)	
and Sell up to \$50,000,000 Principal)	ORDER ESTABLISHING
Amount of Medium-Term Notes,)	COMPLIANCE WITH
Series B.)	RCW 80.08.040
.....)	

BACKGROUND

- 1 On October __, 2003, Northwest Natural Gas Company (Northwest or Company) filed a statement of a planned securities issuance with the Washington Utilities and Transportation Commission (Commission). The Company filed an amended statement of the planned securities issuance on October 16, 2003 along with additional information in support of the application. The Company requested an order affirming that the Company has complied with the requirements of RCW 80.08.040. In its application as amended, the Company proposes to issue and sell up to \$50,000,000 principal amount of its Medium-Term Notes, Series B. This is the second issuance from the Company’s Shelf Registration of \$150,000,000 filed with the Commission as an informational filing in Docket UG-020986. The application is filed pursuant to Chapter 80.08 RCW and the requirements of WAC 480-146-290.

- 2 According to the amended application and supporting materials filed by the Company, the proceeds of the financing are for one or more of the purposes allowed by RCW 80.08.030. The Company expects to use the proceeds of the

issues to refinance \$35,000,000 of long-term debt that has been redeemed and \$7,500,000 of preferred stock that the Company intends to redeem, and to pay down short-term debt.

FINDINGS AND CONCLUSIONS

- 3 (1) Northwest 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 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 and may issue and sell up to \$50,000,000 principal amount of its Medium-Term Notes, Series B.

- 7 (2) This authorization is conditioned on Northwest Natural Gas Company filing 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, Northwest Natural Gas Company 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 October __, 2003. The Commissioners, having determined this filing to meet the requirements of Chapter 80.08 RCW, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective this __th day of October, 2003.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary