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August 6, 2007

Oregon Public Utility Commission
550 Capitol Street N. E., Suite 215
Salem, Oregon 97301-2551

Attention: Mr. Thomas J. Barkin, Administrator

RE: Report of Securities Issued and Disposition of Net Proceeds Statement

Ladies and Gentlemen:

The enclosed report is provided for filing in Docket No. UF 4240, Northwest Natural Gas Company's (the "Company") Application for Authority to Enter into a \$400 Million Revolving Credit Agreement. This report is provided pursuant to the Commission's Order No. 07-224 dated June 7, 2007.

Sincerely,


C. J. Rue

CJR:lmw

BEFORE THE OREGON PUBLIC UTILITY COMMISSION

_____)	
In the Matter of the Application of)	
)	
NORTHWEST NATURAL GAS COMPANY)	Docket UF 4240
)	
for Authority to Enter into \$400,000,000)	Report of Securities Issued, and
Revolving Credit Agreement)	Disposition of Net Proceeds Statement
_____)	

On May 7, 2007, Northwest Natural Gas Company (the Company) filed an application with the Oregon Public Utility Commission (the Commission) under the provisions of ORS 757.410, ORS 757.415 and OAR 860-027-0030 for authority to enter into a revolving credit agreement with a syndication of banks for up to \$400 million. On May 31, 2007, the Company executed the Credit Agreement (the "Credit Agreement") for an initial \$250 million credit facility, a copy of which has been provided to the Commission. The maturity date of the Credit Agreement was subject to approval by the Commission of the Company's regulatory filing.

On June 7, 2007, the Commission entered its Order No. 07-225, authorizing the Company, subject to the conditions set forth in Appendix A to the Order, to enter into a revolving credit agreement with a syndication of banks for up to \$400 million.

On June 12, 2007, the Company elected to borrow \$1,000,000 under the Credit Agreement using the Swingline Loan option (as defined in the Credit Agreement). On the same day, the Company elected to use the net proceeds from the borrowing to repay in full the \$1,000,000 Swingline Loan. The primary purpose of the intra-day borrowing was to satisfy certain conditions (see Section 4.2(a) in the Credit Agreement) to ensure that any future borrowings under the Credit Agreement would not be subject to environmental and material litigation representations and warranties. Exercising these one-time conditions was important to ensure that the rating agencies continue to view the Company's Credit Agreement as an available and committed credit facility without any material adverse change condition.

The following statements are filed in compliance with the Commission's Order No. 07-225 in this Docket.

- (a) Principal amount of borrowing in this Docket \$1,000,000
 Base interest rate 8.25%

There was no outstanding balance under the Credit Agreement as of the end of any business day.

- (b) Disposition of Net Proceeds

The net proceeds of \$1,000,000 received from the Swingline Loan were used to immediately repay, without interest, on June 12, 2007 the borrowing under the Credit Agreement.

- (c) Statement of Fees and Expenses

There were no fees and expenses related to the borrowing on June 12, 2007. However, the expenses actually and necessarily incurred by the Company in connection with entering into the Credit Agreement on May 31, 2007 were as follows:

	Total Estimated ¹	Actual Expenses at Closing	Initial Loan Expenses	Accumulative Total
Facility Fees at Closing				
Administrative agent fees	\$15,000	\$ 15,000	--	\$ 15,000
Upfront lender fees	55,000	55,000	--	55,000
Syndicate arrangement fees	100,000	100,000	--	100,000
Out-of-pocket legal and other	50,000	30,871	--	30,871
NWN counsel fees	5,000	13,806	--	13,806
Miscellaneous expenses	2,000	0	--	0
Borrowing Fees and Expenses				
Lender commitment fees	625,000			0
Administrative agent fees	60,000			0
Out-of-pocket legal and other	0			0
Interest costs	0		0	0
Letter of credit fees/expenses	0		0	0
Out-of-pocket fees/expenses	0		0	0
	\$912,000	\$214,677	0	\$214,677

¹ Total fees and expenses estimated are based on an assumed maturity date of May 31, 2012.

