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January 30, 2008

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

Ladies and Gentlemen:

Re: Docket UF-4240

This letter is provided for filing in Docket No. UF 4240, regarding the Company's Revolving Line of Credit with a Syndication of Banks and the Issuance of up to \$400,000,000 of Notes. This report is provided pursuant to the Commission's Order No. 07-225 dated June 7, 2007.

Sincerely,



Richelle T. Luther

RTL:kva

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. Satisfying 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.

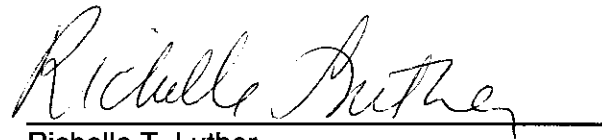
- (c) Statement of Fees and Expenses

Expenses incurred in connection with entering into the Credit Agreement reported herein during the year ended December 31, 2007 and the accumulative total in this Docket, were as follows:

	Total Estimated ¹	Actual Amount 2007 ²	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	6,550	6,550
Borrowing Fees and Expenses			
Lender commitment fees	625,000	58,611	58,611
Administrative agent fees	60,000	0	0
Out-of-pocket legal and other	0	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	\$279,838	\$279,838

¹ Total estimated fees and expenses are based on an assumed maturity date of May 31, 2012.
² There were no fees and expenses related to the borrowing on June 12, 2007.

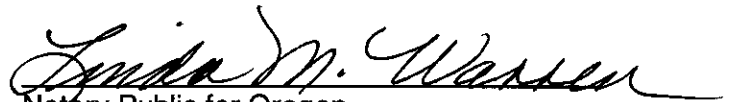
IN WITNESS WHEREOF, I have hereunto affixed my hand and the corporate seal of Northwest Natural Gas Company this 30th day of January 2008.



Richelle T. Luther
Secretary of Northwest Natural Gas Company

(SEAL)

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



Notary Public for Oregon
My Commission Expires 6/21/08

