

Richelle T. Luther
Chief Governance Officer and
Corporate Secretary
Tel: 503.220.2410
Fax: 503.721.2451
Toll Free: 1.800.422.4012
e-mail: r3l@nwnatural.com



January 30, 2008

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 UG-001244

Pursuant to the Commission's Order Establishing Compliance with RCW 80.08.040 in Docket UG-001244, in connection with the issuance and sale of the Company's Common Stock to its employees under the Employee Stock Purchase Plan, we enclose herewith the eighth Report of Security Transactions, for the year ended December 31, 2007.

Sincerely,



Richelle T. Luther

RTL:kva
Encl.

RECEIVED
FINANCIAL MANAGEMENT
2008 FEB -4 AM 8:44
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

| | |
|---|---|
| <hr/> | |
| In the Matter of the Application of |) |
| |) |
| NORTHWEST NATURAL GAS COMPANY |) |
| |) |
| for an Order Establishing Compliance with RCW 80.08.040 |) |
| With Respect to the Proposed Issuance and Sale of |) |
| up to an Additional 200,000 Shares of its Common Stock |) |
| Pursuant to the Employee Stock Purchase Plan |) |
| <hr/> | |

Docket UG-001244

Eighth Report of
Security Transactions

This Report is filed pursuant to the Commission's Order Establishing Compliance with RCW 80.08.040 in Docket UG-001244 dated August 30, 2000, in which the Commission determined that the Company had complied with the requirements of RCW 80.08.040 in connection with the issuance and sale of 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 UG-061700, which authorized the issuance of an additional 200,000 shares under the Plan. No shares were issued under Docket UG-061700 in 2007.

As previously reported, the Company made its seventh offering to its employees under the terms and conditions set forth in the Plan. During 2007, the Company completed an offering to its employees that was made during the period November 1, 2006 through November 30, 2006 (the 2006 Offering) and made a new offering under the Plan during the period November 1, 2007 through November 30, 2007 (the 2007 Offering). Certain administrative terms of the Plan were amended in 2003. The 2006 and 2007 offerings were made at a price determined to be 85% (to the next full penny) of the closing price quoted for the Common Stock on the New York Stock Exchange on the business day before the initial date of the offering.

During the 2006 Offering, the Company offered to its employees not to exceed 244,338 shares of its Common Stock, at a price of \$35.17 per share. The Company received subscriptions for 23,303 shares, of which subscriptions for 1,930 shares were cancelled. During the 2007 Offering, the Company offered to its employees not to exceed 222,883 shares of its Common Stock, at a price of \$40.95 per share. The Company received subscriptions for 23,213 shares, of which 0 shares were cancelled as of December 31, 2007. Payroll deductions taken by the Company in payment of the subscribed shares are held on behalf of the employee until the shares are to be purchased on the purchase date in December 2008. The Company held a credit balance at December 31, 2007 of \$0 in its Account 89050 212001, Installments Received on Capital Stock, because the payment period for the shares began on January 1, 2008.

Pursuant to the Commission's authorization in this Docket UG-001244, at December 31, 2007, the Company had received from the eight offerings subscriptions totaling 213,359 shares, cancellations totaling 13,179 shares of such subscribed shares and cash in the amount of \$4,596,284.51 in full payment for 176,967 of shares, and had issued certificates or authorized book-entry positions for the 176,967 shares to the respective employee purchasers as follows:

