

Richelle T. Luther
Assistant Secretary
Tel: 503.220.2410
Fax: 503.220.2584
Toll Free: 1.800.422.4012
e-mail: r3l@nwnatural.com



August 6, 2007

Carole J. Washburn, Executive Secretary
Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Drive, S.W.
P. O. Box 47250
Olympia, WA 98504-7250

Attention: Supervisor of Utility Finance

Ladies and Gentlemen:

Re: Docket No. UG-070940

Pursuant to the above-referenced Docket, enclosed is a Report of Securities Transactions relating to the Credit Agreement dated as of May 31, 2007.

This filing is made pursuant to the Commission's Order No. 01 in the above-referenced Docket dated May 17, 2007.

Sincerely,



Richelle T. Luther

RECEIVED
RECORDS MANAGEMENT
07 AUG -9 AM 8:18
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Request of)
)
NORTHWEST NATURAL GAS COMPANY)
)
for an Order Establishing Compliance)
with RCW 80.08.040 With Respect to the)
Proposal to enter into a Revolving Line of)
Credit in the amount of \$400,000,000)
Constituting a Back-Up Line of Credit for its)
Commercial Paper)
)

Docket UG-070940
Report of
Securities Transactions

RECEIVED
RECORDS MANAGEMENT
07 AUG -9 AM 8:18
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

On May 14, 2007, Northwest Natural Gas Company (the Company) filed a notice with the Washington Utilities and Transportation Commission (the Commission) regarding its plans to enter into a revolving credit agreement with a syndication of banks for up to \$400 million and requested that the Commission enter a written order affirming that the Company has complied with the requirements of RCW 80.08.040.

On May 17, 2007, the Commission entered its Order No. 01 in the Docket, finding that the Company had complied with the requirements of RCW 80.08.040 with respect to its proposal 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.

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. 01 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
	<u>\$912,000</u>	<u>\$214,677</u>	<u>0</u>	<u>\$214,677</u>

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

IN WITNESS WHEREOF, I have hereunto affixed my hand and the corporate seal of Northwest Natural Gas Company this 6th day of August 2007.

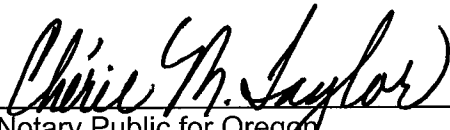


C. J. Rue
Secretary of Northwest Natural Gas Company

(SEAL)

Subscribed and sworn to before me this 6th day of August 2007.





Cherie M. Taylor
Notary Public for Oregon
My Commission Expires 6/21/08