

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

<p>_____ )</p> <p>In the Matter of the Request of )</p> <p>NORTHWEST NATURAL GAS COMPANY )</p> <p>for an Order Establishing Compliance With )</p> <p>RCW 80.08.040 With Respect to the Proposed )</p> <p>Issuance and Sale of Not More Than )</p> <p>\$40,000,000 Principal Amount )</p> <p>of Medium-Term Notes, Series B )</p> <p>_____ )</p>	<p>DOCKET NO. 020986</p> <p>ORDER ESTABLISHING</p> <p>COMPLIANCE WITH RCW 80.08.040</p> <p>AND WAC 480-146-290</p>
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BACKGROUND

1. On July 31, 2002, Northwest Natural Gas Company (NW Natural or Company), filed an application with the Commission under the provisions of RCW 80.08.040. The filing concerns the Company's shelf registration for the proposed offering, issuance and sale, from time to time, of up to an additional \$150,000,000 aggregate principal amount of its Medium-Term Notes, Series B, consisting of Secured Notes and Unsecured Notes.

2. The Secured Notes will be issued and sold under the Twentieth Supplemental Indenture, dated as of June 1, 1993, to the Company's Mortgage and Deed of Trust, dated as of July 1, 1946, to Deutsche Bank Trust Company Americas (formerly Bankers Trust Company) and R. G. Page (Stanley Burg, successor), as trustees. The Commission authorized the Company to enter into the Twentieth Supplemental Indenture in its Order dated May 12, 1993, in Docket UG-930502. The Unsecured Notes will be issued under the Indenture with Deutsche Bank Trust Company Americas, as trustee, dated as of June 1, 1991, which was authorized by the Commission in its Order dated May 15, 1991, in Docket UG-910435.

3. On December \_\_, 2002, the Company filed its first supplemental application in this docket, requesting an order establishing compliance with RCW 80.08.040 and WAC 480-146-290 with respect to the issuance of up to \$40,000,000 of Secured Notes from its shelf registration. Pursuant to the Commission's "Interpretive Statement Regarding Filing Requirements Prior to Issuance of Securities" issued in Docket A-020334 on April 24, 2002, the Company provided information about the amount, type and terms of its proposed issuance of securities. NW Natural plans to issue up to \$40,000,000 of Secured Notes during the period ending March 31, 2003, at maturities of five, 10 or 30 years, at spreads over the respective U.S. Treasury securities no greater than certain limits set forth in the supplemental

application. The actual interest rates, maturities and other terms and conditions of the Secured Notes will be established in accordance with procedures set forth in the Company's mortgage and the twentieth supplemental indenture thereto. The offering price, agents' commissions and other terms of each issuance of Secured Notes will be determined at the time of sale.

4. RCW 80.08.040 requires the Company to file certain information with the Commission and authorizes the Company, at its option, to request the Commission to enter an order that the Company has complied with the requirements of RCW 80.08.040. The Company has filed the information required by RCW 80.08.040 and has requested that the Commission confirm that the Company has complied with the requirements of RCW 80.08.040.

5. This matter was brought before the Commission at its regularly scheduled open meeting on \_\_\_\_\_, 200\_. The Commissioners, having been fully advised in the matter, and having determined the following order to be consistent with RCW 80.08.040, directed the Secretary to enter the following order and related provisions.

#### FINDINGS

##### THE COMMISSION FINDS:

6. NW Natural, an Oregon corporation, is a public service company subject to the jurisdiction of this Commission under the provisions of chapter 80.08 RCW.

7. As to form, the application, the first supplemental application and other information filed herein meet the requirements of chapter 80.08 RCW and the rules and regulations of the Commission adopted pursuant thereto.

8. The Company's first supplemental application in this Docket contains: (a) a description of the purposes for which the issuance is made and a certification by an officer that the proceeds from such financing are to be used for one or more of the purposes allowed by chapter 80.08 RCW; (b) a description in reasonable detail of the proposed issuance, including the terms of financing; and (c) a statement as to why the proposed transaction is in the public interest.

9. An order consistent with the above findings should be entered.

#### ORDER

##### THE COMMISSION ORDERS:

10. Northwest Natural Gas Company has complied with the requirements of RCW 80.08.040.

11. Northwest shall file, as soon as available: Reporting of Security Transactions required by WAC 480-143-340.

12. This order shall in no way affect the authority of this Commission over rates, service, accounts, valuations, estimates or determination of costs, or any matters whatsoever that may come before it, nor shall anything herein be construed as an acquiescence in any estimate or determination of costs, or any valuation of property claimed or asserted.

DATED at Olympia, Washington, and effective the \_\_\_\_\_ day of \_\_\_\_\_, 200\_.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN  
Secretary