| <u>Offering Period</u> | <u>Price</u> | <u>Shares Subscribed</u> | | | <u>Shares Issued</u> | | <u>Balance Subscribed</u> |
|------------------------|--------------|--------------------------|-----------------|---------------|----------------------|----------------|---------------------------|
| | | <u>Initial</u> | <u>Canceled</u> | <u>Total</u> | <u>Number</u> | <u>Amount</u> | |
| 10/2/00 – 10/31/00 | \$19.50 | 562 | 0 | 562 | 562 | \$ 10,959.00 | 0 |
| 10/1/01 – 10/31/01 | \$19.90 | 45,553 | 707 | 44,846 | 44,846 | 892,435.40 | 0 |
| 10/1/02 – 10/31/02 | \$24.90 | 23,508 | 3,156 | 20,352 | 20,352 | 506,764.80 | 0 |
| 11/3/03 – 12/3/03 | \$24.70 | 31,150 | 3,609 | 27,541 | 27,541 | 680,262.70 | 0 |
| 11/1/04 – 12/1/04 | \$26.90 | 32,382 | 1,486 | 30,896 | 30,896 | 831,102.40 | 0 |
| 11/1/05 – 12/1/05 | \$29.40 | 33,688 | 2,291 | 31,397 | 31,397 | 923,071.80 | 0 |
| 11/1/06 – 11/30/06 | \$35.17 | 23,303 | 1,930 | 21,373 | 21,373 | 751,688.41 | 0 |
| 11/1/07 – 11/30/07 | \$40.95 | <u>23,213</u> | <u>0</u> | <u>23,213</u> | <u>0</u> | <u>0</u> | <u>23,213</u> |
| Total | | 213,359 | 13,179 | 200,180 | 176,967 | \$4,596,284.51 | 23,213 |

The cash proceeds of \$4,596,284.51 received from the sale of said 176,967 shares of Common Stock authorized in this Docket UG-001244 were applied toward the Company's construction program for the construction, completion, extension or improvement of its facilities (Utility Plant in Service) as will be further detailed in the Company's Annual Report to the Commission for the year 2007 to be filed in due course, as follows:

| | |
|-------|-------------------|
| 2000 | \$ 10,959.00 |
| 2001 | 892,435.40 |
| 2002 | 506,764.80 |
| 2003 | 680,262.70 |
| 2004 | 831,102.40 |
| 2005 | 923,071.80 |
| 2006 | <u>751,688.41</u> |
| Total | \$4,596,284.51 |

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


| | <u>Estimated</u> | <u>Actual Amount 2007</u> | <u>Accumulative Total</u> |
|--|---------------------------------|-----------------------------------|-------------------------------|
| Par Value of Common Stock Issues ² | \$ 633,332 | \$751,689 | \$2,068,052 |
| Plus Premium | <u>3,276,668</u> | <u>0</u> | <u>2,528,233</u> |
| Gross Proceeds | <u>\$3,910,000</u> ¹ | <u>\$751,689</u> | <u>\$4,596,285</u> |
| Registration Fee | | | |
| Securities and Exchange Commission | 1,260 | - | 1,224 |
| Fees of State Regulatory Authorities | None | | |
| Oregon Public Utility Commission | | - | - |
| Washington Utilities and Transportation Commission | | - | - |
| Printing and Engraving Expenses | 7,500 | 920 | 920 |
| Other | | - | - |
| Counsel Fees | 15,000 | | |
| Thelen Reid & Priest LLP | | - | 17,626 |
| Stoel Rives LLP | | - | 21,296 |
| Accountants' Fees | 10,000 | | |
| PricewaterhouseCoopers LLP | | - | - |
| Miscellaneous Expense | 6,240 | | |
| Postage, etc. | | 365 | 1,693 |
| Other | - | - | - |
| Total Deductions | <u>40,000</u> | <u>1,285</u> | <u>42,759</u> |
| Net Amount Realized | <u>\$3,870,000</u> | <u>\$750,404</u> | <u>\$4,553,526</u> |

¹ Based on 85 percent of the estimated market value of \$23.00 per share.

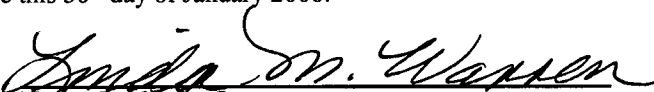
² Par Value eliminated in May 2006

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

(SEAL)


 Richelle T. Luther
 Secretary of Northwest Natural Gas Company

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


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

