

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-131471
	)	
Establishing Compliance with RCW 80.08.040 with Respect to the Proposed Issuance and Sale of not more than \$50,000,000 Principal Amount of First Mortgage Bonds	)	Initial Report of Securities Issued, and Disposition of Proceeds
	)	

In August 2013 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 \$75,000,000 aggregate principal amount of Medium-Term Notes, Series B ("Medium-Term Notes").

This report is being filed as required by WAC 480-90-242(6).

On August 19, 2013, the Company issued and sold through its selling Agents J.P. Morgan Securities LLC and U.S. Bancorp Investments, Inc., \$50,000,000 aggregate principal amount, at 100 percent of 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>
\$50,000,000	3.542%	Secured	August 19, 2013	August 19, 2023

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

(a)	Principal amount of Medium-Term Notes Sold in this Docket	\$50,000,000
	Less: Discount	0
	Agent's Commission	(\$312,500)
	Expenses actually and necessarily incurred as detailed in this Report	(325,679)
	Net proceeds to be accounted for	<u>\$49,361,821</u>

(b) Disposition of Net Proceeds

The total net proceeds of \$49,361,821 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.

(c) Current Credit Ratings

The Company's current credit ratings and credit ratings at time of issue 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 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	Medium-Term Notes Sold in this Docket on August 19, 2013
Principal Amount	\$ 75,000,000	\$ 50,000,000
Less Discount	-	-
Gross Proceeds	75,000,000	50,000,000
Agent's Commission	(320,000)	(312,500)
Securities & Exchange Commission registration fee	(10,230)	(6,820)
State mortgage registration tax	None	None
New York Stock Exchange fee	None	None
State Commission fee	None	None
Fee for recording indenture	None	None
United States document tax	None	None
Printing and engraving expenses	(5,000)	None
Trustee's or Registrar's fees	(5,000)	(1,180)
Counsel fees and expenses	(55,000)	(39,024)
Accountants' fees	(5,000)	None
Bond Rating Agency fee	(48,500)	(48,500)
Miscellaneous expense	(2,500)	(26)
Allocation of Other Shelf Registration Expenses	(327,223)	(230,129)
Subtotal	(778,453)	(638,179)
Net Amount Realized	\$ 74,221,547	\$ 49,361,821

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 11th day of June 2014.

NORTHWEST NATURAL GAS COMPANY

By: C. Alex Miller  
C. Alex Miller  
Vice President, Regulation and Treasurer

(SEAL)

Subscribed and sworn to before me this 11th day of June 2014.

Pamela L. Villaloboz  
Notary Public for Oregon  
My Commission Expires 12.23.2014

