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January 30, 2008

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

Ladies and Gentlemen:

Re: Docket UF-4232

Pursuant to the Commission's Order No. 06-662, in Docket UF-4232, authorizing the issuance and sale of the Company's Common Stock to its employees under the Employee Stock Purchase Plan, we enclose herewith the second Report of Sales, Issues and Expenses, for the year ended December 31, 2007.

Sincerely,

/s/ Richelle T. Luther

Richelle T. Luther

RTL:kva Encl.

BEFORE THE OREGON PUBLIC UTILITY COMMISSION

In the Matter of the Application of	
in the Marier of the Approximent of) Docket UF-4232
NORTHWEST NATURAL GAS COMPANY)
) Second Report of Sales, Issue
for Authorization to Issue and Sell) and Expenses
up to an Additional 200,000 Shares of Common Stock)
)

This Report is filed pursuant to the Commission's Order No. 06-662 in Docket UF-4232 dated December 8, 2006, in which the Company was authorized to issue and sell up to 200,000 shares of its Common Stock pursuant to the terms of its Employee Stock Purchase Plan, as amended (the Plan). Reference is also made to the Commission's Order in Docket No. UF-4172 for which a separate report has been filed. During 2007, no shares were subscribed or issued under the new Docket UF-4232.

No cash proceeds have been received from the sale of Common Stock authorized in this Docket UF-4232.

Expenses incurred in connection with the registration of the Common Stock during the year ended December 31, 2007 and the accumulative total in this Docket were as follows:

	Estimated 1	Actual Amount 2007	Accumulative Total
Gross Proceeds	\$6,800,000 2	\$0	\$0
Underwriter's Commissions	None	-	-
Securities & Exchange Commission registration fee	750	-	743
State Mortgage Registration Tax	None	-	-
New York Stock Exchange fee	1,000	-	5,000
State Commission fee	None	-	-
Fees for recording indenture	None	-	-
Printing and engraving expenses	900	-	834 ³
Trustee's or Registrar's fees	None	-	-
Counsel's fees	3,000	-	19,400
Accountants' fees	1,500	-	0
Bond Rating Agency fee	None	-	0
Miscellaneous expenses	2,000		20
Total estimated expenses	9,150		25,997
Net amount realized	<u>\$6,790,850</u>	-	(<u>\$25,997)</u>

¹ Estimated expenses expected to be incurred over a five-year period.

² Based on 85 percent of the estimated market value of \$40.00 per share.

³ Corrected from \$743 amount previously reported in 2006 report.

IN WITNESS WHEREOF, I have hereunto affixed my hand and the corporate seal of Northwest Natural Gas Company this 30^{th} day of January 2008.

(SEAL)

OFFICIAL SEAL LINDA M. WARREN

OPUNOTARY PUBLIC-OREGON
COMMISSION NO. 381962
COMMISSION EXPIRES JUNE 21, 2008

Richelle T. Luther

Secretary of Northwest Natural Gas Company

. Marren

Subscribed and sworn to before me this 30th day of January 2008.

lotary Public for Oregon

My Commission Expires 6/21/08