

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of

NORTHWEST NATURAL GAS
COMPANY,

Petitioner,

For an Order Establishing Compliance with
the Provisions of RCW 80.08.040, with
Respect to its Proposal to Issue and Sell up
to \$50,000,000 Principal Amount of First
Mortgage Bonds

DOCKET UG-121329

ORDER 01

ORDER ESTABLISHING
COMPLIANCE WITH
RCW 80.08.040, SECURITIES

BACKGROUND

- 1 On August 10, 2012, Northwest Natural Gas Company (NW Natural or Company) filed with the Washington Utilities and Transportation Commission (Commission) a statement of a planned securities issuance and application for an order affirming compliance with RCW 80.08.040. In its application, NW Natural proposes to issue and sell up to \$50,000,000 principal amount of its first mortgage bonds under its Mortgage of Deed and Trust, dated as of July 1, 1946, and amended and supplemented by 21 Supplemental Indentures (First Mortgage Bonds). These First Mortgage Bonds will be issued on a private placement basis in a privately negotiated transaction and will be unregistered securities. The application is filed pursuant to RCW 80.08.040.
- 2 According to NW Natural's application and supporting documents, the proceeds of the financing are for one or more of the purposes allowed by RCW 80.08.030.

FINDINGS AND CONCLUSIONS

- 3 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies. RCW 80.01.040, RCW 80.04, RCW 80.08, RCW 80.12, RCW 80.16 and RCW 80.28.

- 4 (2) NW Natural is engaged in the business of providing natural gas service within the state of Washington. As a public service company, it is subject to Commission jurisdiction.
- 5 (3) The application NW Natural filed meets the requirements of RCW 80.08 which concern the issuance of securities by public service companies.
- 6 (4) The information NW Natural filed 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 issuance, including the terms of financing, and (c) a statement as to why the proposed transaction is in the public interest. See WAC 480-90-242.
- 7 (5) After reviewing the information and application NW Natural filed in Docket UG-121329 on August 10, 2012, and giving due consideration, the Commission finds that NW Natural is in compliance with RCW 80.08.040. Northwest Natural Gas Company provided the following information before the issuance and sale: (1) A description of the purposes for which the issuance is made, including a certification by an officer authorized to do so that the proceeds from any such financing is for one or more of the purposes allowed by this chapter; (2) A description of the proposed issuance including the terms of financing; and (3) A statement as to why the transaction is in the public interest.

ORDER

THE COMMISSION ORDERS:

- 8 (1) Northwest Natural Gas Company has complied with the requirements of RCW 80.08.040 with respect to the proposals in its application to issue and sell up to \$50,000,000 principal amount of its first mortgage bonds under its Mortgage of Deed and Trust, dated as of July 1, 1946, and amended and supplemented by 21 Supplemental Indentures (First Mortgage Bonds).
- 9 (2) Northwest Natural Gas Company is directed to file a Report of Securities Issued as required by WAC 480-90-262. 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.

- 10 (3) This Order shall in no way affect the authority of the Commission over rates, services, accounts, valuations, estimates, or determination of costs, or any matters that may come before it. Nor shall anything in this Order be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective October 25, 2012.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary